

# SUSTAINABILITY PERFORMANCE REPORT 2023

Helios TBLUS d.o.o.





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# ABOUT HELIOS TBLUS D.O.O.

Helios TBLUS d.o.o., based in Količevo, Domžale, employs around 829 people. It was founded in 1924 and today operates with production units in two locations: in Količevo and in Preska.

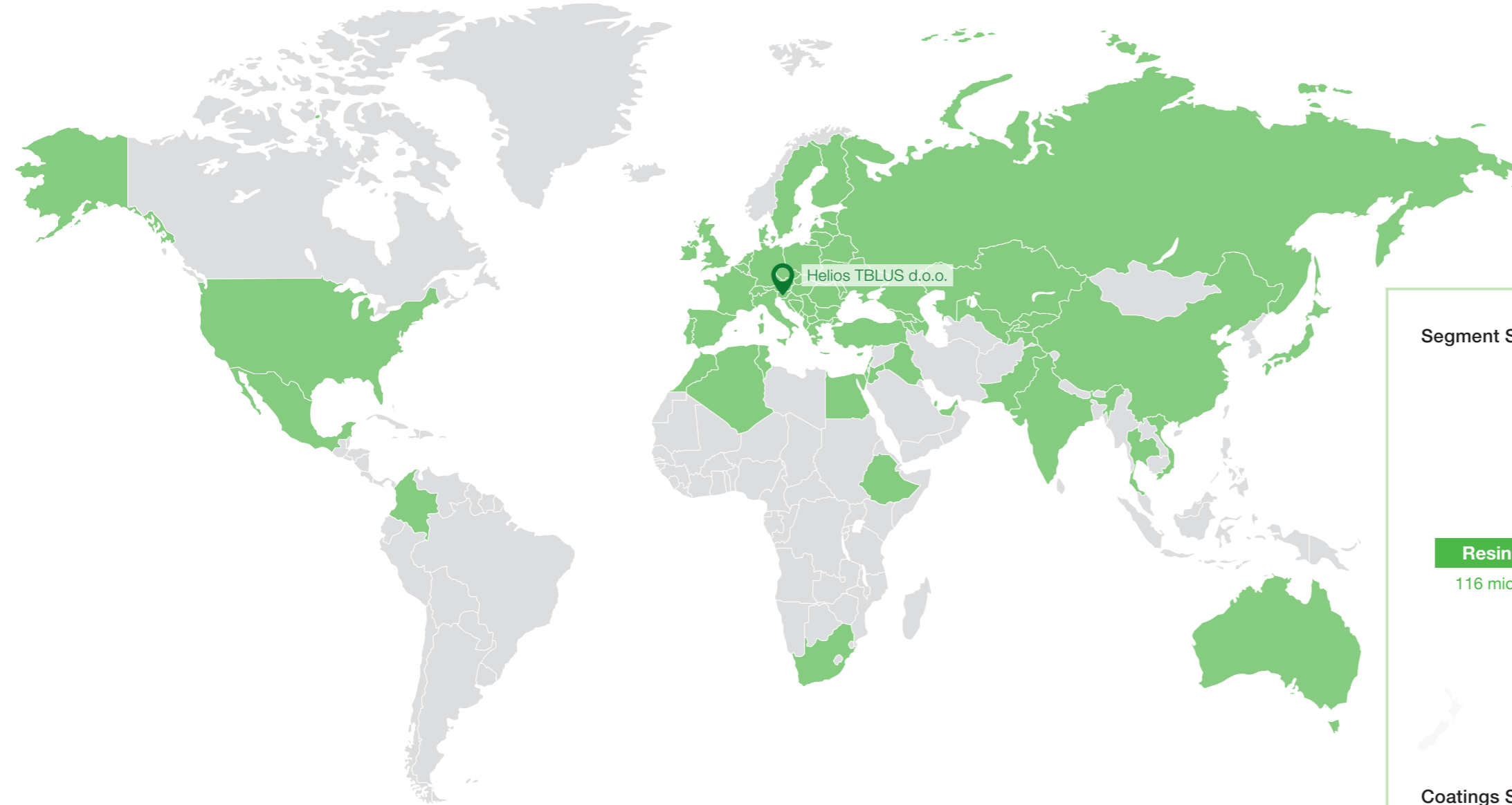
Helios TBLUS d.o.o. is part of KANSAI HELIOS Group, owned by KANSAI PAINT, one of the world's leading paint and coatings producers that serve a global customer base with manufacturing, distribution, and sales activities worldwide. Contributing to customers and society through sustainably leveraging a superior technology with innovative products and services, and a competent workforce, built on the foundations of customer focus, integrity and respect to all stakeholders is the mission of KANSAI PAINT. This mission is also reflected in the core values of Helios TBLUS d.o.o.

Helios TBLUS d.o.o. (paint, varnish and resin factory) is the European development centre of the KANSAI HELIOS Group and is also the largest company in the Group.

The company recognizes that people have a much greater responsibility towards the environment today than they did not so long ago - especially in the light of climate change. That's why paints and coatings development is moving in the direction of products with the lowest possible content of substances harmful to humans and the environment. The sustainability aspect thus goes beyond the product innovation itself. Coatings also allow users to use less energy or at a lower cost - for example, paints and coatings that dry faster, weigh less or provide more coverage with fewer applications. Increasing the share of such products is one of the most important sustainability objectives for Helios TBLUS.

**Global presence with our products**

Helios TBLUS d.o.o. sells to 69 countries around the world.



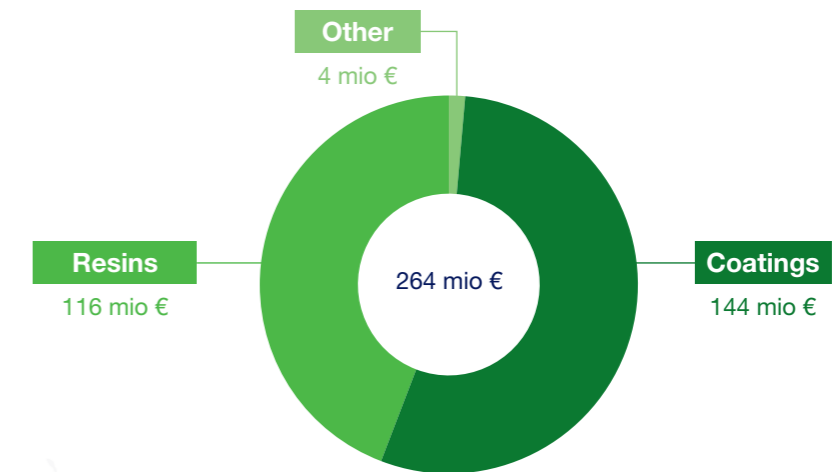
**Sales performance**

Despite the still volatile geopolitical environment (especially in Ukraine and the Middle East), the recession in several key markets in Europe and high inflation, we improved our operating results compared to 2022. Although the evolution of margins improved compared to 2022, the lower raw material prices were not sufficient to return to a normal level of profitability, as costs such as labour, logistics

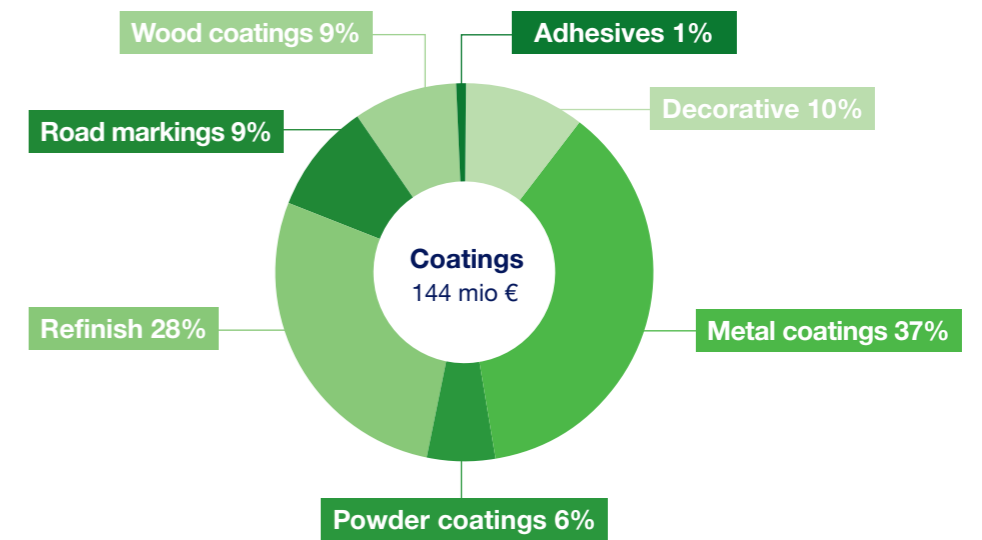
and energy were significantly higher than in the past. We have made significant efforts to strengthen existing partnerships, expand our business, reduce various costs and optimise our pricing policy.

In 2023, Helios TBLUS achieved sales revenues of €264million, EBITDA of €22 million, an EBITDA margin of 8%.

**Segment Structure by Value**



**Coatings Segment Structure by Value**



# KANSAI HELIOS SUSTAINABILITY GOALS 2030

Sustainability goals for 2030 are set for the entire KANSAI HELIOS Group, which also serves as the basis for our company's objectives.



## ESTABLISHING SUSTAINABLE OPERATIONS AND RESPONSIBLE CONSUMPTION

Our aim is to establish sustainable operations and promote responsible consumption for lasting positive impacts on the environment, society, and the economy.

- Achieve a **30%** reduction in scope 1 and scope 2 GHG emissions (baseline 2021)
- Realize a **20%** reduction in water consumption (baseline 2021)
- Accomplish a **30%** reduction in waste generated in our operations (baseline 2021)
- Reach a **20%** reduction in energy consumption (baseline 2021)

## ENSURING SAFETY AND HEALTH

We center on ensuring safety and health by designing workplaces and environments to minimize risks and enhance the well-being of both employees and the community.

- Achieve **1.5 or less** frequency of occupational accidents (according to ILO)

## STRENGTHENING SOCIETIES

Our focus on strengthening societies is driven by initiatives aimed at promoting social justice, inclusion, and cohesion, all aimed at supporting sustainable and thriving communities.

- Assess **80%** of targeted suppliers through a CSR evaluation
- Attain a minimum of **30%** of all sales derived from sustainable products
- Ensure **50%** or more containers are recycled
- Allocate a **10%** of our annual marketing budget to support local children's development, health, and sports programmes

## CREATING SUSTAINABLE VALUE THROUGH KNOWLEDGE, SKILLS AND TALENT

We strive to create sustainable value through knowledge, skills and talent to underline our commitment to innovation and a positive impact on society, the environment and the economy.

- Ensure that **100%** of employees have access to participate in the employee engagement survey
- Ensure **100%** of employees' familiarity with KHEC values
- Strive for **80%** of R&D projects to focus on sustainable products

## BUILDING PROFESSIONAL INTEGRITY

Emphasizing ethical standards, honesty, and accountability, we prioritize building professional integrity to foster trust, credibility, and enduring relationships.

- Ensure that **100%** of our employees complete at least one compliance and integrity training annually
- Achieve **0** confirmed incidents of corruption
- Provide an effective and transparent grievance system accessible to all employees

# ESTABLISHING SUSTAINABLE OPERATIONS AND RESPONSIBLE CONSUMPTION



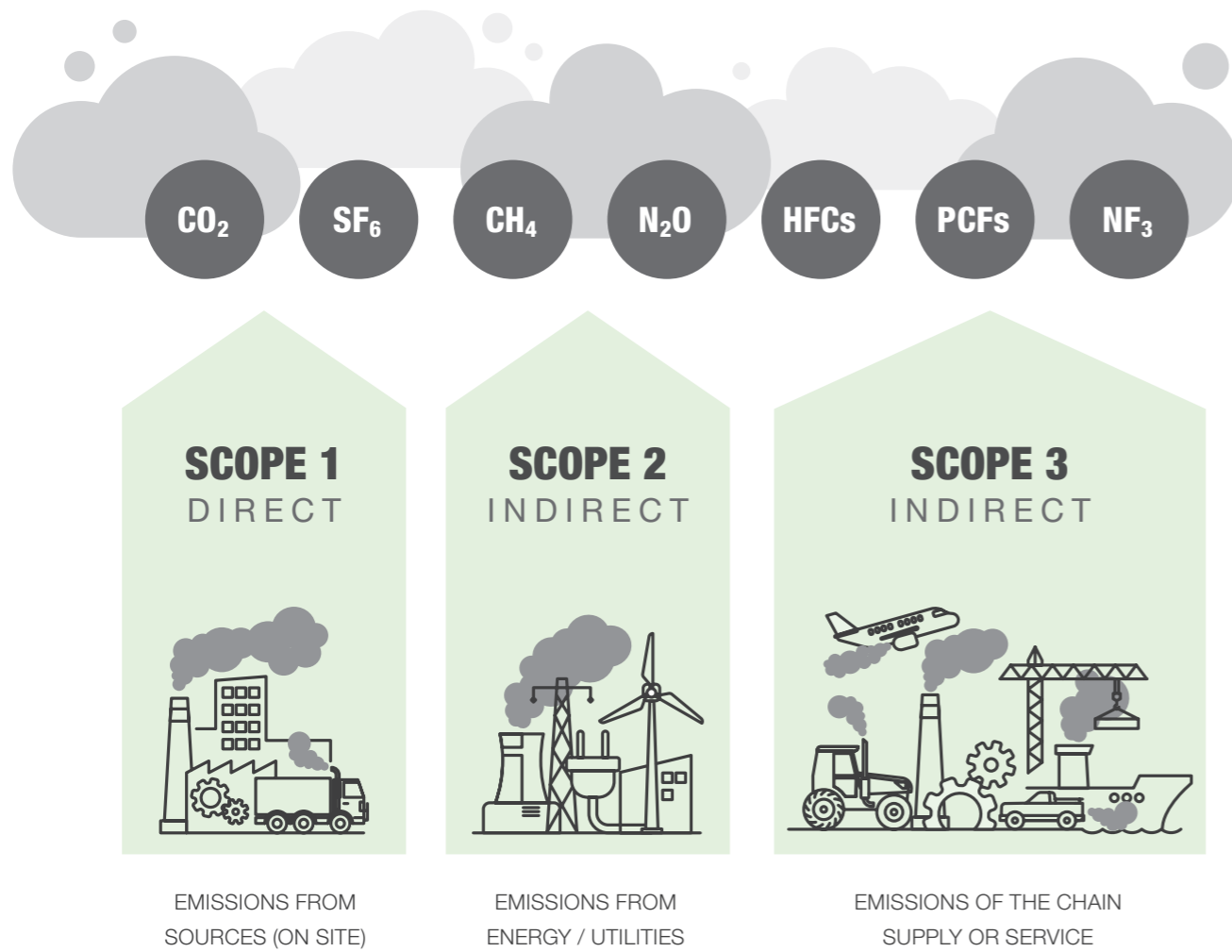
## Carbon emissions

At Helios TBLUS, we understand the importance of measuring carbon emissions and comprehending our carbon footprint. Doing so not only showcases our environmental responsibility, crucial in today's sustainability-focused landscape, but also ensures compliance with regulatory standards, mitigating potential legal consequences. Furthermore, it aids in risk management by identifying climate-related risks, such as regulatory changes or physical impacts, while also revealing opportunities for cost savings through enhanced efficiency. Ultimately, this

commitment to transparency and sustainability meets stakeholder expectations, bolstering our reputation and trust. In essence, calculating GHG emissions is both a moral imperative and a strategic necessity for businesses committed to long-term success.

We initiated our assessment by evaluating our Scope 1 and Scope 2 emissions, with plans to address Scope 3 emissions due to their broad scope and complexity. Our methodology for calculating emissions adheres consistently to the GHG Protocol standards.

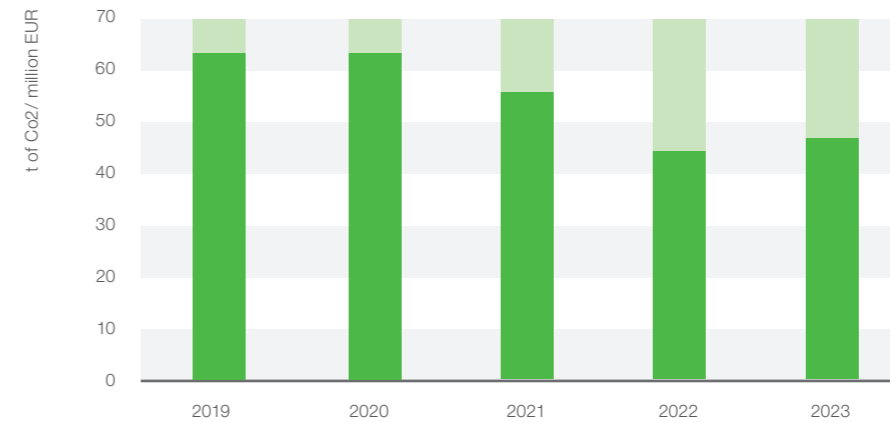
## SCOPE 1 AND SCOPE 2 EMISSIONS



## Scope 1 and Scope 2 Emissions and Intensity



## GHG Intensity based on net revenue

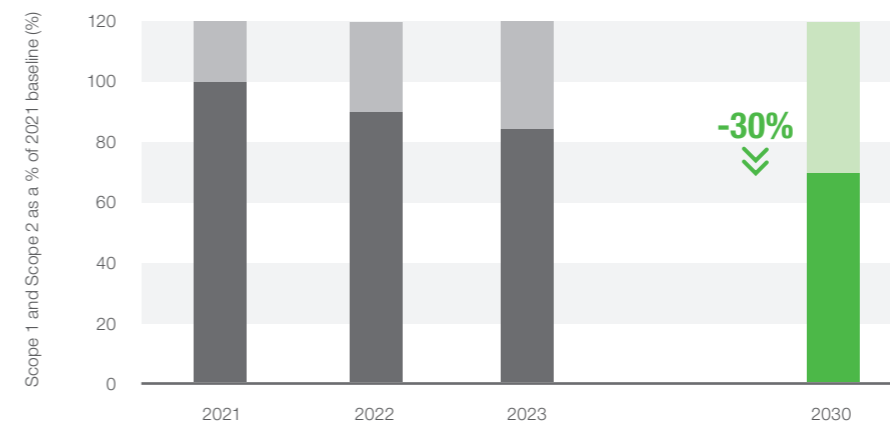


**ESRS E1-6**  
Gross Scopes 1, 2, 3 and Total GHG emissions

	Unit	2019	2020	2021 (baseline)	2022	2023
<b>GRI 305-1</b> Direct (Scope 1) GHG emissions						
<b>GRI 305-2</b> Energy indirect (Scope 2) GHG Emissions						
<b>GRI 305-4</b> GHG emissions intensity						
<b>ESRS E1-6</b> Gross Scopes 1, 2, 3 and Total GHG emissions						
<b>Scope 1</b>	t CO <sub>2</sub> e	7931.1	8213.9	9150.2	8516.8	7664.8
<b>Scope 2 (location based)</b>	t CO <sub>2</sub> e	5529.8	5158.7	5419.9	4398.5	4620.2*
<b>Scope 2 (market based)</b>	t CO <sub>2</sub> e	5589.3	0.0	0.0	8087.1	0.0
<b>Scope 1+ Scope 2 (location based)</b>	t CO <sub>2</sub> e	13460.9	13372.7	14570.1	12915.2	12285.0
<b>GHG Intensity - Production</b>	t CO <sub>2</sub> e/t	0.14	0.13	0.13	0.13	0.13
<b>GHG Intensity - Net Revenue</b>	t CO <sub>2</sub> e/mill EUR	64	64	56	44	47

\* The emissions factors for electricity in Slovenia for 2023 have not been published yet, so we utilized the emission factor from 2022 in the meantime.

## Goal for 2030 is 30% Reduction in Scope 1 and Scope 2 Emissions



## ENERGY CONSUMPTION AND MIX

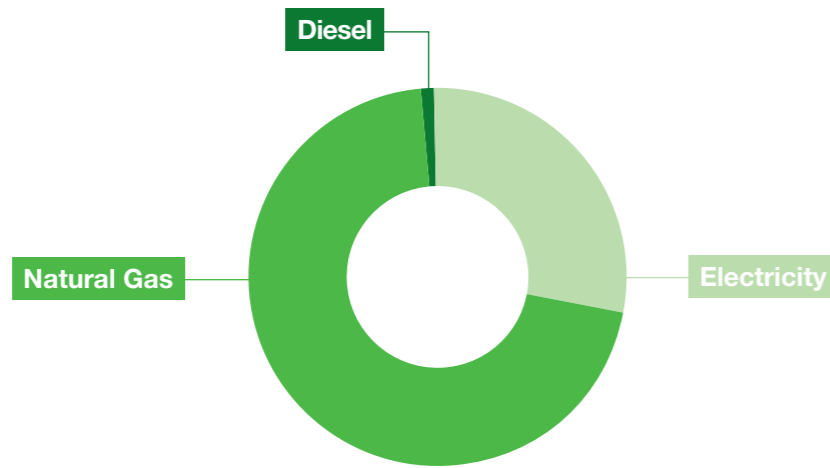
**GRI 302-1**  
Energy consumption within the Organization

	Total Energy Consumption (MWh)
2019	57,942
2020	59,531
2021 (baseline)	65,994
2022	59,968
2023	57,493

**ESRS E1-5**  
Energy consumption and mix

**GRI 302-1**  
Energy consumption within the Organization

**ESRS E1-5**  
Energy consumption and mix

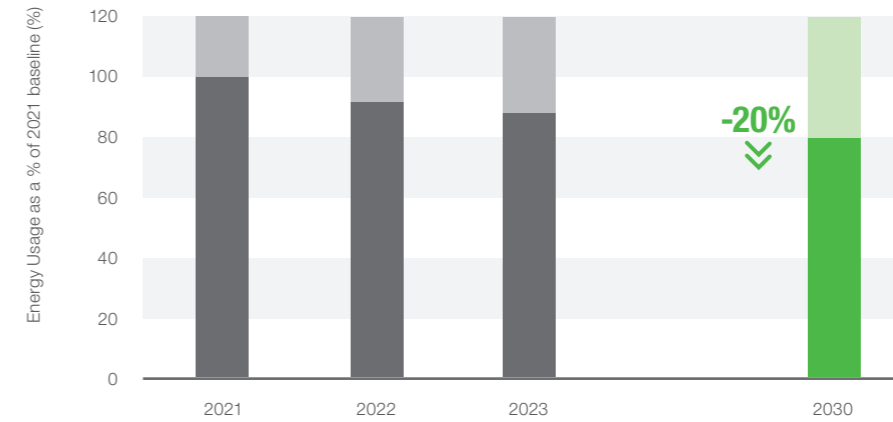


## Energy Intensity

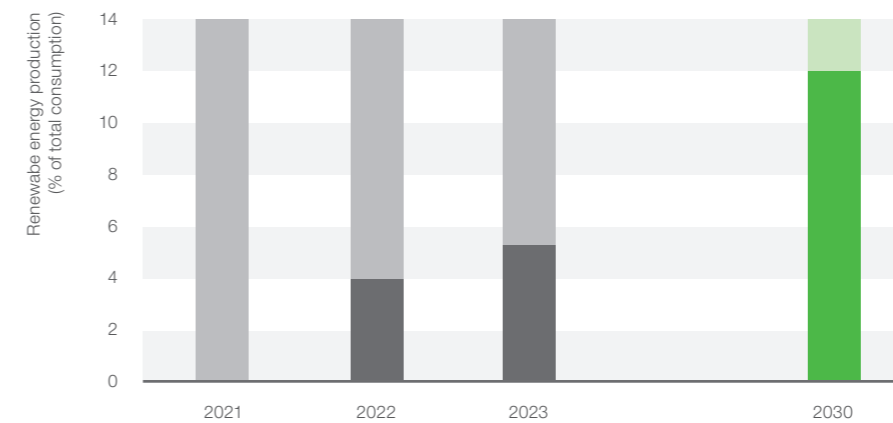
**GRI 302-3**  
Energy intensity

	Total Energy Consumption (MWh)	Energy Intensity (MWh/t)
2019	57,942	0.59
2020	59,531	0.59
2021	65,994	0.61
2022	59,968	0.60
2023	57,493	0.60

## Goal for 2030 is 20% reduction in energy consumption based on 2021 level



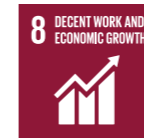
## Renewable Energy Own Production



- In March 2021, the first solar power plant started operating at the company's location in Preska, at the beginning of 2022 we built another solar power plant in Količevo in Domžale and added another one in April 2023.
- The last solar power plant was installed in Preska and started operating in September 2023. We have four operating solar power plants in the company. Solar power plants with solar collectors, which are among the most modern and powerful, represent an important part of the efforts for sustainable development and reduction of the carbon footprint for Helios TBLUS.
- The plan includes 4 additional solar power plants and a hydroelectric plant - **with the goal of covering 12% of energy needs from our own sources by 2030.**



# ENSURING SAFETY AND HEALTH



## Hero for Zero

As part of the »Hero for Zero« initiative (»Everyone can be a hero«), we increase the scope of activities in the field of safety and health at work and encourage employees to take an active role in taking care of the

safety and health of themselves and others. With various activities and programs at the workplace, we take care of the well-being of our employees and raise awareness of the importance of a healthy lifestyle.

## Health & Safety

Year	2017	2018	2019	2020	2021	2022	2023
The number of fatalities as a result of work-related injuries and work-related ill health	0	0	0	0	0	0	0
Number of work related injuries	9	13	9	10	11	11	13
Lost time injury frequency rate	6.9	9.8	6.86	6.08	6.67	7.76	9.59
Accident severity rate	0.22	0.16	0.12	0.12	0.21	0.18	0.26

**ESRS S1-14**  
Health and safety indicators

**GRI 403-9**  
Work-related injuries

## WATER

	Unit	2021 (baseline)	2022	2023
<b>GRI 303-3</b> Water withdrawal				
Total water withdrawal (with well)	m <sup>3</sup>	186,503	156,274	166,725
<b>GRI 303-5</b> Water consumption				
Total water withdrawal (without well)	m <sup>3</sup>	31,719	32,797	47,071
<b>GRI 303-4</b> Water discharge				
Industrial wastewater discharge	m <sup>3</sup>	78,8	55,127	75,958
Municipal wastewater discharge	m <sup>3</sup>	16,704	18,906	13,846
<b>ESRS E3-4</b> Water consumption				
Water for returning to groundwater	m <sup>3</sup>	67,34	59,46	67,909
Water intensity	m <sup>3</sup> /mill. EUR	840	648	817

## WASTE

	Unit	2017	2018	2019	2020	2021 (baseline)	2022	2023	
<b>GRI 306-5</b> Waste directed to disposal									
<b>ESRS E5-5</b> Resource outflows	<b>Waste</b>								
	Hazardous	t	2870	4419	4055	5371	3784	3420	4509
	Non-Hazardous	t	1534	1264	1511	1309	2741	2512	1698

## AIR POLLUTION

	Unit	2021 (baseline)	2022	2023
<b>GRI 305-7</b> Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions				
<b>SO<sub>2</sub></b>	t	0	0	0
<b>NOx</b>	t	4.1	1.3	2.7
<b>ESRS E2-4</b> Pollution of air, water and soil				
<b>VOC</b>	t	39.2	29.2	30.6
<b>HFC</b>	t	0	0	0





# STRENGTHENING SOCIETIES



## SUSTAINABLE PROCUREMENT

At Helios TBLUS, we are committed to complying with the laws and regulations, implementing honest and fair corporate governance practices and strengthening integrity across all business processes. We also aim to build fair partnerships with suppliers and business partners, while taking care of the environment and sustainability in our supply chain.

We anticipate that our suppliers and business partners will align with our values and ethical standards. The Supplier Code of Conduct we released at the close of 2023 delineates the critical standards and principles we uphold, inspired by the United Nations Global Compact's Ten Principles. This code encompasses four principal areas: Human Rights and Labor, Health, Safety and Quality, Compliance and Integrity, and Environmental stewardship.

	2030 goal	2022	2023*
Percentage of targeted suppliers	80	0	84.3%
Percentage of targeted suppliers who have signed the supplier code of conduct	80	0	40.2%
Percentage of targeted suppliers covered by a CSR assessment	80	0	71.7%
Percentage or number of all buyers who received training on sustainable procurement	100	0	100%

**ESRS G1-2**  
Management of relationships with suppliers

**ESRS S2-1**  
Policies related to value chain workers

**GRI 414-1**  
New suppliers that were screened using social criteria

\* Our CSR questionnaire was sent in 2023, results arrived in 2024.

## SOCIAL RESPONSIBILITY

At Helios TBLUS, we take pride in our commitment to social responsibility, actively engaging in initiatives that positively impact our communities. Through donations of both funds and materials, we support a diverse range of endeavors, including charitable organizations, educational institutions, sports clubs, and creative projects. Our contributions extend to various sectors, including education, healthcare, and community development.

In November of 2023, we were honored to receive the first prize in the selection of Environmentally Friendly Company, which is awarded annually by the Eco Fund and the Finance newspaper, and this for the 25<sup>th</sup> consecutive year.

We prioritize initiatives that promote the well-being of children, such as educational programs and support for youth sports clubs. Additionally, we actively participate in societal initiatives aimed at aiding vulnerable

populations, including the disabled and elderly. Our involvement in voluntary firefighting associations underscores our dedication to community safety.

In line with our belief in the power of sports to instill valuable life lessons the KANSAI HELIOS Group has long supported the KANSAI HELIOS Domžale basketball club in Domžale, providing vital resources for its development programs. Furthermore, we actively promote health awareness initiatives, partnering with organizations to raise awareness about pressing health issues.

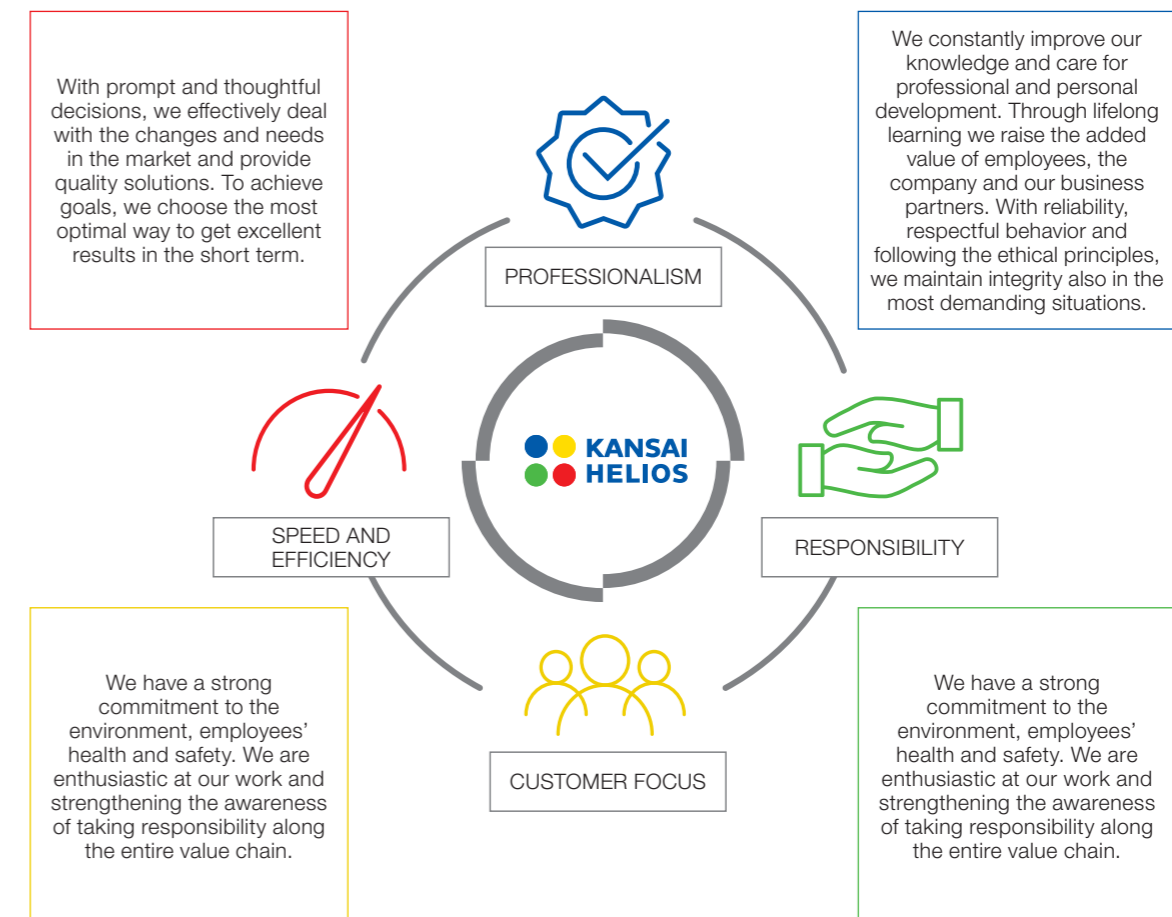
Internally, we foster a culture of giving back through initiatives such as "cycling for charity," where employees collectively contribute towards noble causes. In times of crisis, such as the devastating floods, we stand in solidarity with affected employees, providing both material and financial support to aid in their recovery.

# CREATING SUSTAINABLE VALUE THROUGH KNOWLEDGE, SKILLS AND TALENT



At Helios TBLUS, we strive for continuous improvements, with which we want to meet the expectations of our customers and the wider environment. Our shared beliefs and core principles are summarized in our Values. The values of the KANSAI HELIOS group represent

the foundations of our operations and commit us to behavior that leads to excellence in business processes. Values guide our mutual relations and relations with business partners and other stakeholders in the (business) environment.



## EMPLOYEES

**GRI 2-7**  
Employees

**ESRS S 1-6**  
Characteristics of the undertaking's employees

		2019	2020	2021	2022	2023
<b>Total employees</b>	<b>Total</b>	<b>803</b>	<b>866</b>	<b>858</b>	<b>859</b>	<b>829</b>
	Female	235 (29.3%)	264 (30.5%)	261 (30.4%)	267 (31.1%)	263 (31.7%)
	Male	568 (70.7%)	602 (69.5%)	597 (69.6%)	592 (68.9%)	566 (68.3%)
<b>Permanent</b>	<b>Total</b>	<b>728</b>	<b>783</b>	<b>770</b>	<b>771</b>	<b>781</b>
	Female	221	249	246	245	252
	Male	507	534	524	526	529
<b>Temporary</b>	<b>Total</b>	<b>75</b>	<b>83</b>	<b>88</b>	<b>88</b>	<b>48</b>
	Female	14	15	15	22	11
	Male	61	68	73	66	37

## DIVERSITY

**GRI 405-1**  
Diversity of governance bodies and employees

**ESRS S1-9**  
Diversity indicators

		2019	2020	2021	2022	2023
<b>Top Management*</b>	Female Number	22	24	23	22	22
	Female Percentage	44%	41%	39%	38%	37%
<b>Age</b>	<30	76	88	99	101	81
	30-50	443	463	439	432	405
	>50	284	315	320	326	343

\* one and two levels below the administrative and supervisory bodies

## TRAINING AND EDUCATION

**GRI 404-1**  
Average hours of training per year per employee

**GRI 404-3**  
Percentage of employees receiving regular performance and career development reviews

**ESRS S1-13**  
Training and skills development indicators

	2019	2020	2021	2022	2023
<b>The percentage of employees that participated in regular performance and career development reviews</b>	100	100	100	100	100
<b>The average number of training hours per person</b>	16.3	8.7	9.7	9.7	9.1

## COLLECTIVE BARGAINING AND SOCIAL DIALOGUE

The percentage of total employees covered by collective bargaining agreements				
2019	2020	2021	2022	2023
93.3%	93.1%	92.7%	92.7%	92.3%

**GRI 2-30**  
Collective bargaining agreements

**ESRS S1-8**  
Collective bargaining coverage and social dialogue

## R&D AND INNOVATION

Over the years, the definition of "environmentally friendly" concerning coatings, paints, and resins has transformed. Initially, the focus was on minimizing pollution linked to VOCs (Volatile Organic Compounds) by decreasing solvents in formulations and introducing high solids coatings, water-based coatings, and 100% insolubility coatings like powder coatings. While these solutions remain crucial to green strategies and are integral to the Helios TBLUS portfolio, today, every phase, from inception to end-of-life, undergoes meticulous scrutiny. We're creating a portfolio assessment tool to evaluate our products and guide innovation towards more sustainable options. These initial efforts are yielding tangible results, as evidenced by the awards and accolades we've received.

In June 2023, our water-based acrylic coatings HIDROHEL earned us a silver regional award from the Slovenian Chamber of Commerce for innovation. Recognized for their sustainable protection of wooden furniture surfaces, HIDROHEL series D meets European ecological standards while boasting a high acrylic binder content from domestic sources. This award follows our 2022 national silver award for new generation of acrylic binders for two-component polyurethane coatings affirming our leadership in Slovenian innovation.

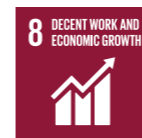
In August 2023, we achieved ISCC Plus certification, endorsing our commitment to sustainably sourced biomass and circular raw materials. This certification scheme facilitates supply chain connectivity and aligns with the European Commission's goals for renewable energy, promoting a circular economy focused on recycling and reuse over incineration and landfill.

## Certifications





# BUILDING PROFESSIONAL INTEGRITY



At Helios TBLUS, we are committed to the highest ethical standards by strictly adhering to both national and international laws, as well as our internal Code of Conduct, while fostering a speak-up culture that promotes personal accountability among employees.

### Excelling at doing what is right

Through our Compliance Program, which embodies the motto *“Excelling at doing what is right”* we ensure that every decision and action aligns with our core values and standards. This Program provides a **user-friendly framework** of key documents to assist employees in navigating complex ethical dilemmas.

Since 2021, we have significantly strengthened our employees' understanding of their roles and responsibilities through a comprehensive **Training Program**. Tailored for different levels

of management and employees, the training is reinforced by clear guidance from our Group Management Board Members.

Our Group Compliance Department actively **promotes awareness** of compliance and integrity through variety of initiatives. To emphasize the importance of these principles, we have designated November as Compliance and Integrity Month. During this month, we engage employees in a series of activities designed to reinforce our conduct guidelines and renew our collective commitment to compliance.

In 2023, as part of Compliance and Integrity Month, we introduced the new Speak Up Policy and tools for immediate access to compliance resources and Speak Up channels. Through these efforts, we aim to create an environment where employees feel **empowered to speak up**.

	2023		2022		2021		2030 goal
	No.	%	No.	%	No.	%	%
Total number and percentage of employees undergo at least one Compliance and Integrity Training per year.	470	57	66	8	35	4	100
Total percentage of employees signing Declaration of Understanding of the Code of Conduct.	-	57	-	-	-	-	100
Total number of confirmed corruption incidents.	0		0		0		0
Number of new cases reported through Speak Up Channels.	1		0		0		*

\* to be defined after observing trend in the following years.

**GRI 205-2**  
Communication and training about anti-corruption policies and procedures

**ESRS G1-3**  
Prevention and detection of corruption or bribery

**GRI 205-3**  
Confirmed incidents of corruption and actions taken

**ESRS G1-4**  
Confirmed incidents of corruption or bribery



[www.helios.si](http://www.helios.si)