



TŘINECKÉ ŽELEZÁRNY

**CORPORATE
SOCIAL
RESPONSIBILITY
REPORT 2022**



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01

INTRODUCTORY
WORD

Dear friends,

We would like to present to you Corporate Social Responsibility Report of Třinecké železářny for the year 2022. This publication is a summary of the key activities of our company in all areas of sustainable business: environmental protection, social area and economic management. Sustainable business is coming into the spotlight and is not only an important social and economic topic.

Třinecké železářny has been dealing with the issue of sustainability in all key aspects of business for a long time.

Whether it is climate protection, clean air, natural wealth, biodiversity development, employee care, relationship with the local community and transparent business.

Sustainable business is an integral part of our corporate strategy. We emphasize the greening of production and reducing the energy consumption of production aggregates. There is nothing new in metallurgical production or the issue of recycling.

We firmly believe that this report will be an important source of information and inspiration for

you. Through this document, you will get your hands on a varied range of activities in the field of social responsibility.

Metallurgy inherently belongs to this region, where craft and the honest work associated with it have their deep roots. Despite the adverse surrounding effects, our company has always managed to find a way and maintain its position in the region, the Czech Republic, on European and world markets.

Třinecké železářny have also always represented a guarantee of quality, responsible business and stability for many genera-

tions who left a piece of their lives in them. This is also why we try to contribute to further local development through our activities and represent our position with the motto: "Together for the Generations to Come."



Jan Czudek

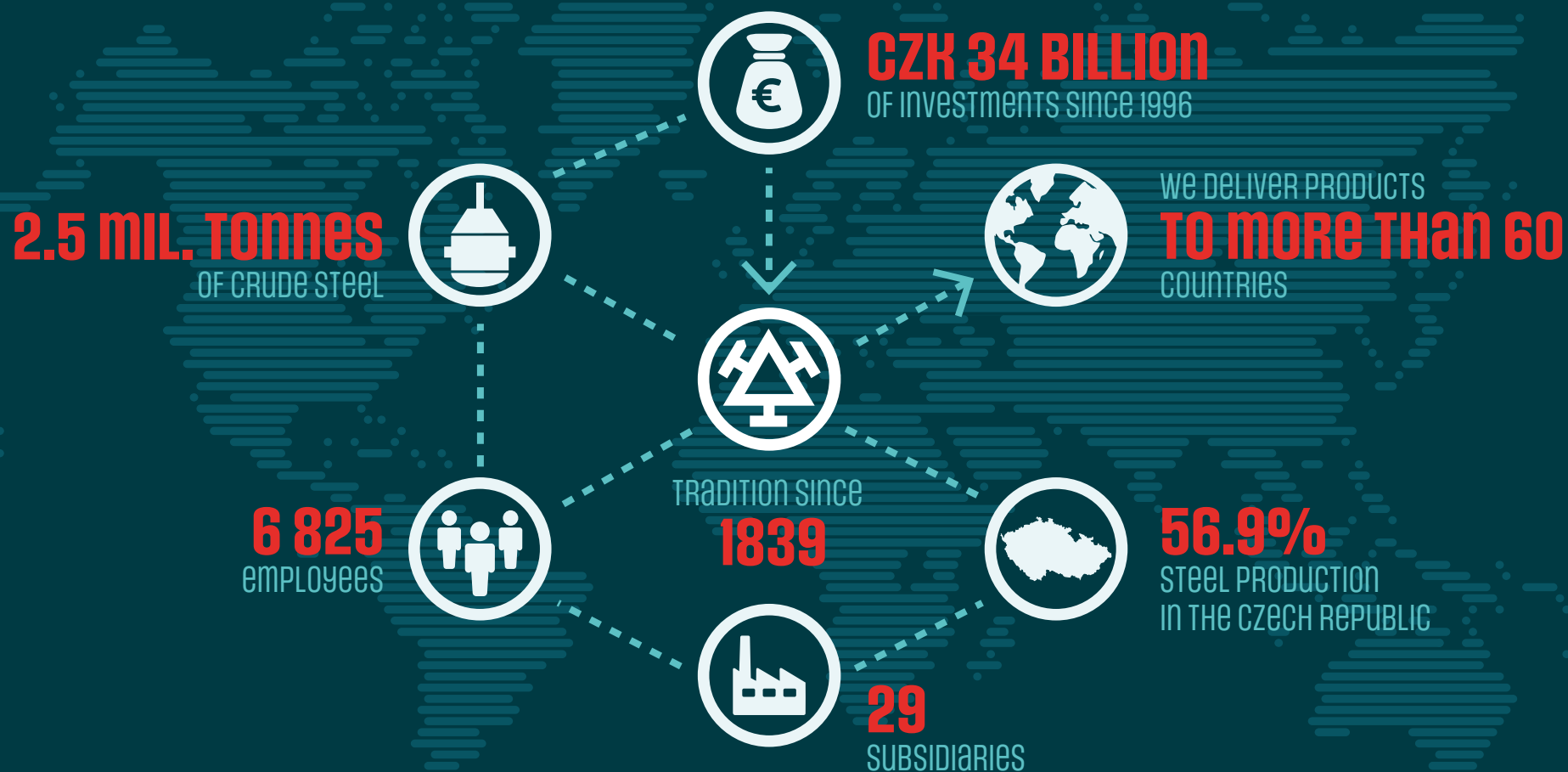
Chairman of the Board
of Directors



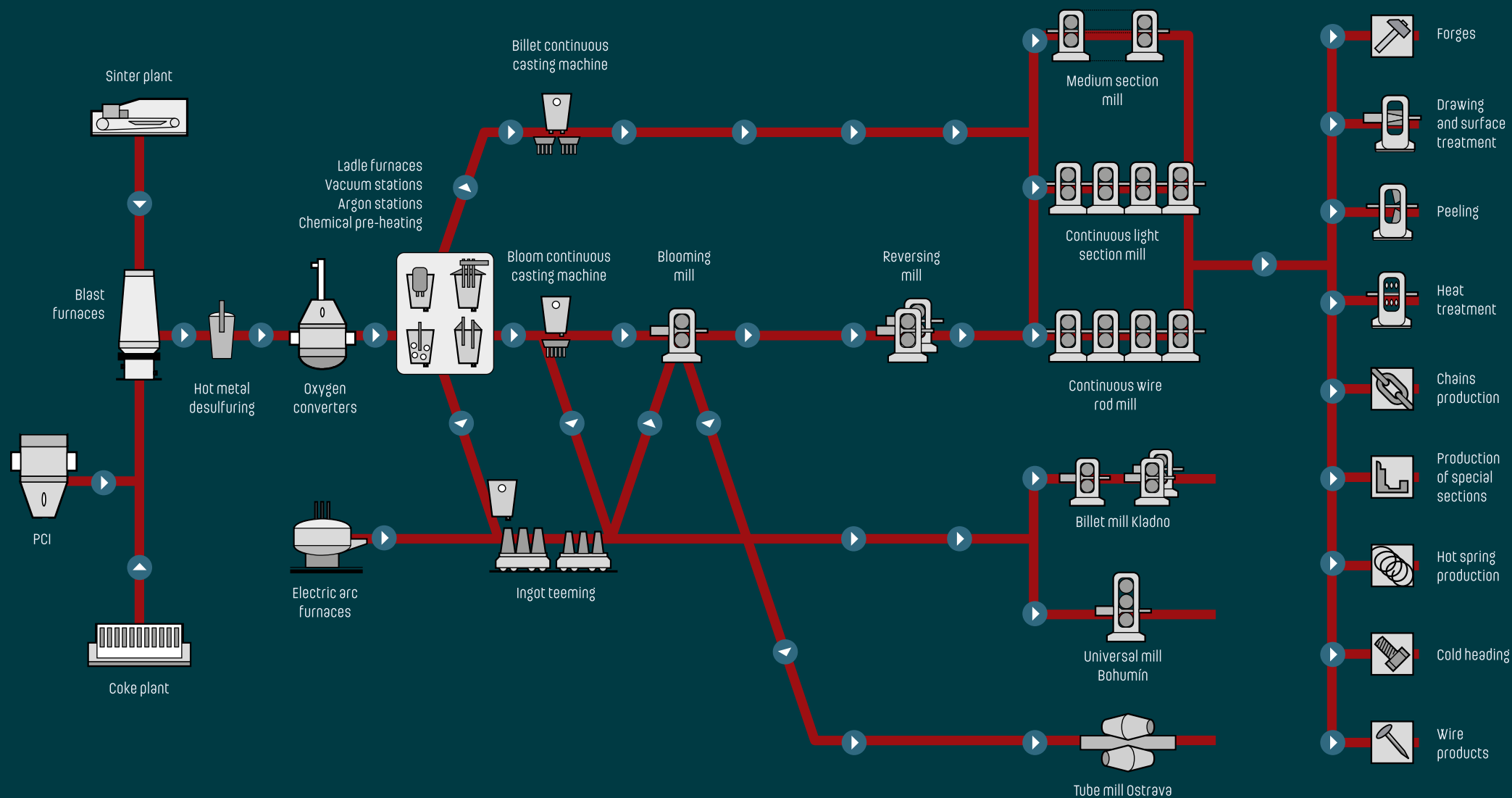
Česlav Marek

1st Vice-Chairman of the Board
of Directors

02

INTRODUCTION
OF THE COMPANY

MATERIAL FLOWS AND TECHNOLOGIES

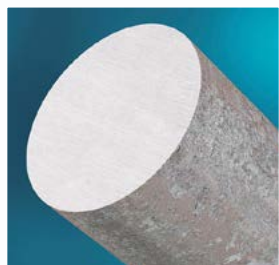


**THE SIGNIFICANT SUBSIDIARIES
OF TŘINECKÉ ŽELEZÁRNY THAT
BELONG TO OUR PRODUCT
CHAINS:**

Strojírny a stavby Třinec, a. s.
Slévárny Třinec, a. s.
ENERGETIKA TŘINEC, a. s.
Řetězárna a. s.
REFRASIL, s. r. o.
VÚHŽ a. s.
Šroubárna Kyjov, spol. s r. o.
HŽP a.s.
METALURGIA S.A.
"D&D" Drótaru Zrt.
ŽDB DRÁTOVNA a. s.
IMOPRA s. r. o.
BOHEMIA RINGS s. r. o.
ENEZA, s. r. o.
VESUVIUS ČESKÁ REPUBLIKA, a. s.



MAIN PRODUCT OF TŘINECKÉ ŽELEZÁRNY



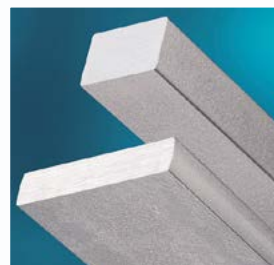
continuously cast semis



blooms



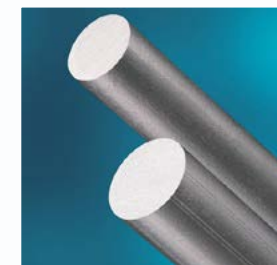
slabs



flat steel



squares



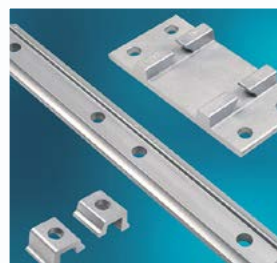
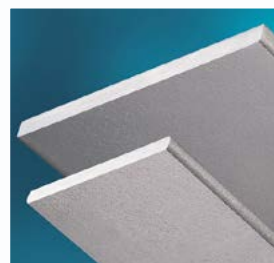
round steel in coils and bars



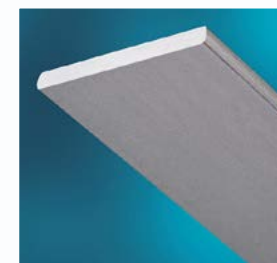
billets



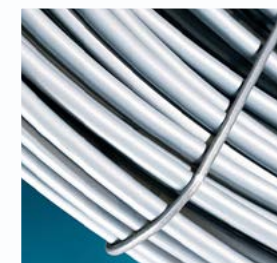
railway rails

railway superstructure
accessories

wide steel



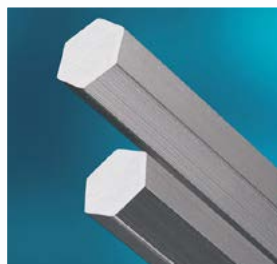
spring steel



steel bars



seamless tubes



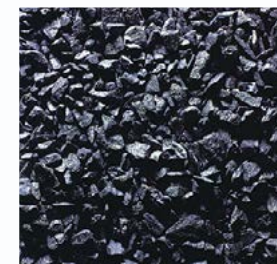
hexagonal steel



angles



drawn square steel

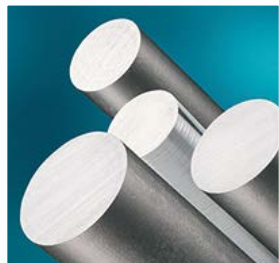


artificial aggregate



coke-chemical products

EXAMPLES OF FINAL PRODUCTS FROM OUR PRODUCT CHAINS



SBQ



peeled bars



fasteners



socked wrench



tongue groove pliers



barbed wire



chains



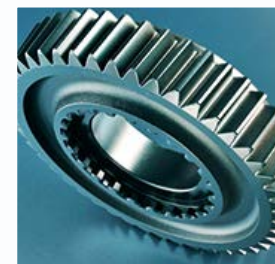
tongue rails



bearings



flanges



cogwheels



freecutting steel workpiece



ropes



springs



refractory



forgings



cableway ropes



leaf spring for trucks

03

OUR SCOPE
OF BUSINESS

**TŘINECKÉ ŽELEZÁRNY
INVESTED CZK 1,874 MILLION.**



We apply the principles of socially responsible behaviour in the three areas – economic, social and environmental.

The business plan is enclosed to technical development pro-

jects plan. We have focused our investments on modernization, environmental, project resulting from the conclusions of integrated permits, cost reduction actions and investments in the renewal of existing production facilities.

IN 2022 THE MOST SIGNIFICANT WERE:

- ▶ **New peeling line**
- ▶ **Modernization of slag mill**
- ▶ **Modernization of hot blast stove No. 62**
- ▶ **Two photovoltaic power plants**

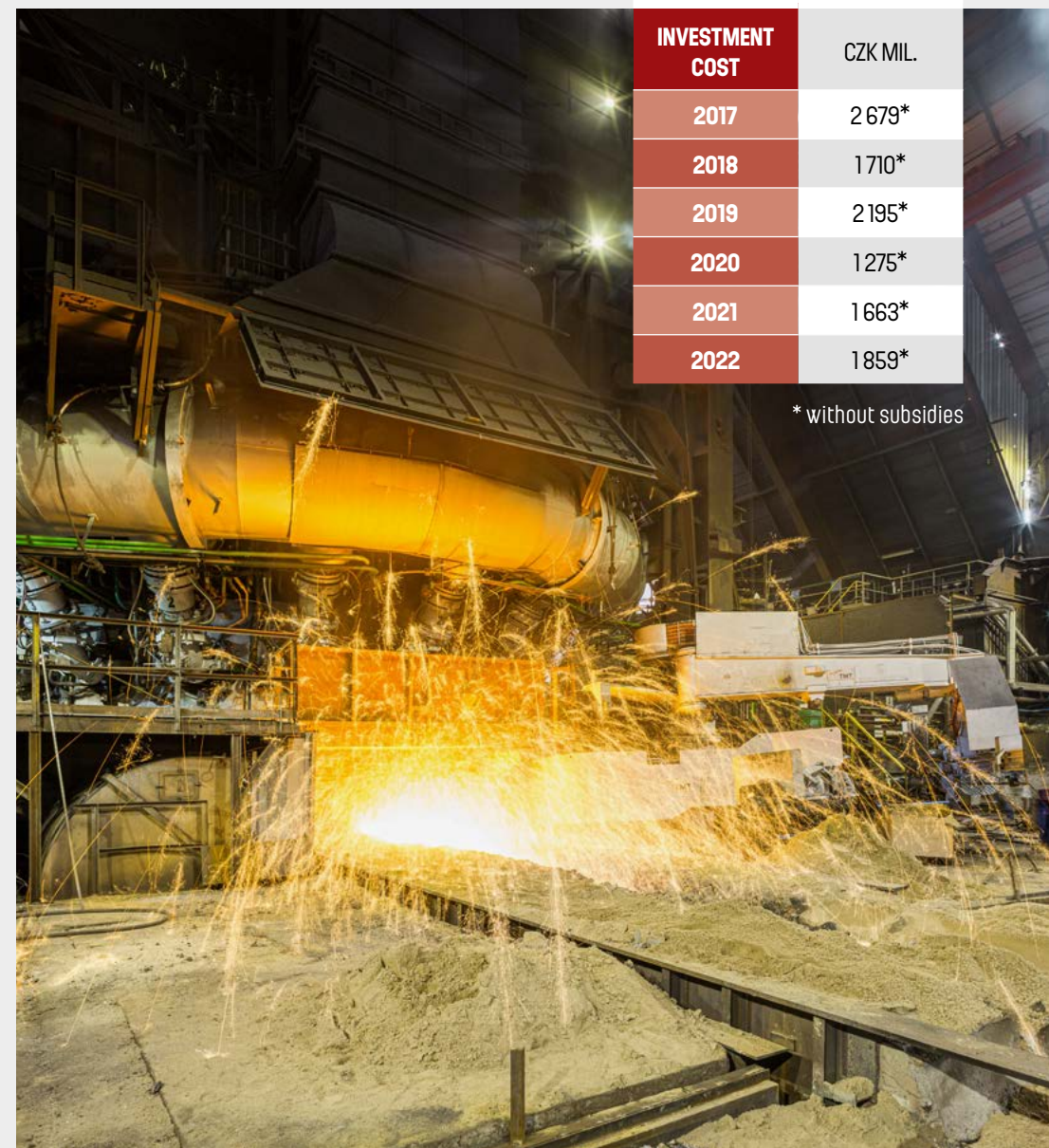
The strategic objectives of Třinecké železářny includes the technological development of the company, which is closely related to meeting the demanding requirements of customers. In practice, this means that the company ensures the required quality parameters of semi-finished products by strictly following technological procedures throughout the entire production process.

An important factor that increases the added value of final products is the validation, integration, and implementation of modern technologies that significantly reduce production and processing costs or the environmental burden. Thanks to that, Třinecké železářny ranks to the top steel making company in Central Europe.

Due to the development of technology and research, we can increase the quality level of our production

base, introduce progressive technologies and new products so that they are:

- ▶ Fulfill current as well as future quality of delivery requirements of the customers,
- ▶ Efficient use of raw materials, materials and energy, reducing their consumption with an expected positive impact on greenhouse gas production in the context of climate protection,
- ▶ Reduce the volumes of waste generated and the same time increase the share of their subsequent recovery in accordance with the principles of circular economy,
- ▶ Reduce the total production of environmental impacts to health and lives of people, environment and the property,
- ▶ Minimize the impacts of the serious accidents to health and lives of people, environment, property and business results.



INVESTMENT COST	CZK MIL.
2017	2 679*
2018	1 710*
2019	2 195*
2020	1 275*
2021	1 663*
2022	1 859*

* without subsidies

ESG – WE COMMITTED TO SOCIAL SUSTAINABLE DEVELOPMENT

PHENOMENON CALLED ESG INCLUDES THREE PARTS: **ENVIRONMENT, SOCIAL AND GOVERNANCE.**

ESG

ENVIRONMENT – environmental criterion, where we rank all of the company's activities in caring for the environment and its considerate and sustainable approach to investment.

SOCIAL – social area, which is based on the company's principles of behaviour towards employees, suppliers and other stakeholders. This includes the company's activities to promote the health, rights, safety and working conditions of its employees.

GOVERNANCE – responsible corporate governance. This criterion includes the company's management structure and its diversity, respect for rights, information transparency, independence in decision-making combined with managerial skills.

THROUGH ITS RESPONSIBLE BEHAVIOUR AND ACTIVITIES, **TŘINECKÉ ŽELEZÁRNY** HAS LONG INCORPORATED ESG PRINCIPLES INTO ITS VISION AND STRATEGIES. THE BIGGEST ESG CHALLENGE FOR STEEL COMPANIES IS TO COMPLY WITH THE GREEN DEAL FOR EUROPE AND TO ACTIVELY MOVE TOWARDS CARBON NEUTRALITY WITH THEIR INVESTMENT APPROACH.

SWOT ANALYSIS – IDENTIFICATION OF CSR RISKS WITH STAKEHOLDERS

STRENGTHS

- ▶ Access to CSR information on www.trz.cz.
- ▶ Obtaining "silver medals" in the evaluation of CSR level in TŽ, a.s. by EcoVadis.
- ▶ Implementation of "whistleblowing" system for stakeholders based on legislation of Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of people, who reporting violations of EU law.
- ▶ Investments in ecological projects.
- ▶ Transmission of the requirements of the document Principles of the business company TŘINECKÉ ŽELEZÁRNY-MORAVIA STEEL (Code of Conduct for Suppliers) through Quality assurance agreements for suppliers.
- ▶ Audits at suppliers.
- ▶ Emphasis on EMS certification according to ČSN EN ISO 14001 for stakeholders.
- ▶ On-line CSR training from educational events suppliers.
- ▶ EMAS system implemented and certified pursuant to Regulation (EC) No 1221/2009 of the European Parliament and of the Council in public administration (Regional Council Office of Moravian-Silesian Region).
- ▶ Guaranteeing respect for ethical principles, social responsibility, human rights and employee protection for stakeholders.
- ▶ Implementation of online external audits to reduce carbon footprint.

OPPORTUNITIES

- ▶ Development of the IT sector for the CSR development at suppliers.
- ▶ Increasing the image in term of CSR and the entire supply chain.
- ▶ Development of the project "Carbon neutrality".
- ▶ Expanding CSR awareness among suppliers through CSR training.
- ▶ Evaluation of the CSR level among suppliers via a self-assessment questionnaire (Self-Assessment).
- ▶ Development of CSR at suppliers through external audits.
- ▶ Product transparency via EPD (Environmental Product Declaration).

WEAKNESSES

- ▶ Insufficient capacity of the IT sector for CSR development at suppliers (e-learning, portals).
- ▶ Reduced flexibility in decision-making and dealing with emergencies by state administration authorities.
- ▶ Lack of obligation to apply CSR in the management system of all organizations.

THREATS

- ▶ Low awareness of CSR among new suppliers.
- ▶ Reduced level of CSR evaluation of Třinecké železářny, a. s. due to the ignorance of the company by external evaluation companies (EcoVadis, NQC Ltd...).
- ▶ Energy crisis – brake in the "Green Deal" (Green Agreement for Europe) and on the path to "Carbon Neutrality".

04

ENVIRONMENTAL
PROTECTION

THE CARBON FOOTPRINT OF OUR PRODUCTION IS APPROXIMATELY 2.3 T CO₂/TONNE OF STEEL, WHICH IS BELOW AVERAGE FOR IRON AND STEEL PRODUCTION USING THE TRADITIONAL ORE ROUTE.

CLIMATE PROTECTION

At Třinecké železářny, great attention is paid to the impact on climate change and the search and implementation of measures to reduce or capture greenhouse gases. This effort to reduce greenhouse gas emissions is part of TŽ's policy.

Since 2016, Třinecké železářny has implemented an energy management system according to EN ISO 50001. The achieved energy saving for the period 2016–2022 represents a saving in CO₂ emissions in the amount of 172,116 tonnes of CO₂.

Other measures to reduce greenhouse gas emissions include, for example, the annual planting of new greenery and the maintenance of extensive existing greenery, in which approximately 100,000 tonnes of CO₂ are bound in the long term. Environmental investments also focus on the construction of photovoltaic sources of renewable electricity. The operation of the company's administrative buildings, i.e. their lighting, air conditioning and other electricity consumption, is already ensured by energy from renewable sources.

At the same time, an ambitious strategic goal was set to reduce CO₂ emissions by 35% by 2030 compared to 2020, i.e. to reduce direct CO₂ emissions below the threshold of 1.85 million tonnes, which requires a challenging project of transformation of steel production technology.

Our steel products also contribute to meeting the European Union's climate targets, as they are 100% recyclable and fulfil the principles of environmental sustainability and play a vital role in rail transport, wind and hydropower plants and components for the ecological automotive industry.



PROCLAMATION OF TŘINECKÉ ŽELEZÁRNY TO CARBON NEUTRALITY

We see the danger of climate change and its consequences. We intend to gradually reduce our carbon footprint and continue to take a responsible approach to environmental.

Our steel production has undergone significant changes thanks to investments in the latest technologies and is one of the most environmentally friendly in Europe. All production facilities meet BAT requirements, without any exceptions, and we meet strict environmental limits in air, water, and soil protection every year. We strive for maximum recycling and recovery of by-products and waste generated in our production processes.

Currently, there is no known commercially viable technology for producing steel without a carbon footprint. We are fully aware of this and we are therefore developing innovative projects to reduce it. At the same time, we implement partial actions to compensate for the occurrence of the carbon dioxide emitted.

We are constantly innovating our products to direct steel products from our production lines as far as possible into industries that contribute to reducing our carbon footprint.

94% of our production is sold on European markets, helping to reduce the carbon footprint of transport.

TŘINECKÉ ŽELEZÁRNY INTENSIVELY WORKS ON CARBON FOOTPRINT REDUCTION.

On the road to carbon neutrality, our
progressive goal is to reduce CO₂ emissions

by 55%
by 2030 compared to 1990.



AIR PROTECTION

Compared to 2021, there was a slight year-on-year drop in nitrogen oxides, sulphur oxides, and carbon monoxide. This drop corresponds to the year-on-year decrease in the total volume of sinter production.

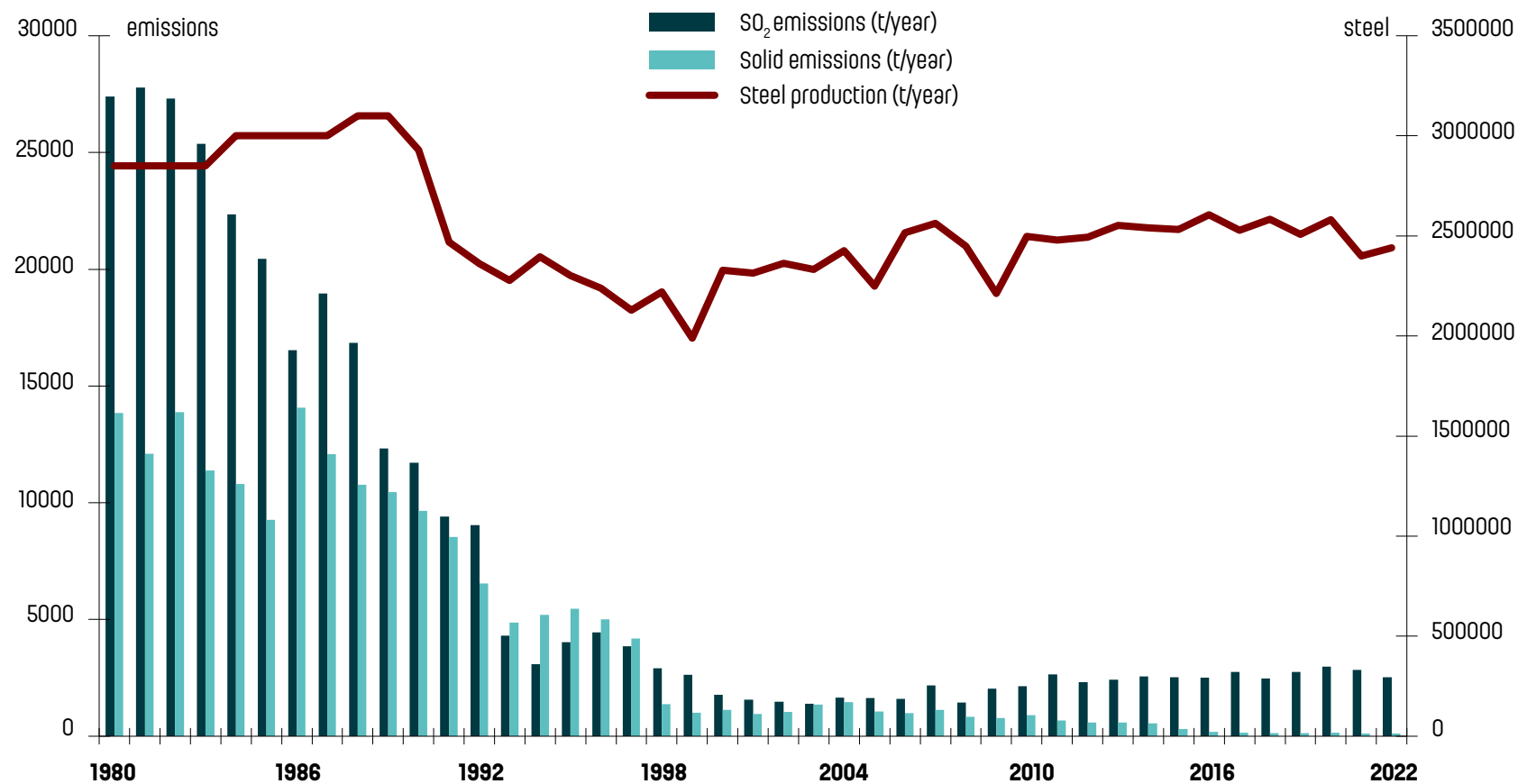
GHG emissions in the year of 2022 amounted to 2 488 863 tonne of carbon dioxide for Třinecké železářny in Třinec and 43 475 tonne of carbon dioxide for Billet Mill Plant in Kladno. The total greenhouse gas emissions from Třinecké železářny for 2022 are 2,532,338 tonnes of carbon dioxide, which represents a year-on-year decrease of about 1.7% caused by lower year-on-year of sinter production.

Emissions in 2022 compared to 2021 ►



YEAR	Solid pollutants (t/year)	Sulphur dioxide (t/year)	Nitrogen oxides (t/year)	Carbon monoxide (t/year)	Carbon dioxide (t/year)
2021	118	2 842	1 842	67 393	2 576 490
2022	119	2 525	1 482	60 961	2 532 338

AIR PROTECTION – LONG TERM DEVELOPMENT





Emissions per unit of production in 2022 compared to 2021 ▼

YEAR	Solid pollutants (kg/t of steel/year)	Sulphur dioxide (kg/t of steel/year)	Nitrogen oxides (kg/t of steel/year)	Carbon monoxide (kg/t of steel/year)	Carbon dioxide (t/t of steel/year)
2021	0.05	1.18	0.76	28.07	1.07
2022	0.05	1.04	0.61	24.98	1.04

WATER PROTECTION

The amount of waste industrial water discharged into the Olše watercourse and its quality shows a slight decrease in 2022 compared to 2021. In the long term, however, the state of water management in Třinecké železářny has stabilized. The level of wastewater pollution reaches a sustainable level with regard to meeting the permitted pollution limits.

There was a slight decrease in waste water production per tonne of steel produced. In 2021 waste water production was 1.54 m³/t and in 2022 it was 1.36 m³/t.

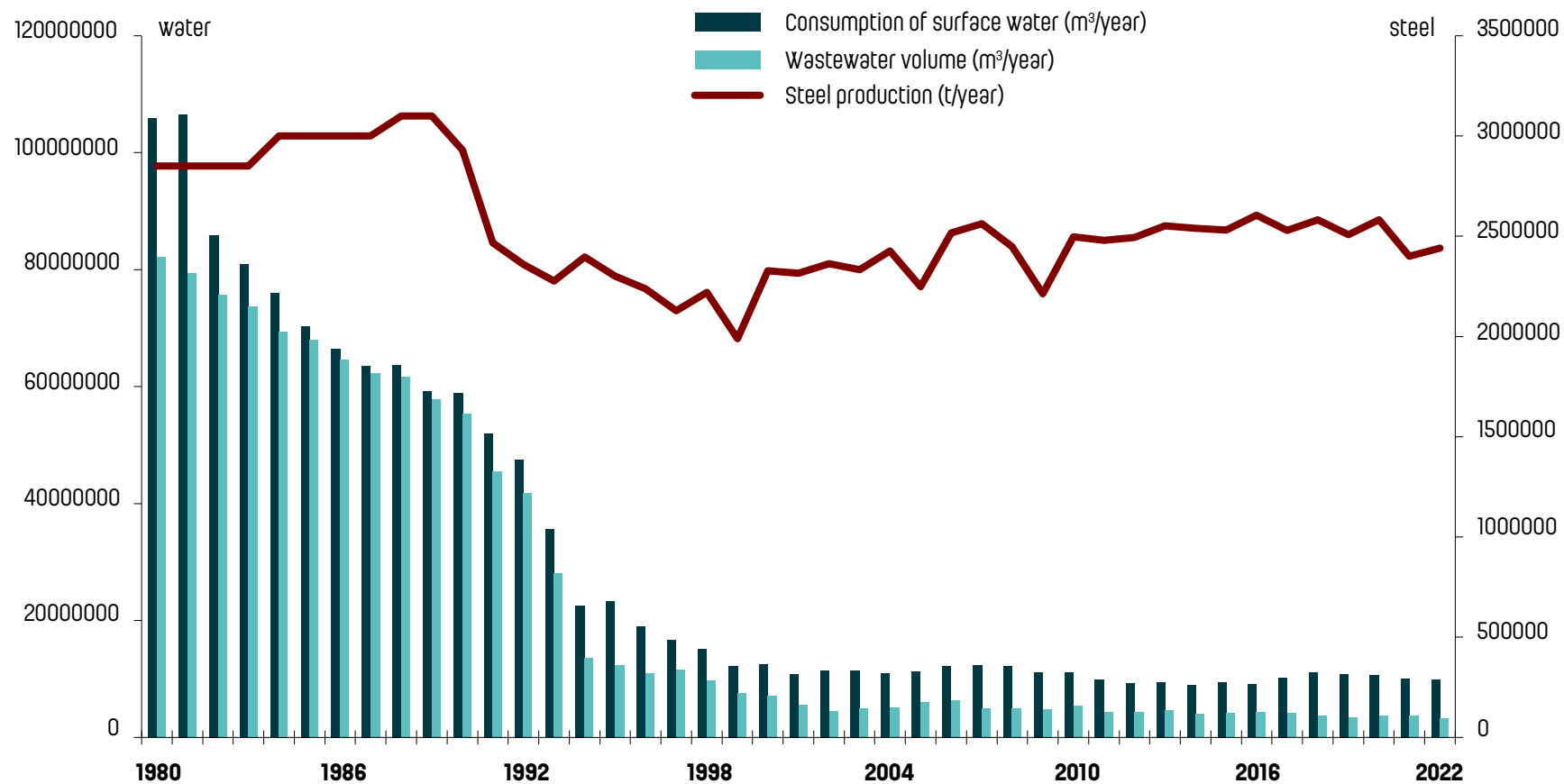
During 2022 year, TŽ did not cause any extraordinary situation that would result in a deterioration or threat to the quality of underground or surface water.

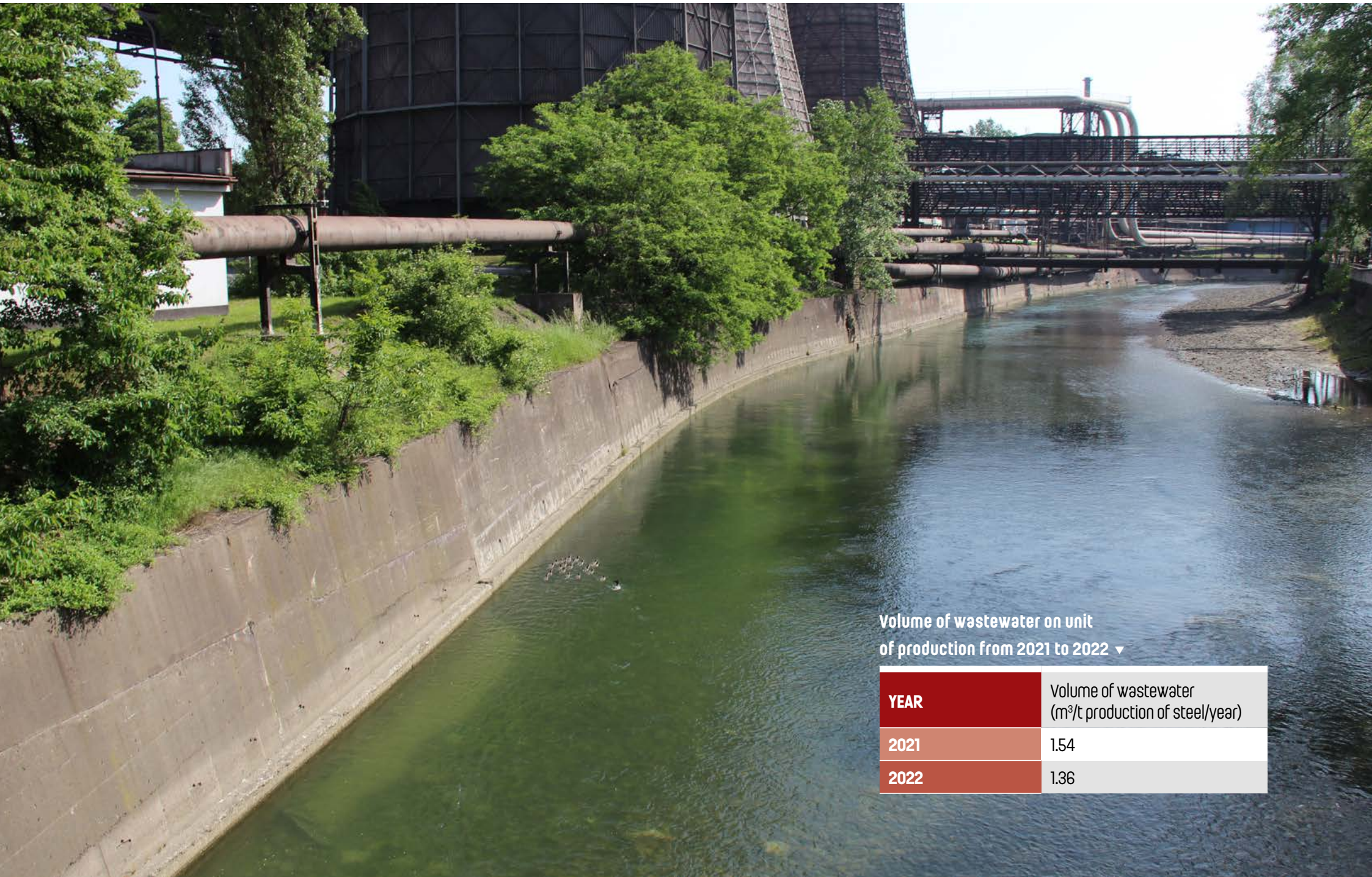
Pollution discharged into water flows from 2022 to 2021 ▼

YEAR	Volume of wastewater [m ³ /year]	Undissolved substance [t/year]	C10 – C40 Hydrocarbons [t/year]	Dissolved inorganic salts [t/year]	Chemical oxygen consumption using dichromatic method [t/year]	Total iron [t/year]
2021	3 693 491	27.5	0.19	2 089	62.5	3.0
2022	3 311 703	25.6	0.11	1 864	44.7	3.0

Note.: refer to the TŽ area in Třinec

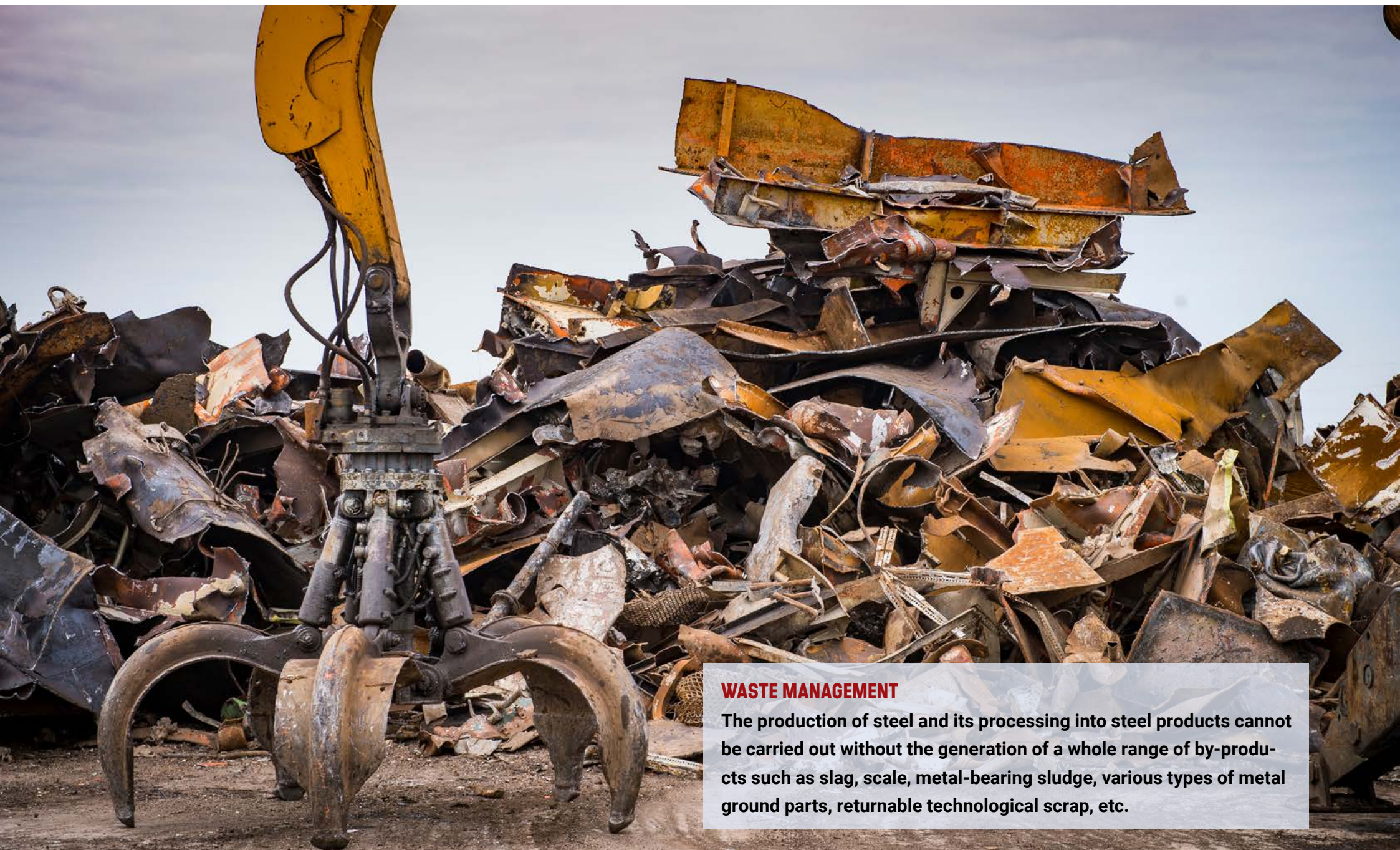
WATER PROTECTION – LONG TERM DEVELOPMENT





Volume of wastewater on unit
of production from 2021 to 2022 ▼

YEAR	Volume of wastewater (m ³ /t production of steel/year)
2021	1.54
2022	1.36



WASTE MANAGEMENT

The production of steel and its processing into steel products cannot be carried out without the generation of a whole range of by-products such as slag, scale, metal-bearing sludge, various types of metal ground parts, returnable technological scrap, etc.

In accordance with the principles of the circular economy, TŽ strives to use these by-products as much as possible back in metallurgical production or to process them in the form of certified goods, such as artificial dense aggregate, which in many cases fully replaces natural aggregate

Only those by-products that cannot be reused or processed in TŽ are handed over as waste to other contractual customers for use or disposal. When selecting waste customers, TŽ places emphasis on the hierarchy of waste management priorities, where priority is given to customers who can use the accepted waste in a meaningful way. In the last place is the removal of waste by landfilling.

SPECIFICALLY, 39,395 TONNES OF "OTHER" WASTE AND 15,034 TONNES OF "HAZARDOUS" WASTE WERE GENERATED IN TŽ IN THE EVALUATED YEAR.

Taking into account the above, a total of 54,429 tonnes of waste was generated in TŽ in 2022, which is 17,165 tonnes less compared to 2021.

The main contribution to this decrease is the lower production of waste in the "Other" category compared to the previous year, namely waste from slag, linings and refractory materials from metallurgical and non-metallurgical processes. The smaller occurrence of the mentioned waste is related to the successful effort for their greater use back in metallurgical production and to a higher proportion of their evaluation in the form of certified statements. The production of hazardous waste remained approximately at the level of 2021.



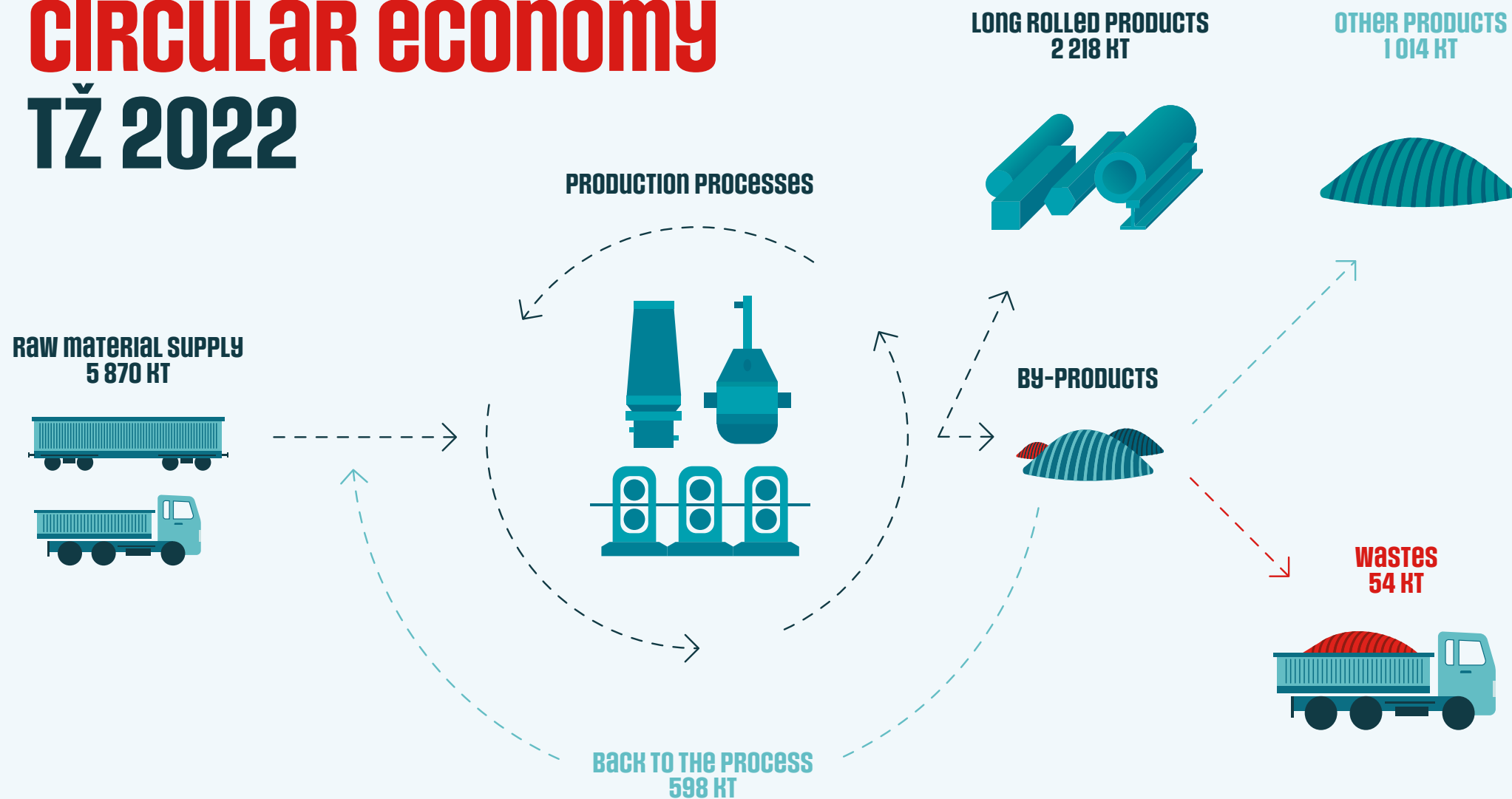
THE INDICATOR OF THE AMOUNT OF WASTE PER TONNE OF STEEL PRODUCED IN 2022 WAS 22.3 KG/TONNE OF STEEL

**I.E. DECREASE
OF 25 %
compared to 2021**

The above-mentioned data are evaluated as a positive trend in the production of TŽ waste.

CIRCULAR economy

TŽ 2022





Volume of waste in 2022 compared to 2021 ▼

YEAR	Steel production [t/year]	Production of waste category "Other" [t/year]	Production of waste category "Hazardous" [t/year]
2021	2 399 872	56 735	14 859
2022	2 440 214	39 395	15 034

Waste production per unit of production for 2022 compared to 2021 ▼

YEAR	Steel production [t/year]	Waste production per tonne of produced steel	
		category "Other" [t/year]	category "Hazardous" [t/year]
2021	2 399 872	0.024	0.006
2022	2 440 214	0.016	0.006

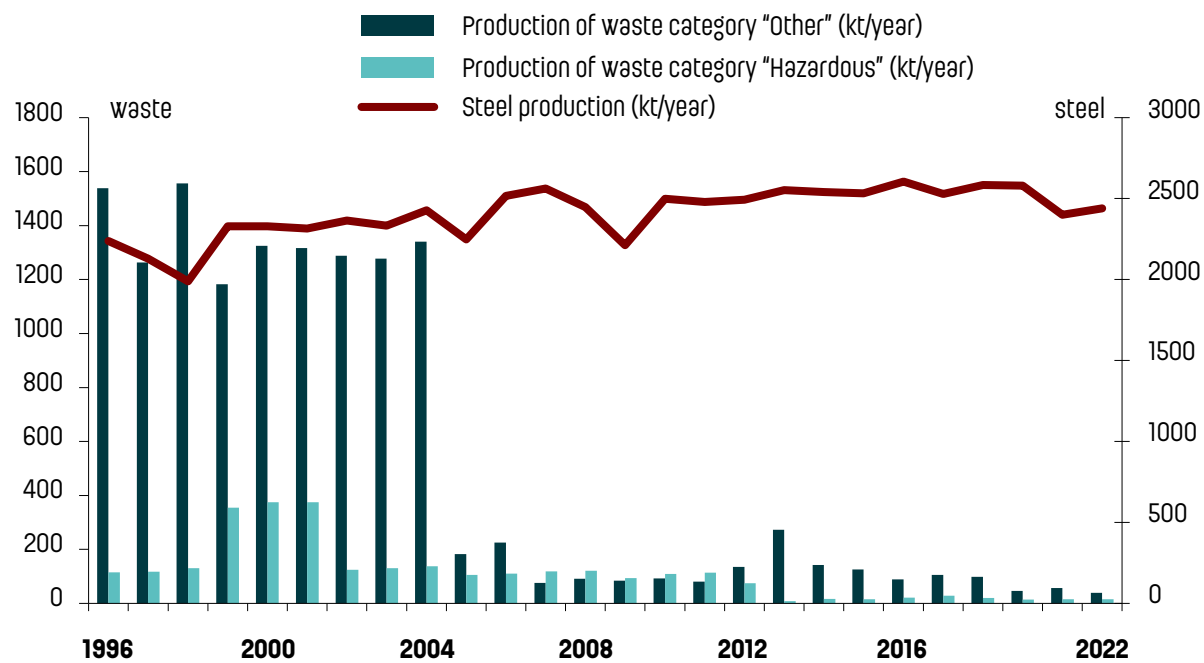


**EVERY YEAR, WE SUPPLY THE CEMENT FACTORIES WITH
600 000 TONNES OF GRANULATED BLAST FURNACE SLAG.**

**THIS SAVES MORE THAN
500 000 TONNES OF CO₂ ANNUALLY**

From a circular economy perspective, of the total amount of by-products generated in 2022 as an integral part of production, 57% were processed into products, 35% were used in the production process, approx. 6% stored for further loading and only 2% were disposed of as waste.

WASTE MANAGEMENT – LONG TERM DEVELOPMENT





Packaging put on the market in 2022 compared 2021 ▼

YEAR	Material of package (t/year)				
	Metal Fe	Plastic	Wood	Others	Total
2021	3 275	32	7 282	197	10 786
2022	3 083	34	6 950	178	10 245

PACKAGING

The production of packaging is due to the need to package our products before their dispatch. For this reason, TŽ falls under the scope of the Packaging Act and must ensure the return and use of packaging waste.

Fulfilment of this obligation is ensured by participation in the system of joint fulfilment of the obligations of return collection and utilization of packaging waste, which is provided by the authorized packaging company EKO-KOM, a.s.

The amount of packaging that Třinecké železářny uses to package its products is constantly dependent on the range of products sold, customer requirements and sales volume.

Compared to the previous year, there was a positive decrease in the total production of TŽ packaging by approx. 5%. In general, the year 2022 can be evaluated as comparable to previous years in terms of the amount and range of packaging used.



CARE FOR NATURE AND LANDSCAPE

TŽ spends a considerable amount of money each year on maintaining, developing and planting green areas on its premises and in the surrounding area. The aim is also to support the development of biodiversity in the long term.

On the reclaimed part of the Neboranka landfill, an avenue of 16 fruit trees was planted with the help of students from SOŠ TŽ. Their flowers and fruits will serve as food for wild animals. Other new greenery was planted at the company's headquarters, the main gate of TŽ and other places on the TŽ campus.



In 2022, TŽ also financially supported the planting of forest greenery in the Beskydy PLA with the amount of CZK 50,000. For this amount, approximately two thousand new deciduous trees were planted in Tyra at the foot of the Kalužný peak by the ČSOP Salamander organization. Missing tree species of valuable genetic origin from the Beskydy were planted. TŽ employees

helped with the planting as part of a volunteer day.

To mark Earth Day in April, students from the Secondary Vocational School in Třinecké železářny cleaned the banks of the Olše River, which runs through the company's premises for about 6 km. A total of 1.26 tonnes of rubbish was collected.

In 2022, in cooperation with the TŽ Fire and Rescue Service, all the nesting boxes for various bird species on the company premises were cleaned in order to contribute to their reproduction in 2023.

OLD ENVIRONMENTAL BURDENS

Remediation work on contaminated sites on the TŽ site has been ongoing since 2003. In accordance with the terms of the guarantee from the so-called ecological contract No.



185/97, as amended, concluded with the Ministry of Finance of the Czech Republic, the last one site of the total number of 24 remediation objects of the "Třinec-TŽ-Remediation" project remains to be completed. The remediation will be completed in 2023. New facts, or contaminated areas discovered during remediation are dealt with by separate contracts fully covered by the above guarantee. This concerns the residual contamination of groundwater on the

left bank of the Olše River along Závodní Street, the intensification of hydraulic remediation of groundwater at the operation of Rolling Mill and the rehabilitation and treatment of the bottom of the piped Líštnice stream, including the mouth of the Olše River. Remediation on the banks of the Olše River and at the operation of Rolling Mill will be actively carried out as early as 2023. The rehabilitation of the Líštnice stream is currently in the preparation phase.

MANAGEMENT OF CHEMICAL SUBSTANCES AND MIXTURES, REACH

As a manufacturer of steel and related substances, we are obliged to comply with the obligations set out in Regulations (EC) No 1907/2006 of the council on the Registration, Evaluation, Authorization and Restriction of Chemical (REACH) and Regulation (EC) No 1272/2008 on Classification, Labelling and Packaging of Substances and Mixtures (CLP).

REACH's main obligation is the registration of manufactured substances, which took place in 2010. Another equally important obligation of the manufacturer is communication in the

supply chain. At the request of customers, information on substances of very high concern (SVHC), substances banned in articles, registration dossier numbers, etc. is provided by the manufacturer. The registration dossiers of registered substances are gradually updated according to the requirements of ECHA within the Framework of the membership of individual consortia.

The handling of chemicals and mixtures at TŽ's operations is monitored through regular internal controls that assess compliance with CLP, REACH and other legislation on chemical and mixtures, including occupational safety



ENERGY MANAGEMENT

The effort to continually reduce energy consumption is an integral part of the policy of TŽ, which is manifested in practice by the gradual replacement of obsolete production facilities with modern ones with lower energy intensity and maximum energy utilization of the by-products of the steelworks.

In Třinecké železářny, we have implemented and use the energy management system according to EN ISO 50001, which was subject to certification in 2016. In 2021, the second control audit of the system according to ČSN EN ISO 50001-2019 took place not only in Třinec, but also in detached workplaces (Tube Mill, Steel Drawing Mill, Billet Mill) that were extended in 2017. In 2023 control audit of this system according to the EN ISO 50001-2019 standard is ahead of us.



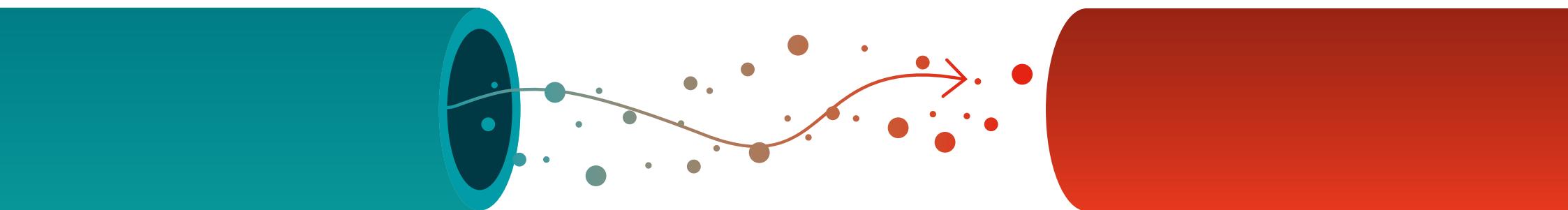
Metallurgical gases generated in the process of production of coke, pig iron and steel in 2022 were used for energy purposes in average level of 93.42%.

The specific electricity consumption in 2022 was 296.72 kWh per tonne of steel produced.

The actual technological energy intercity in 2022 amounted to 20,177.05 MJ per tonne of steel produced.

IN THE LONG TERM, WE ARE WORKING ON ENERGY CONSUMPTION DECREASE

- **WE REUSE ALL GASES FROM STEEL PRODUCTION**
- BLAST FURNACE, CONVERTER AS WELL AS COKE OVEN ONE



ENVIRONMENTAL PROJECTS

The following ecological investment projects were completed in 2022:

- **Photovoltaic systems on the steel drawing plant building**

Actual cost: CZK 6.62 million

Environmental benefit: reduction of carbon footprint by generating electricity from own renewable energy source

- **Noise control measures for the No. 1 ladle furnace**

Actual cost: CZK 1.22 million

Environmental benefit: reduction of noise pollution in and around the steelworks

The total cost of completed environmental investment actions in 2022 amounted to CZK 7.84 million.

In 2023, Třinecké železárny will continue the following environmental projects:

- **Reconstruction of fabric filter No. 3 at the sinter plant**

Environmental benefit: reduction of dust emissions from the outdoor sinter overflow at sinter plant 1. The current de-dusting of this overburden is underperforming and is causing dust to escape into the surrounding area.

- **Dedusting of the blast furnace bell-less charging**

Environmental benefit: reduction of dust emissions at both blast furnaces

- **Iron ore briquetting line**

Environmental benefit: production of cold blast furnace blast furnace charge without CO₂ emissions

- **Energy-saving measures in the process for the production of base plates**

Environmental benefit: reduction of energy consumption in the production of base plates and increased security against coolant leaks. The line is designed so that all coolant leaks are captured in a catch basin.

- **Benzol station - Heat Exchangers Phase II**

Environmental benefit: thermal energy savings

The following environmental projects are planned to be launched in 2023 as part of the investment actions:

- **Modernization and decarbonization of steel production**

- **Connection of the EOP to the electrical transmission system**
- **External landfill for ferrous scrap**

Environmental benefits of the above projects: the low carbon steel production projects involve a change in steel production technology that aims to reduce CO₂ and other greenhouse gas emissions (reducing the carbon footprint by at least 35% in 2030 compared to 2020) and also increase energy efficiency.

Other green investment actions with a positive impact on the environment have been or are being implemented in the subsidiaries within the TŽ Group.



05

SOCIAL
FIELD

Třinecké železářny is a company with a long tradition of metallurgical production. Since the foundation in 1839, the values on which its based today have been shaped. Its further development is firmly linked to its responsibility toward its employees, business partners, society, the regions in which the company operates and the people who live there.

THE CODE OF CONDUCT REFLECTS THE PRINCIPLES THAT ARE THE FOUNDATION OF OUR BUSINESS, OUR ACTIVITIES, AND THE USE OF MANAGEMENT TOOLS.

We follow ethical principles and adhere to legal regulations

- ▶ Ethical principles and respect for the law are the fundamental principles of our code of conduct and corporate culture.
- ▶ Our company is established and exists under the laws applicable in the Czech Republic; the legal regulations governing our activities and relations are systematically followed, monitored, known, respected and unconditionally and consistently observed.
- ▶ We act and take our decisions in accordance with the principles of corporate culture, social responsibility, employee collegiality and fair trade, and also in accordance with the law and obligations ensuing from legal regulation, decisions of public authorities and the contractual relations in which we participate.
- ▶ We consider the conduct of business partners in accordance with the law and ethical principles to be an indispensable condition of our cooperation.
- ▶ The compliance program, including management of business and procedural risks according to International Organi-



zation for Standardization (ISO) standards, international standards for Quality Management Systems (QMS) including IATF 16949 standard, principles of Corporate Social Responsibility (CSR) international standard SA8000 Social responsibility, is consistently enforced, its effectiveness is continuously evaluated and measures are taken to improve it.



We are a socially responsible company

- ▶ We fulfill our corporate mission “Together for the Generations to Come”.
- ▶ In our visions, plans and decisions, we always take into account the interests of our business partners and employees, the impact on the regions in which we operate, and the impact on their inhabitants and environment.
- ▶ We strive to make our relations with our business partners,

public authorities, our employees, trade unions and the public long-established, stable and based on mutual respect and rightful trust in honest conduct.

- ▶ We support the regions in which we operate and we strive to contribute to further improving the quality of life of their inhabitants.
- ▶ Every year we issue a corporate social responsibility report, which is published on www.trz.cz.

We respect our corporate culture

- ▶ We are proud of our history which we build on through further development of our company as a place with lasting values, traditions and customs.
- ▶ The basic principles of our corporate culture are:
 - Focus on the customers, forthcoming and complete satisfaction of their needs with the highest quality products and services,
 - Consistent fulfillment of the obligations,

- Good interpersonal relations based on cooperation and mutual respect,
- Satisfaction and motivation of employees,
- Teamwork,
- A high level of work ethics,
- Enterprise spirit of good economists – technological advancement based on systematic innovation,
- Continuous improvement of everything and everyone.

We respect our employees

- ▶ Respect of human rights is common place in our company. We do not encourage nor tolerate any acts of discrimination. We respect employee privacy rights. We condemn any form of violent and forced labour.
- ▶ We condemn the abuse of child labour. We only employ person who meet the conditions provide by legal regulations.
- ▶ We provide specialized training for pupils of secondary vocational schools and university students at our workplaces; we do so under the contracts with these schools in special mode appropriate to the age, knowledge and experience of pupils and students.
- ▶ We do not tolerate any form of illegal work, not even with our business partners.

- ▶ Procedures and conditions provide by legal regulations have always been the minimum standard in our relations with employees. This also applies to the conclusion and content of employment contracts or other labour-law contracts and agreements, length of working hours, work rest periods including breaks, setting overtime, remuneration, making wage deductions, and termination of labour-law relations.
- ▶ Our employees are properly rewarded for their work, including providing extra pay for work in the afternoons, at night, on weekends and public holidays, overtime, and other bonuses. Beyond the law we provide our employees with social and other benefits.
- ▶ In relation to our employees, but also in relation to public authorities, we fulfill all our



statutory information disclosure obligations.

- ▶ We respect our employees' rights, including the right to form unions and negotiate collectively. We respect the position of trade unions as representatives of our employees and consider them as our partners in social dialogue.
- ▶ We consistently communicate with our employees, including

having meeting and consultations with top management and other executives and informing our employees about current issues via effective means of communication.

- ▶ We regularly conduct surveys of employee satisfaction and motivation.
- ▶ We regularly evaluate all our employees every year.

We apply a whistle-blowing policy

- ▶ We enable our employees and other persons to practise whistle-blowing, make queries and complaints.
- ▶ All whistle-blowing reports, queries and complaints are consistently solved and used for further improvement.
- ▶ We guarantee all employees protection against any disciplinary action on account of bona fide practising whistle-blowing, making queries and complaints.

We consistently comply with occupational health and safety

- ▶ Occupational health and safety of our employees is an integral part of all our activities and has the highest priority. We create the most favourable working conditions. We adhere to the accident prevention safety program; we

ensure that every work activity is conducted according to safe working practices.

- ▶ We have developed and systematically evaluate and update the system for identifying and assessing the risks of potential health damage at work, including measures to eliminate the risk of health damage.
- ▶ We believe in prevention. We constantly train and educate our employees to work safely and protect their health.
- ▶ We provide our employees with personal protective equipment according to the list drawn up for each job. Employees at workplaces with increased heat or physical load are provided with protective beverages.
- ▶ We consistently provide assessment of our employees' medical fitness for work by means of occupational medical examinations; we do not permit performance of

any work that does not meet employees' requirements for medical fitness.

- ▶ If a work accident occurs despite our best efforts, we employ our system comprising

of providing first aid, reporting and investigating injuries or other unfortunate events, and taking measures to prevent their recurrence and to compensate for damages.



We respect our business partners

- ▶ We deal with all of our business partners honestly and transparently, with respect and fairness; we expect such conduct from them.
- ▶ We respect the interest and needs of our business partners, unless its contrary to legal regulations and does not cause excessive risk or harm.
- ▶ We are committed to create value for our business partners. With regard to our products, we implement the principle of constant improvement, increasing their added value, while reducing the environmental burden. We apply a zero error strategy.
- ▶ We select our suppliers with great care in order to maintain the quality of our products. We negotiate agreements with our suppliers regarding the product quality and



evaluate the fulfilment of their obligations.

- ▶ We ensure adequate supervision of compliance with labour and technological procedures and resolutions of any potential complaints from business partners. We evaluate

the satisfaction of our business partners.

- ▶ We want our business partners to work with us continuously or to come back to us. Our business partner's success is our success.
- ▶ We recognize the unity of

words and actions; we keep our promises. We support ethical business culture; we fulfill our duties carefully, fairly and honestly.

- ▶ We are ready to arrange an audit with our business partners in our company.

We condemn any manifestations of corruption

- We adhere to zero tolerance towards offering or accepting bribes.
- Our employees are strictly guided to refrain from any act of corruption; in connection with the performance of work for our company, acting on our behalf or with reference to us, no one may solicit or accept any services in exchange for granting or promising to grant any privileges, nor offer or provide such services.
- We respect economic competition and intellectual property and also protect personal data.
- We advocate a free, honest and fair competition; we do not engage in any acts that would undermine such competition.
- We avoid any conflicts of interest and situations that would undermine such competition.

- We avoid any conflicts of interest and situations that may cause suspicion of such conflicts.
- We respect intellectual property rights and interest to protect the confidentiality of trade secrets and other confidential information, and we protect these rights and such information within the scope of legal regulations, contracts with business partners, data subjects' consents and business ethics.
- Personal data of our employees, as well as any other persons whose personal data have been provided to us, are always processed only in accordance with legal regulations.
- All our employees, who in the course of their duties come into contact with personal data, information constituting a trade secret or any other con-

fidential information, are obliged to maintain confidentiality of such data and information.

We protect the environment

- Environmental protection is a fundamental part of our policy. The standard is no less than fulfilling all legal regulations and authorization requirements granted to us thereunder by public authorities.
- In the long term and conceptually, we strive to continually reduce the impact of our activity on the environment. Old environmental burdens are removed.
- To meet environmental protection principles, we have set up and implement waste management systems preferring recycling, closed water systems and industrial wastewater treatment plants, chemical treatment and energy management; The priority is to



gradually reduce air pollutant emissions.

- As we move towards carbon neutrality, our goal is to permanently reduce CO₂ emissions.

We apply the Code of Conduct to all activities

The Code of Conduct is the fundamental basis of our company's internal regulations, including:

- **conditions of employment,**
- **social code,**
- **technical and organizational regulations and related internal standards that are specified in such a way as to ensure their consistent application.**

The Code of Conduct is respected and its compliance in our company is monitored and enforced.

06

CARE FOR
EMPLOYEES**EMPLOYEE ENGAGEMENT
SURVEY**

Direct measurement of employee engagement is performed by Třinecké železářny through a questionnaire survey in two-year periods. The last one took place in 2022, with 25.5% of the total number of employees participating. The conclusions of this questionnaire survey enabled the create a comprehensive picture of employee attitudes to individual company values, which were divided into 4 parts, to individual, social, customer and social. According to the employees, Třinecké železářny shows a slight improvement

in several parameters in comparison with the results of the 2020 survey. Social, customer and community values have improved.

From a CSR perspective, the assessment of social values was particularly important. According to the employees, Třinecké železářny performed very well in this category. Employees perceive the company as socially responsible, they register its efforts to behave responsibly towards the environment, they also perceive that the company has great prestige among other companies, persons and institutions.

**WHISTLEBLOWING SYSTEM –
INTERNAL ANNOUNCING SYSTEM**

Employees of Třinecké železářny and external stakeholders can use the internal reporting system to report harmful phenomena, submit questions, complaints and suggestions for

improvement in the area of CSR. The whistleblowing procedure covers both human and labour rights and business ethics. In 2022, we did not received any complaints in accordance with the applicable internal regulations of Třinecké železářny.

EMPLOYMENT

In 2022, the development of the planned number of employees was influenced by organizational changes in order to increase labour productivity. Absenteeism and the economic situation related to the state of war between Ukraine and Russia, the shortage of raw materials and the increase in energy prices had a negative impact on the actual number of employees. As a result of the negative impact of the difficult economic situation, some investment activities have been postponed until the next few years.

In addition to organizational changes, natural attrition and increased voluntary departures led to a slight increase in turnover in 2022, but the percentage of planned headcount remained broadly stable. The overall tur-

nover rate was driven by increased interest in early retirement towards the end of the year.

In 2022, the company reached an actual headcount of 6,825 employees on an annual average basis.

THE NUMBER OF TŘINECKÉ ŽELEZÁRNY EMPLOYEES TOGETHER WITH AGENCY WORKERS OF THE LAST DAY OF THE REFERRED YEAR ▼					
YEAR	2018	2019	2020	2021	2022
TŽ EMPLOYEES	7129	7075	7004	6848	6794
AGENCY WORKERS	186	133	137	122	112

EDUCATION

Corporate education, as one of the company processes, is based on the HR strategy of Třinecké železářny, therefore, its key role is to provide prepared and highly qualified employees for the fulfilment of strategic goals, especially with regard to the demographic development.

To maintain the qualification level of employees, professional trainings, especially in the field of quality system and EMS, and professional training including on-the-job training are a priority, which is why these trainings accounted for 96% of the total volume of implemented corpo-

rate training in 2022. An integral part of corporate training is the online application Corporate Academy, which is used mainly by the implementers of periodic on-the-job training and internal trainers who use the application to prepare and implement their seminars. The Corporate Academy application also enables the sharing of information,

knowledge, experience and discussion on a selected topic.

From mid-2020 to the end of the year, when Třinecké železářny joined the project of the Regional Chamber of Commerce of the Moravian-Silesian Region, under which selected training courses are provided, the costs of which have been fully covered by the Chamber. In the period under review, training was provided to 102 employees at a total cost of CZK 726 thousand. The staff received training in soft skills, legal courses and general IT courses. Training is an open-ended process whereby employees receive training to maintain their qualifications and also for further development in order to increase efficiency and competitiveness. Employees are trained mainly through external training providers, but also by internal trainers.

MOTIVATIONAL PROGRAMS

Motivational programs encourage employees to better performance not only in form of income but also in other ways and benefits that encourage them to better work performance together with the compensation of the negative influence of labor environment. The benefits are provided above the legislative frame. Towards it, we want to motivate our employees to support our aims and objectives with the highest possible level. Following motivational elements and benefits were used in 2022.





Remuneration

- ▶ bonuses – regular and extraordinary bonuses
- ▶ manager's and foreman's funds
- ▶ extra pay for afternoon work and work in difficult working environments of risk category 3 above the Labour Code
- ▶ higher rates of premium pay for work in the afternoon, at night, on weekends
- ▶ rewards based on financial results achieved
- ▶ continuity bonuses



Human resources development

- ▶ creating conditions for professional development of selected groups of employees and career progress
- ▶ providing trainee program for university graduates
- ▶ providing scholarships to

students in selected study courses

- ▶ evaluation of the secondary school graduates; their meeting with the managers within the adaptation process



Evaluation of employees

- ▶ awarding the title "Employee of the Year" with financial reward and the prestigious prize "Queen of Steel" for best projects, significant actions, key events and representation of the company
- ▶ rewarding for work and life anniversaries and retirement
- ▶ rewarding the best innovators



Health support

- ▶ covering the costs of medical examination prior to employment

- ▶ covering the costs of preventive breast cancer screening and colorectal cancer check-ups
- ▶ organising of rehabilitation stays, ambulant rehabilitation care and additional rehabilitation care
- ▶ providing employees with contribution catering in the amount of 55% to one main meal plus contribution of CZK 2.60 to one hot meal
- ▶ providing employees with non-alcoholic drinks in the period of extremely hot days
- ▶ ensuring other activities to support health (providing with vitamins, health promotion benefits)



Other benefits

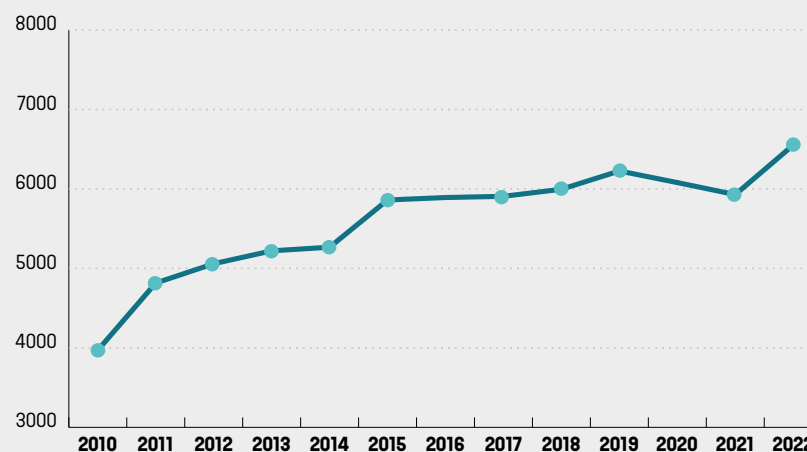
- ▶ vacation extended by 1 week
- ▶ extended range of days off with remuneration in case of personal impediment

- ▶ providing social assistance and social credits in case of very serious life situations
- ▶ providing interest-free housing promotion loans
- ▶ providing contribution for supplementary pension provision and additional pension savings
- ▶ providing contribution for private life insurance
- ▶ providing donations to support education, culture, sports and physical education
- ▶ providing donations to support and protect young people
- ▶ providing optional staff benefits)
- ▶ providing curative stays for children in cooperation with the labour union
- ▶ support for kindergarten with prolonged service for employee's children.



BENEFITS

Optional benefits are provided for all employees according to the stated rules. The highest level of benefits provided per one employee in 2022 reached CZK 5,000. Possibilities to draw benefits was used by 6,641 employees (95%).



The most frequently used benefits (% of drawing in 2022)



Staff
recreation
(36%)



Vitamin
preparations
(19%)



Sports
facilities
(17%)



RECRUITMENT OF NEW EMPLOYEES

In this area, we use a range of recruitment activities. Below we inform about some of them.

Regional Talent

To support and promote technical fields among the youth, we organize a social event “Regional Talent”, where we reward pupils and students of regional schools for top placements in knowledge Olympiads and for high school

vocational activities. The idea of this event is very simple – to stimulate and encourage interest in technical fields and in science subjects, i.e. mathematics, physics, chemistry, which are not always popular among pupils and students.

The awards ceremony took place in 2022 after two-year break. In 2020 the event was cancelled due to the pandemic and in 2021 the Regional Talent was held online.



Recruitment and promotional activities aimed at primary school pupils

- ▶ In 2022 were held traditional "Open Days" at the Secondary Vocational School of Třinecké železářny. Students and teachers organized excursions in three dates.
- ▶ Třinecké železářny also participated in the Triangle Event – Children's Day for primary schools in Slovakia. The event was organized by the Slovak border municipalities of Černé, Skalité and Svrčinovec.

Recruitment and promotional activities aimed at secondary schools

In 2022, we continued our pre-covid activities and started cooperation with secondary schools:

- ▶ provision and financing of vocational training for pupils of the TŽ Secondary School at TŽ workplaces
- ▶ presentations of TŽ-MS group companies to students of selected secondary schools in the region with the aim of recruiting them for employment in the group or for studying desirable technical fields at universities.

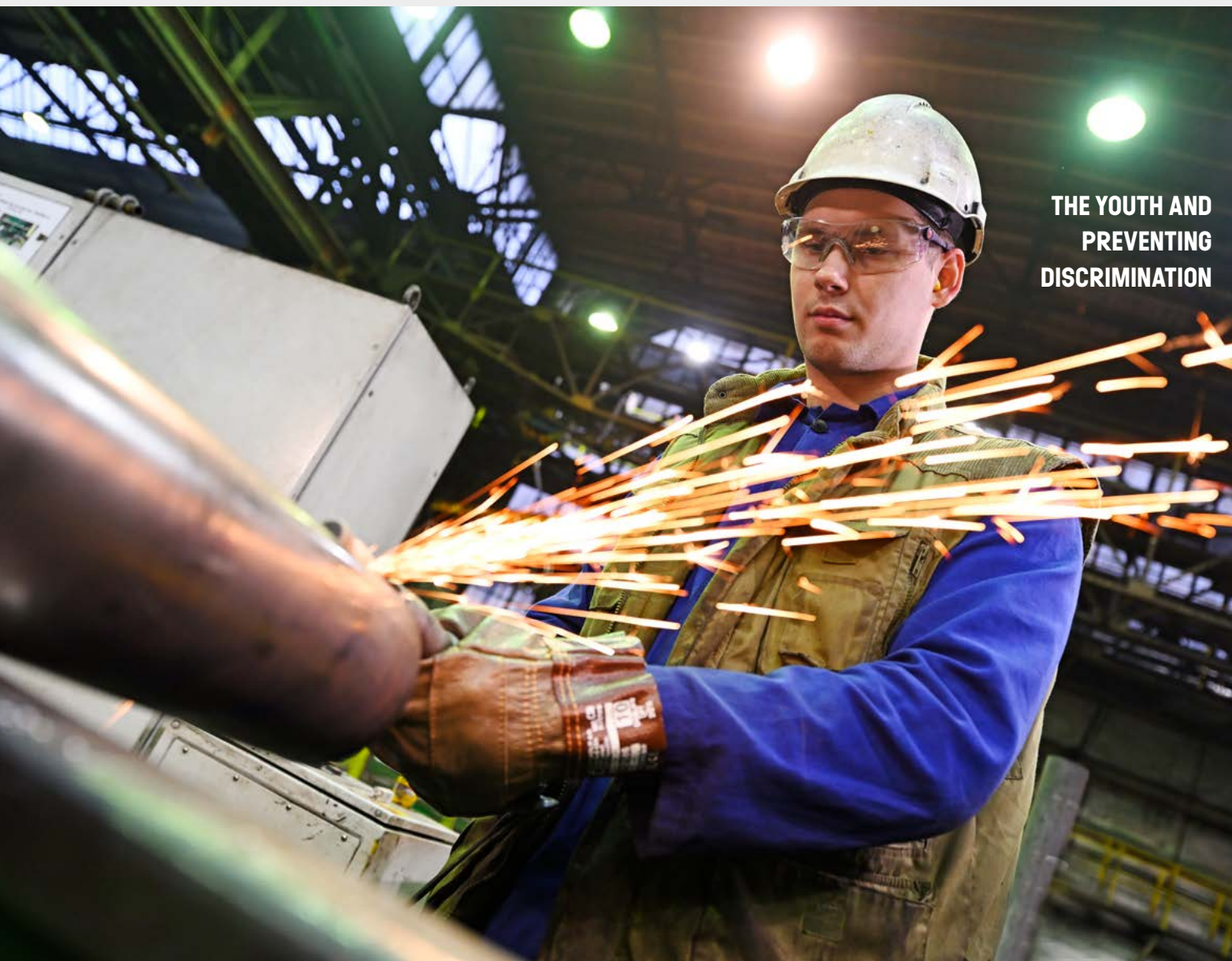
Recruitment and promotional activities aimed at universities

In 2022, activities aimed at university students have gradually resumed:

- ▶ preparation and participation of TŽ in "Job Fairs" of selected universities in the Czech Republic
- ▶ excursions for 2nd year students and presentations of companies in the TŽ-MS group to facilitate the choice of specialization,
- ▶ enabling a professional two-week internship for 2nd year engineering students,
- ▶ selection of scholarship holders on the basis of academic

- results, interviews and their financial support during their studies (currently we have no scholarship holders)
- ▶ identification of suitable theses topics (bachelor's, master's and dissertation) including professional guidance of students during their preparation
- ▶ awarding the best diploma in cooperation with the Czech Metallurgical Society (ČHS).





THE YOUTH AND PREVENTING DISCRIMINATION

During the past year, we have not experienced any manifestations of discrimination. In the period of 2018-2022 our employees had no requirements to solve discrimination issues and all the obligations complied with the Corporate Collective Agreement. There were no infringements and discrimination issues recorded by the State Authority and Regional Labour Inspectorate during their audits of the reporting period.

TŽ employs only persons over the age of 18. This is a prevention of child labour and hazardous employment of young people. The activities of persons under the age of 18 are therefore limited to practical training activities and cooperation with secondary schools in accordance with the relevant legislation.

SPECIAL PREPARATION OF SECONDARY SCHOOL STUDENTS

TŽ provides vocational training in its operations in the form of practical training of secondary schools pupils (vocational training, continuous professional practice, etc.), not only for pupils of the Třinecké železářny Secondary Vocational School, but also for pupils of other cooperating schools in the regions in which it operates. The training of these juveniles takes place in accordance with the educational programs of individual schools under the supervision of authorized secondary school employees and instructors from among

the employees of individual TŽ operations in a special regime and in accordance with contracts conclude between TŽ and individual secondary schools.

Our company also financially supports retraining. It has long been cooperating with the Qualification and Personnel Agency, o.p.s., whose mission is to increase the employment of the citizens of Třinec, Český Těšín and Jablunkov micro-region, as well as to expand their knowledge and skills, including retraining.





EVENTS FOR FORMER EMPLOYEES OF TŘINECKÉ ŽELEZÁRNY

Every year Třinecké železářny organizes an event for its former employees who have just retired. Our employees, who retired in 2021, met in June 2022 in the garden of the Museum of Třinecké železářny and City of Třinec. Acting performances by work colleagues provided an entertaining atmosphere throughout the meeting. They were happy to receive thanks for the work they had done and to say goodbye after many years in the steelworks.



THE JUBILARIANS OF 90, 95 AND 100 YEARS

We visited former employees who spent part of their lives in Werk. We congratulated them on their 90th, 95th and 100th birthdays. The management of Třinec Steelworks has always organized a gathering for these deserving former colleagues every year as an expression of gratitude for the years spent at the steelworks. Due to the epidemiological situation, the company has decided to change the form of the event and has been visiting the former workers in person since 2021. They retired decades ago, many of them in the 1990s. Twenty-eight women and thirty-five men who worked at the factory for at least 15 years received thanks for their many years of service, but above all, wishes for good health and a cheerful mind. Fifty-two of them celebrated their 90th birthday, 10 others celebrated 95 years and one gentleman even celebrated 102 years



Work safely

WILL YOU ENTER THE HISTORY?



UNCOMPROMISING PROHIBITION OF MOVEMENT UNDER OR NEAR THE LOAD



WARN YOUR COLLEAGUE

3500 kg

OCCUPATIONAL HEALTH AND SAFETY (OHS)

TŽ regularly assesses the risks to employees' health and takes measures to eliminate them. The long-term positive results achieved in protecting the health of employees, the quality of preventive care and the established and effective management system in this area have also been recognised by the State Authority of Labour Safety that awarded us of the prize Safe Company for the fourth time in 2022.

Monitoring the state of OSH is an integral part of OSH management and evaluation. These activities are carried out in close cooperation with the supplier of OSH services, which is the Třinec-based company ENVIFORM a.s.



Employee participation in OSH issues is carried out through the trade union, in particular via the Health and Safety Committee.

The mission of this Commission is to evaluate and assess the occupational health and safety:

- ▶ to regularly assess the risks associated with occupational safety and health, to receive suggestions from employees, to discuss the suggestions and the identified risks on behalf of the Chairman and Vice-Chairman of the Commission at a meeting of the Health and Safety Represent-

tative and the supplier of health and safety services (ENVIFORM a.s.), including taking measures,

- ▶ assessing the level of accidents and discussing the causes of accidents at work and other adverse events with a potential impact on health hazards (accidents, near misses), including action to be taken,
- ▶ to deal with suggestions in the field of the working environment and ergonomics at work.

Joint expert committees are also established:

- ▶ Commission of Inquiry for the Investigation and Compensation of Occupational Injuries,
- ▶ audit committees for internal OSH audits at individual workplaces,
- ▶ joint weekly evaluation meetings between the employer's



representative (OSH representative), employees (representative of the KOVO trade union) and the supplier of OSH services (ENVIFORM a.s.).

Within the OSH training system, the following are carried out:

- ▶ initial OSH training – for new employees,
- ▶ initial on-the-job training – conducted by the supervisor of the recruited employee,
- ▶ practical training under the supervision of an experienced employee and testing,
- ▶ periodic training according to the curriculum approved by the supervisor and the safety engineer,
- ▶ OSH days – educational, consulting, and advisory events at individual plants,
- ▶ extraordinary training sessions, as required – analyses of the causes of accidents and



other adverse events, including corrective measures,

- ▶ publication of information materials on current OSH issues.

In 2022, Třinecké železářny recorded a total of 25 work injuries with an inability to work longer than three calendar days, with an annual average of 6,825 employees. The injury frequency rate was 0.37 work injuries per 100 employees per year, a reduction of 16% compared to 2021.

Resolving occupational injuries, including non-absentee injuries, is always accompanied by the adoption of measures to prevent recurrence. Absentee and non-absentee accidents with the potential for serious injury, including the taking of company-wide measures, are investigated by the Commission.

IMPACT OF TŘINECKÉ ŽELEZÁRNY ON THE SURROUNDINGS



Health stays

Since 2014, our company has been providing health stays in the Tatra Mountains for children from primary schools in Třinec and its surroundings. In the years 2014-2022, 1948 children from the first grade of primary schools participated in these stays, the amount spent reached CZK 12.7 million.

Holidays in Třinec

Třinecké železářny prepared an entertaining presentation for children, where the steel factory employees prepared an interactive game called excursion to Třinecké železářny. The children were interested in getting to know the samples of slag, iron ore, coke, drew the TŽ sign of the three hammers in a circle, and learned where they can meet steel products. The Fire Brigade

of Třinec Steelworks also made the suburban camp in Třinec more interesting with its programme. The children looked at a fire truck with big interest and tried out a fire extinguisher with the assistance of firefighters.

Holidays in Třinec is organized by the City of Třinec for school-age children together with non-profit organizations and companies operating in the city.

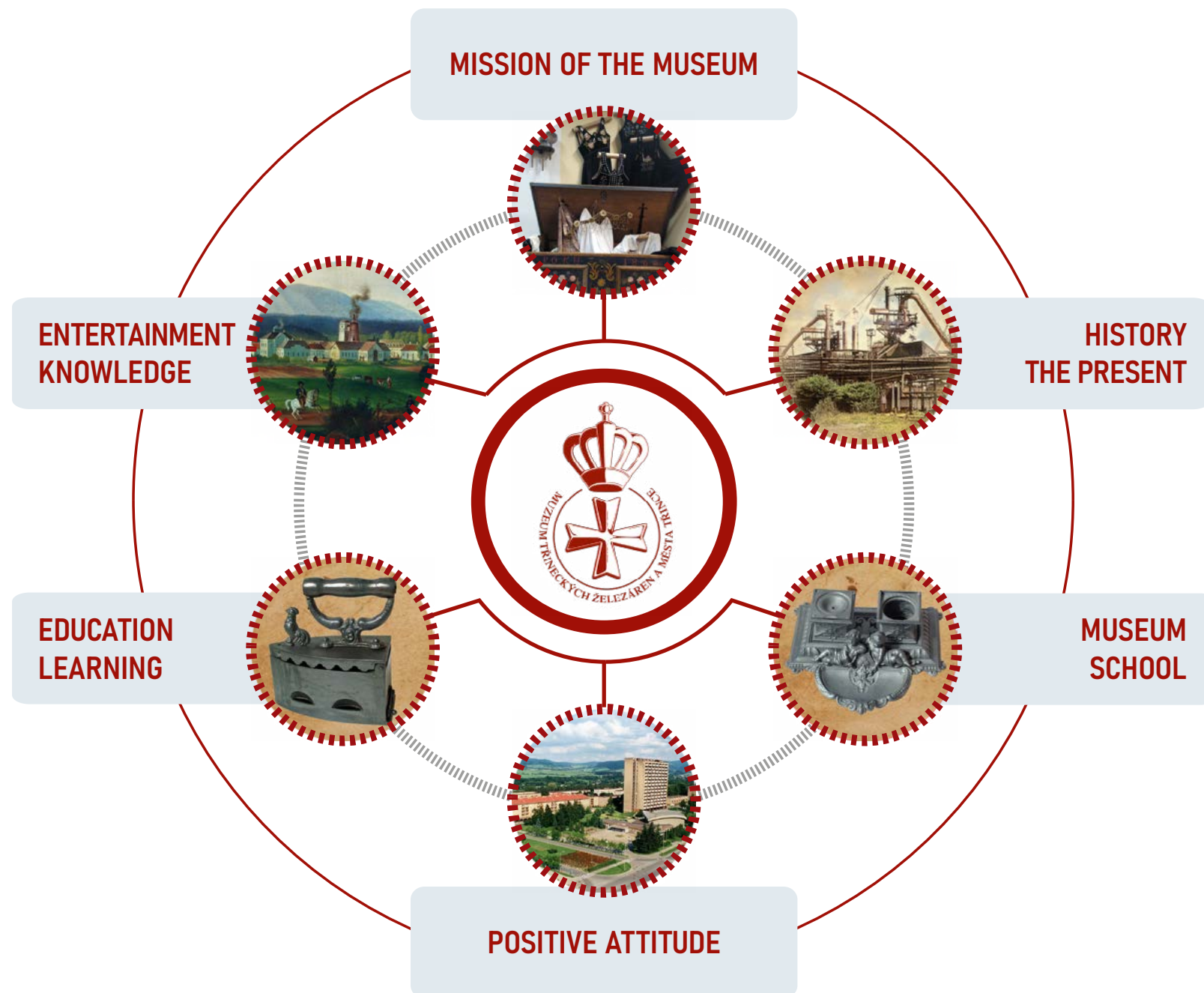


My WERK

Fun lessons about steelworks are back in schools. After a two-year break, the My WERK project has started again in primary schools from Mosty u Jablunkova to Český Těšín. For the 2022/2023 school year, about 1000 students from 21 schools in the region have joined the competition. In an interactive way, we introduce children to production processes, ecological activities and wide range of employment opportunities, but we also build a sense of belonging and pride in the region in which they grow up.

MUSEUM OF TŘINECKÉ ŽELEZÁRNY AND THE CITY OF TŘINEC

As the company with the longest tradition and the largest employer in the region, Třinecké železářny has been operating its company museum since 1969. Over the course of its existence, it has gained a number of supporters, as evidenced by the ever-increasing number of visitors.



Its mission and focus make it a unique institution within the region and Třinecké železářny together with the City of Třinec support the cultural life of the citizens through it. After the reconstruction of the Permanent Exhibition in 2019, the museum manages the following exhibition spaces – the Permanent Exhibition, three rooms for temporary exhibitions and a gallery. Visitors can also see the outdoor Werk Gallery in the garden. The museum is not only used for exhibition purposes, but also for important events, visits of the company or city management. It organizes annual educational programs and competitions for primary and secondary schools' students and the public. Events such as the Museum Summer, the Living Nativity Scene, In the Name of Fashion and carving symposia are shining examples of the success of this important institution.



VOLUNTEER DAY

Since 2012, Třinecké železárny has been organizing a corporate event called "Volunteer Day" to support public benefit activities in non-profit organizations in the region. So far, almost 400 TŽ employees have taken part in it.

Last year we planted 2000 trees at the foot of Kalužný as part of the volunteer day. This is the fifth time that the factory has carried out forest restoration with the ČSOP Salamandr society. Planting native tree species and restoring the forest diversity is a long-term goal of the society, so we plant first, beeches and other missing tree species with va-

luable Beskydy genetic origin. Last year, not only students of the Třinec Grammar School but also students of the Polish Grammar School in Český Těšín joined the activity.

Several other employees of the steelworks, together with students of the Secondary Vocational School of Třinec Steelworks, were involved in planting apple and plum trees. The aim of the edible orchard was to preserve the original gene pool in nature, so the fruit of the trees will serve as food for wildlife. This part of the work took place on the reclaimed area of the former Neboranka waste dump in the immediate vicinity of Třinecké železárny.



VOLUNTEER DAY – REMOTE OPERATIONS

Rolling Mill in Ostrava

The second year of the volunteer day was held at the Magnolia Home for the elderly. The home provides support and assistance to clients with reduced cognitive abilities, which cannot be provided in their own environment by family members, care services or other outreach services and who are in an unfavourable social situation. The Magnolia Home has a large garden. The employees of the steelworks helped to improve it.

The Billet Mill in Kladno

Our volunteers from the Billet Rolling Mill helped the Children's Centre in Kladno by hedge trimming and weeding the flower beds. They also went to Korálek Special Primary School and Kindergarten to clean the roofs and gutters of moss and leaves.



WERKCHALLENGE

They pedalled or drove the cars together. This was the main idea behind the WerkChallenge, an environmental competition organized by Třinecké železářny for its employees. The employees who took part in the competition not only helped to improve the complicated traffic situation in the town, where an important transport link between the town and the steelworks was being repaired, but also helped to reduce emissions of harmful substances.

Employees of TŽ and its subsidiaries with a workplace in Třinec competed for valuable prizes in three categories: teams of cyclists, car-poolers and individual cyclists. The competition rules were simple. All what employees had to do was cycle to and from work or share a car and take a photo along the way. Employees



sent the photos taken during the way, along with the names of the participants and their traffic assignments to a specific address. Cycling to work is a traditional and widespread activity that employees prefer, mainly because it speeds up the journey home. The draw for the main prizes and the official announcement of the winners took place in September while the opening viaduct.



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GOVERNANCE



Třinecké železářny regularly publishes Annual Reports and Corporate Social Responsibility Reports. It also informs customers, stakeholders and the general public about its plans, goals, activities and results through the company's website, the regional weekly Třinecký hutník and the company's so-

cial media profiles. To ensure competitiveness, the factory must constantly strive to improve the quality of its products while keeping costs low and allocating funds wisely to projects aimed at renewing and upgrading equipment, developing technology and ensuring environmental protection.



The metallurgical industry is a very demanding manufacturing industry in terms of energy, technology and investment. The amount of funding available for the construction of new facilities and the renewal and expansion of existing ones is therefore crucial. The beginning of the year was marked by the end of the wave of the coronavirus pandemic, which had a major

impact on life and business in all countries of the world. The companies in the TŽ-MS Group were not significantly affected by the outbreak, mainly due to a number of measures taken by the plant that went beyond government regulations.

In cooperation with the AGEL Třinec-Podlesí Hospital, Třinecké železářny set up a com-

pany vaccination centre for its employees, which started its operation in 2021 and then continued until February 2022 for a booster dose.

In February 2022, the global economy was hit by Russia's invasion of Ukraine, which led to complications and uncertainty in the supply of raw materials, especially iron ore. The non-profit organization KaPA, in cooperation with Třinecké železářny, has set up a special transparent account to help specific families in the affected area. Moravia Steel and Třinec Steelworks each donated one million crowns. The town of Třinec, employees of the steelworks and its subsidiaries and

the general public also contributed to the collection.

In order to react promptly to the development of the war conflict, we have strengthened the range of ore suppliers and redesigned our production processes. The shortage of components in the automotive industry, the sharp rise in inflation and raw material prices, and, above all, the volatility of energy price, which culminated in a Europe-wide energy crisis, were the main problems that persisted in the economy during the year. Although a sophisticated business strategy helped to overcome the adverse conditions, the company's business was undoubtedly affected.

TŽ financial donations from 2017-2022 (CZK thousand)

2017	2018	2019	2020	2021	2022
21 135	45 691	20 972	26 561	19 641	51 522

MANAGEMENT COMMITMENT

Each member of the management with competence:

- Ensure sufficient human material, financial and informational resources to meet the objectives, reviewing their availability and adequacy and guarantees their efficient use,
- Take decisions solely in accordance with the law and standards,
- Guides and motivates employees to work safely.

Company management expects leader employees to:

- Compliance with the Company's Principles of Business Conduct, in particular the avoidance of corruption and respect for human rights,
- That work activities will be carried out using safe working practices,
- Developing this Policy into measurable objectives,



- Developing objectives into improvement programmes to raise the level of the integrated management system and eliminate the causes of process risks.

Company management expects all of its employees to:

- Adherence to work and technology practices with a proactive approach to continuous improvement of individual and team performance leading to meeting targets and reducing costs across all sites,
- Not to be indifferent to the waste of electricity, water, gas and all other types of energy in the workplace,
- That they will work in a way that does not endanger their health and the health of their colleagues,
- That they will act in accordance with the legislation and look after the legitimate interest of the employer and colleagues.

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CONCLUDING
WORD

Dear friends,

On the pages of the Corporate Social Responsibility Report you had the opportunity to learn about the activities of Třinecké železářny in the area of economic management, social projects and the environmental aspect of our production.

Thanks to innovations, we aim to make our work processes more efficient and increase productivity. The importance of improvement also has a fundamental place in our company. New projects by our colleagues thus help to further the development of the company as a whole. Employee engagement and active

involvement in socially responsible actions is our long-term goal.

No business can succeed without loyal and satisfied employees. That's why we care about the quality of life of our employees, their families and the communities in which we operate. The values associated with sustainable business have long been a priority in our corporate strategy.

I would like therefore to thank all our employees for their cooperation and our partners for their support.

Třinecké železářny is a leading steel producer in the Czech Republic,

so I believe that thanks to the conscientious and honest work of our employees, the company will also be a leader in implementing the principles of sustainable and socially responsible behaviour.

I sincerely hope that with this report we have been able to highlight our long-standing CSR activities.



Ivo Žižka

Member of the Board of Directors
and CSR Representative

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