

# 20 24

SUSTAINABILITY  
REPORT



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## Letter of the CEO

As we share our Sustainability Report for 2024, I am proud to reflect on the progress we have made while acknowledging the challenges we have faced throughout the year. It has been a year marked by significant geopolitical tensions, uncertainty surrounding the pace of the green agenda, evolving sustainability reporting requirements, and changing market demands. Internally, we also underwent important structural changes, transitioning into the ownership of Amelcor Group, paving the way for new opportunities and growth.

Despite these external and internal challenges, our commitment to sustainability remains unwavering. We continue to focus on the four key pillars that define our sustainability strategy:

- *Decarbonized Operations*
- *Sustainable Production*
- *Our People – Our Responsibility*
- *Responsible Governance*

In line with these pillars, we have set out to support the six United Nations Sustainable Development Goals (SDGs) most relevant to our business. In 2024, we made notable progress – advancing rapidly in some areas while progressing more gradually in others.

Our most notable achievement in 2024 was the reduction of our **Scope 1 and 2 GHG emissions by 24.3%**, largely driven by our transition to 100% renewable energy across all operational facilities. This accomplishment brings us closer to our long-term climate goals and demonstrates our ability to act responsibly in the fight against climate change.

However, not all planned initiatives progressed as quickly as anticipated. The organizational restructuring and the implementation of a new ERP system demanded much of our focus throughout the year. As a result, some areas of our sustainability strategy progressed more slowly than originally planned.

Despite the challenges, we have intensified our efforts on new health and safety initiatives, strengthened IT security, and refined data protection policies. We also placed significant focus on leadership development and reinforcing our corporate culture.

One of the highlights of 2024 was our **EcoVadis assessment**, where we were awarded the **Bronze Medal**, placing us in the top 35% of all companies rated by EcoVadis, and in the top 14% within our industry. This recognition reflects the ongoing commitment of our teams to uphold high sustainability standards and marks an important milestone on our journey.



Looking ahead to 2025 and beyond, responsible business practices will continue to be at the heart of our strategy. As Klimaoprema celebrates its 50th anniversary in 2025, we'll spotlight our achievements and reinforce the values that guide our organization. We remain committed to actions aligned with our priority SDGs, and in the coming year, we will intensify our focus on areas such as product sustainability, circularity, and governance.

As we navigate the evolving landscape of sustainability, we are mindful of our role in contributing to our communities and protecting our planet. By doing so, we are not only ensuring the long-term success of Klimaoprema but also creating a positive impact for all our stakeholders. Our commitment to sustainability is integral to our continued success, and we are proud to share this journey with you.

Together, we are building a future where our business thrives, our people prosper, and our planet is protected for generations to come.

Sincerely,

Sergio Galošić  
CEO, Klimaoprema d.o.o.







Total employees  
**839**  
(+74 IN 2023)

Permanent contracts  
**91%**

Average length of service  
**12.87**  
years

Average employee age  
**38.07**

Training hours provided  
**9.970**  
hours

Injury rate

INDUSTRY-LEADING:

**0.61** per  
**100,000**  
hours

EcoVadis rating

**Top 14%**

IN THE INDUSTRY  
(BRONZE MEDAL)

Renewable energy usage

**100%** at  
operational  
sites

Scope 1 & 2 GHG reduction

**-24.3%**



Waste to landfill

**3.67%**

Waste reduction (total)

**-4.69%**

Metal scrap sold as secondary  
material (circular economy)

**1,056** tons

ISO certification

ISO **50001**

ISO **14001**

ISO **45001**

ISO **9001**

ISO **13485**

New location



**Split**

design office

**48**

Countries  
on the reference  
list (2024)



## KLIMAOPREMA AT A GLANCE

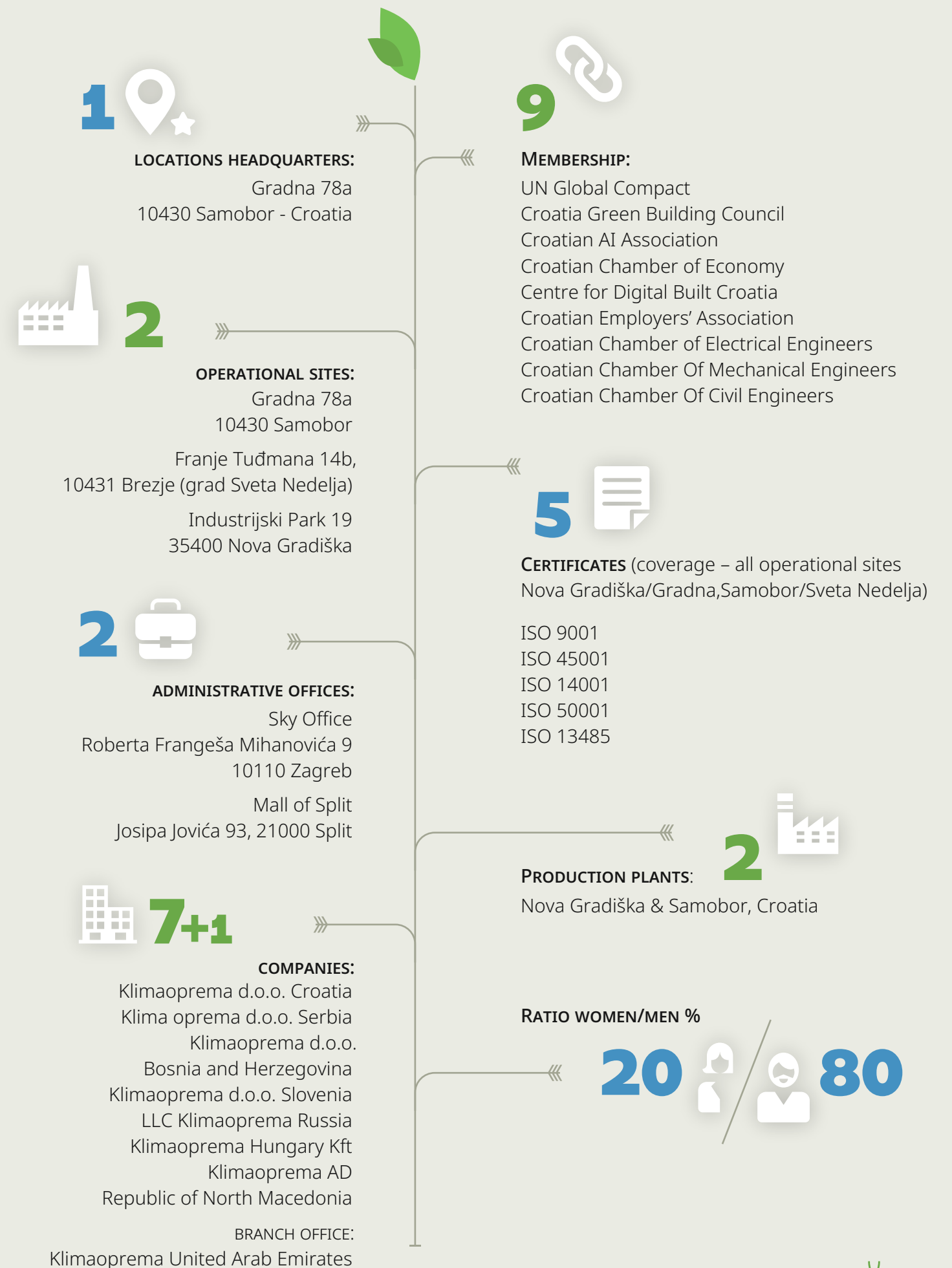
With five decades of expertise, innovation, and a rich legacy, Klimaoprema stands as a leading company in the design and production of premium HVAC systems and cleanroom technology. We provide turnkey solutions for some of the world's most advanced industries – pharmaceuticals, healthcare, microelectronics, and automotive – creating safe, controlled environments where critical breakthroughs can take shape.

Established in 1975 as a small manufacturing workshop with just 12 employees, Klimaoprema has grown into one of the region's most respected manufacturers and engineering companies in this field. We now operate advanced, semi-automated production facilities spanning over 43,000 m<sup>2</sup> across two locations – Samobor and Nova Gradiška – and employ more than 300 skilled professionals. Our Cleanroom Solutions division delivers end-to-end services – from concept and detailed design through project management, construction, and installation – to final qualification and ongoing maintenance.

This integrated approach ensures that every cleanroom meets stringent regulatory standards, operates at peak efficiency, and adapts seamlessly to evolving production needs.

From our first factory in Samobor to delivering high-impact pharmaceutical projects for some of the world's leading companies, every milestone has been driven by a single vision: to build high-value, future-ready solutions for the most demanding industries. Our journey reflects not only our technological advancement but also a steadfast commitment to people, progress, and performance.

Today, backed by in-house manufacturing excellence and decades of know-how, Klimaoprema delivers comprehensive engineering, production, installation, and validation services – focused on two strategic segments: **Cleanroom Solutions** and **HVAC Systems**.





## Change of ownership structure and legal form:

In 2024, Klimaoprema underwent a significant change in its business structure, transitioning from a joint-stock company (d.d.) to a limited liability company (d.o.o.). This change reflects our strategy for further development, ensuring long-term stability and improving business processes in line with modern business practices and regulatory requirements.

Additionally, 2024 marks a significant change in the company's ownership structure. Klimaoprema transitioned from family ownership to Amelcor Group, which recognizes the potential and value of our business, offering support for further expansion and international growth.

By joining Amelcor Group, now employing nearly 1.000 people across the organization, including our sister companies Amelcor Engineering in Switzerland and MCRT, a German manufacturing company, we gain access to enhanced resources and capabilities. This move strengthens our ability to innovate and expand, while fostering synergies across the group.

These changes will help strengthen our collective market presence and allow us to leverage synergies within the group to achieve our long-term goals, with a continued focus on sustainability, responsible business practices, and innovation.



## Klimaoprema business & value creation model

### Design, production and service of Ventilation & Air-Conditioning

- Heat recuperation units
- Fire protection
- Air distribution
- Air treatment
- Airflow regulation
- Kitchen ventilation
- Sound attenuators

**HVAC PRODUCTS**

**CLEANROOM PRODUCTS**

### Design, production and service of cleanroom equipment

- Ceiling grid
- Stainless steel furniture
- Weighing booths
- Doors
- Cleanroom filtration
- Pass-through boxes and showers
- Panel system
- Microbiological safety cabinets
- Laminar flow devices

### Design, Procurement, Production, Installation, EHS and Validation of cleanroom projects

- Cleanroom Design and Engineering in pharmaceutical, medical, electronic and other industries
- Procurement management and contracting
- Production, assembly, quality control and packaging
- Infrastructure installation and EHS Management
- Commissioning, qualification and validation

**CLEANROOM PROJECTS**

**HVAC** Our value creation model for HVAC solutions revolves around delivering innovative, high-quality products and services that adapt to the evolving needs of our customers, ensuring lasting impact and continuous satisfaction.

By integrating the latest technology and sustainable practices, we design and manufacture HVAC systems that are not only energy-efficient but also enhance the environmental comfort of spaces. Our approach involves continuous research

and development, ensuring that we stay at the forefront of industry advancements and regulatory standards. This leads to the creation of HVAC solutions that offer optimal performance, reliability, and cost-effectiveness for our clients.

**CLEANROOM SOLUTIONS** Our value creation model for cleanroom solutions is designed to support the specialized needs of industries that require controlled environments, such as pharmaceuticals, healthcare, and microelectronics. We leverage our

extensive expertise in cleanroom design and engineering to provide tailored solutions that meet the strictest standards for contamination control.

By adhering to international standards and providing ongoing support and maintenance, we empower our clients to achieve operational excellence and reach their business goals, creating lasting value through our cleanroom solutions.

We prioritize development driven by professional expertise and innovation.



Our engagement with stakeholders is structured and adaptable, encompassing face-to-face meetings, social media interactions, internal surveys, and various feedback mechanisms. These channels provide us with valuable insights and feedback on our products and projects, enabling us to understand their impact and make informed decisions for improvement.

Exploring the crucial role of client relationships is integral to the success of operations in both HVAC and cleanroom projects divisions. In the realm of cleanroom engineering, our primary clients are leading global entities in the pharmaceutical, healthcare, and microchip industries. These partnerships demand high standards and precision, attributes that are central to our delivery of tailored cleanroom solutions that meet stringent industry-specific requirements.

For our HVAC division, our clientele mainly consists of global wholesalers and traders. This segment is pivotal in distributing our high-quality, durable, and efficient HVAC systems world-wide. These systems are crafted to meet our rigorous standards and to satisfy the diverse needs of our customers across different markets. Overall, our network of clients enhances our operational complexity but also enriches our capacity to meet diverse market demands. This diverse client base requires us to employ a nuanced approach to client engagement and service management, ensuring that we meet each client's unique needs with precision and efficiency. Located mainly within the European Union or the European Economic Area, our clients benefit from our sustainability-driven practices, which include minimizing environmental impacts and adhering to strict EU and EEA regulations on environmental and social governance. This strategic alignment underscores our commitment to sustainability and excellence in all aspects of our operations.

Our commitment is to create financial value for our shareholders by growing revenue and maintaining profitability. For our people, we create value through training and career development in a positive and creative working environment, while offering them a fair reward.

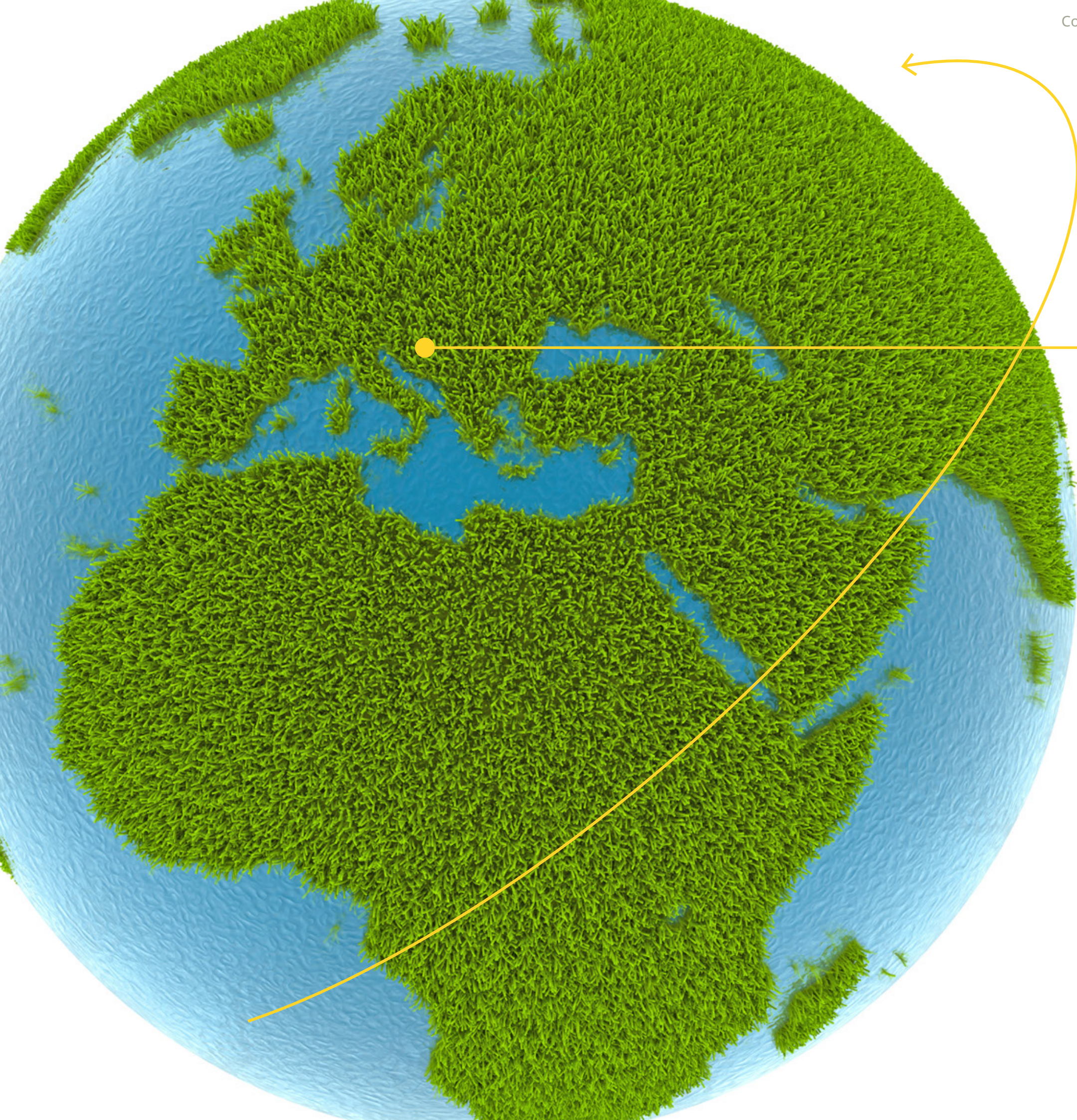
In the communities where we operate, we prioritize employing local labor and take measures to minimize negative environmental impact.



**Engaging with our stakeholders**







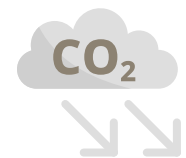
## Our presence in the world

Our company operates on a global scale, offering products and services to a diverse range of markets. Europe represents our largest customer base, accounting for approximately 93% of our business. Beyond the European continent, we have successfully expanded into key international markets such as Georgia, Indonesia, Iraq, Kuwait, Lithuania, Moldavia, Niger, Saudi Arabia, Turkey, United Arab Emir., Vietnam, and other countries. Through this global network, we ensure our solutions meet the unique demands of various industries, maintaining a strong international presence.

Some of our key business partners include renowned companies such as Novartis, Lonza, JGL, Pliva, Belupo, Bionorica, Pfizer, GSK, Braun, Bosch, Sandoz, Teva, Hamapharm, Lonstroff, Takeda, Northvolt, France Air, Sanofi, Gedeon Richter, Yassenka, Dechra, AirTrust, Micro Matic, and RRT Cleanrooms. These partnerships highlight our commitment to quality and innovation, fostering long-term collaborations across the globe.



## Our Sustainability Framework



### DECARBONIZED OPERATIONS

- 1 Reduce scope 1 and 2 GHG emissions by 42% by 2030: align reduction targets with the SBTi modelling to significantly cut greenhouse gas emissions from our direct operations and energy consumption.
- 2 Decrease transport emissions: transition our vehicle fleet to electric and hybrid models to lower carbon emissions associated with transportation.
- 3 Deploy renewable energy sources: implement renewable energy solutions at our manufacturing sites to reduce reliance on fossil fuels and decrease overall carbon footprint.
- 4 Adopt low-carbon production technologies: invest in and transition to production technologies that produce fewer carbon emissions, ensuring more sustainable manufacturing processes.



### SUSTAINABLE PRODUCTION

- 1 Integrate Life Cycle Assessment (LCA) into Product Documentation: ensure product documentation includes comprehensive LCA data to assess and minimize environmental impact.
- 2 Reduce waste and achieve Zero Waste to Landfill by 2030: implement strategies and practices to eliminate waste from production activities.
- 3 Minimize environmental impact of products: utilize sustainable materials and optimized production processes to reduce the negative environmental footprint of our products.



### OUR PEOPLE – OUR RESPONSIBILITY

- 1 Vision of Zero Injuries: commit to creating a completely safe workplace by implementing stringent safety protocols and fostering a culture of health and safety, with the ultimate goal of eliminating all workplace injuries.
- 2 Becoming an Employer of Choice: strive to be recognized as an ideal workplace by offering competitive benefits, promoting a positive work-life balance, providing opportunities for career growth, and maintaining a supportive and inclusive work environment.



### RESPONSIBLE GOVERNANCE

- 1 Ensuring a responsible supply chain: commit to ethical sourcing and responsible practices throughout our supply chain, ensuring that all partners adhere to our high standards for environmental and social responsibility.
- 2 Promoting ethical and transparent business practices: uphold the highest standards of integrity and transparency in all business operations, ensuring compliance with legal and ethical guidelines.
- 3 Prioritizing data security: implement data protection measures to safeguard sensitive information, ensuring the privacy and security of our shareholders' data.

**Sustainability goals by 2030**



## Support to UN sustainable development goals

# SUSTAINABLE DEVELOPMENT GOALS



### SDG 3

#### GOOD HEALTH AND WELL-BEING

We are committed to providing a safe and healthy work environment for all our employees. Our occupational health and safety practices are aligned with the ISO 45001:2018 standard, ensuring consistent internal audits and external reviews. In 2024, we made notable progress in promoting employee engagement and health and safety standards. This includes risk prevention programs, broad work on safety practices, and improvement of safety infrastructure.

We also placed a strong focus on employee well-being, incorporating initiatives aimed at improving work-life balance and provided training and education on mental health topics.

We strive to ensure that all our workers have the right conditions for both physical and mental health, reflecting our commitment to this SDG. This aligns with our broader responsibility to create a work environment where employees feel supported and valued, contributing to both their well-being and overall organizational productivity.



### SDG 4

#### QUALITY EDUCATION

We recognize the critical role education plays in fostering innovation, competitiveness, and long-term sustainability. As part of our commitment to SDG 4, we focus on providing our employees with opportunities for continuous learning and skill development. In 2024, we further strengthened our investment in employee education by offering structured programs in leadership development, technical expertise, and cross-functional knowledge sharing.

We also partner with universities and vocational institutions to offer internships and apprenticeships, fostering a talent pipeline and bridging the gap between academic learning and practical experience. By cultivating a culture of lifelong learning, we ensure that our employees are well-equipped to meet the challenges of the future and contribute to the company's long-term success.



### SDG 7

#### AFFORDABLE AND CLEAN ENERGY

In 2024, we reached a significant milestone by ensuring that 100% of the electricity consumed at our operational sites was sourced from renewable energy. This was achieved through the operation of on-site photovoltaic power plants and the purchase of multi-year Guarantees of Origin (GoO), aligning with our commitment to SDG 7.

Our energy efforts are supported by ISO 50001:2018 and ISO 14001:2015 standards, and are managed through a centralized Energy Management System. This system ensures real-time monitoring of energy usage and optimizes our operations for better resource efficiency.



### SDG 8

#### DECENT WORK AND ECONOMIC GROWTH

Klimaoprema's success is intrinsically linked to the well-being and development of its employees. In 2024, we reaffirmed our commitment to providing high-quality jobs while maintaining a focus on employee engagement and long-term stability. By the end of 2024, we employed 839 individuals, a notable increase from 765 in 2023. The majority of our employees hold permanent contracts (91%), and we continue to provide secure, full-time positions for the vast majority of our workforce.

We introduced several new family-friendly policies, including free day for parents of first-grade pupils and phased return-to-work options for new mothers. Additionally, we offered over 9.970 hours of training, enabling employees to advance both personally and professionally. These efforts contribute to fostering economic growth and strengthening our workforce, while ensuring the well-being of our employees.







## SDG 9

### INDUSTRY, INNOVATION, AND INFRASTRUCTURE

Klimaoprema has strengthened its industry leadership by continuously investing in advanced manufacturing, research collaborations and digital solutions. The company also expanded engineering capacity by opening a second design office in Split and further expanding R&D team to 30 employees engaged in innovation. In 2024 we increased resource-use efficiency and work on the adoption of clean and environmentally sound technologies and industrial processes. We directly contributed to expanding the industrial sector's share of employment and economic output by growing its workforce and investing in domestic operations. productivity.

## SDG 13

### CLIMATE ACTION

In alignment with the Paris Agreement, we committed to reducing our Scope 1 and 2 GHG emissions by 42% by 2030. In 2024, we successfully transitioned to 100% renewable energy at all operational sites, achieved through the installation of solar panels, the signing of a virtual Power Purchase Agreement (vPPA), and the procurement of multi-year Guarantees of Origin (GoO). These actions contributed to our 24.3% reduction in GHG emissions, highlighting our ability to turn targets into tangible results. Our approach to climate action goes beyond reducing our own emissions. We continue to monitor our energy consumption, set ambitious targets, and invest in sustainable technologies that will enable us to meet our future environmental goals.



## SDG 12

### RESPONSIBLE CONSUMPTION AND PRODUCTION

We strive to minimize the environmental impact of our operations through responsible material use and efficient waste management. In 2024, we managed 25 different waste streams, with 70.26% of total waste recycled and only 3.67% landfilled, aligning with our goal of Zero Waste to Landfill by 2030.

As part of our efforts to eliminate non-sustainable materials, we started working on pilot project to replace styrofoam packaging with honeycomb paper, as well as on green HVAC product line incorporating recycled materials. By focusing on improvements in production processes, we reduced raw material consumption and environmental impact of our operations, reducing the scarp from sheet metal for 35%, demonstrating our commitment to responsible consumption and production practices.





## Material topics

In 2023, we conducted a comprehensive materiality assessment to identify our most significant sustainability topics, aligning with GRI requirements while also considering the CSRD double materiality approach.

### Internal baseline for our E-S-G material themes:

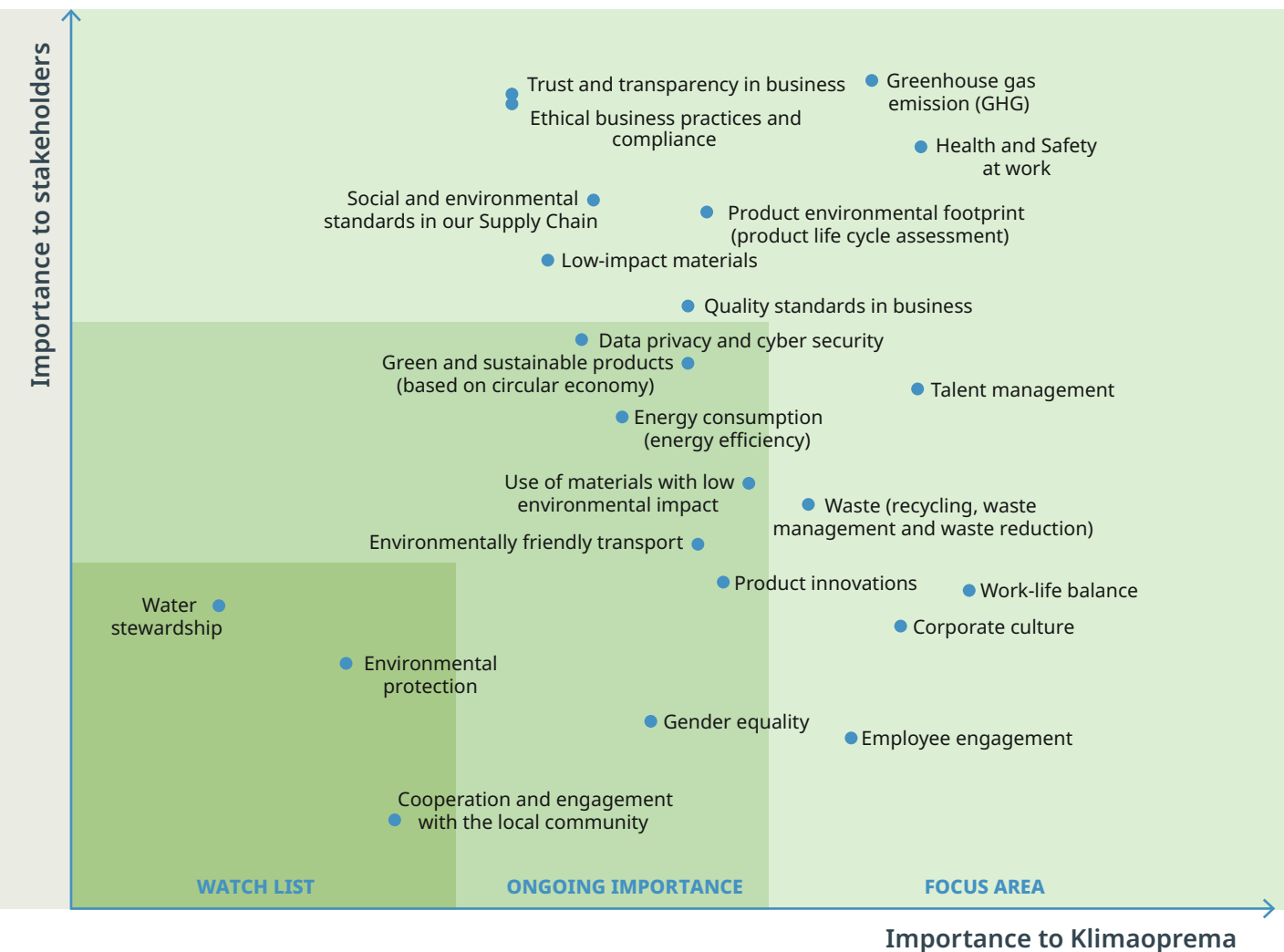
- our purpose, mission statements, company values
- business model strategies
- common industry standards (like SASB, MSCI ESG Ratings)
- policy and legislative changes (EU Green Deal and related sectoral policies)
- peer analysis
- other reporting standards.

As a result, we identified 24 potentially relevant topics, which were further explored through stakeholder engagement, including both internal and external surveys and discussions with various industry experts.

### Stakeholders Engaged (questionnaire):

- employees
- business partners
- suppliers
- educational and scientific institutions
- industry associations
- local government
- media
- credit and financial institutions.
- top management
- board

## MATERIALITY MATRIX



The final **15** topics, forming the core of our Sustainability strategy, were decided at an ESG Committee meeting, validated, and approved by the CEO and the executive management team of Klimaoprema:

### SUSTAINABLE PRODUCTION

- use of low-impact materials
- product environmental footprint (life cycle assessment)
- green and sustainable products (based on circular economy principles)

### RESPONSIBLE GOVERNANCE

- ethical business practices and compliance
- trust and transparency in business
- data privacy and cybersecurity
- social and environmental standards in our supply chain

### OUR PEOPLE – OUR RESPONSIBILITY

- corporate culture
- talent management
- employee engagement
- work-life balance
- health and safety at work

### DECARBONIZATION

- energy consumption
- greenhouse gas (GHG) emissions
- environmentally friendly transport

More detail review of our sustainability approach can be found in Sustainability Report 2023.

## CLIMATE CHANGE AND ENVIRONMENTAL PROTECTION

Climate change and environmental degradation are major challenges for industries worldwide, and the HVAC and cleanroom engineering sector is no exception. Our manufacturing processes rely heavily on energy and raw materials, which can lead to resource depletion and environmental pollution. Emissions from our facilities, along with waste disposal practices, can affect air and water quality, influencing eco-systems and communities around the globe.

Environmental risks like natural disasters or resource shortages can also disrupt our supply chain, causing production delays and higher costs. Extreme weather events – such as heat-waves, strong winds, and heavy rainfall – can damage our infrastructure and alter working conditions.

As a manufacturing company in this sector, we understand the importance of tackling these challenges head-on. By investing in sustainable practices and technologies, we can drive innovation and position ourselves as leaders in the environmentally conscious HVAC and cleanroom solutions market. Proactively addressing evolving environmental regulations will help us stay compliant, reduce regulatory risks, and ensure long-term business continuity.

Integrating renewable energy into our production facilities offers a win-win situation. Not only does it reduce our reliance on traditional power grids, lowering our environmental impact, but it also supports our commitment to producing greener products, as renewable energy sources generate electricity with minimal greenhouse gas emissions. This shift towards renewable energy is a key step towards building a more sustainable production model.

As consumers increasingly favour sustainable products, demand for traditional HVAC and cleanroom solutions are expected to decrease. Over the next few years, we will be focusing on expanding sustainable product portfolio and improving our logistics by shifting towards recycled materials, eco-friendly packaging and reduction of GHG emissions from our operations.



### OUR SUSTAINABILITY GOALS FOR 2030 FOR DECARBONIZED OPERATIONS

### PROGRESS IN 2024

Reduce Scope 1 and 2 GHG emissions by **42%** by 2030 (aligned with SBTi modelling)

GHG emissions from Scope 1 & 2 **reduced by 24.3%**

Decrease of transport emission by switching to „e” or „hybrid” vehicles

**6** electric vehicle charging stations, **2** electric cars, **17** hybrid vehicles to its fleet

Deployment of renewable energy sources at manufacturing sites through the installation of onsite capacity, establishing virtual power purchase agreements (VPPAs), and purchasing renewable energy certificates from renewable energy projects

**2** on site photovoltaics plants, vPPA Contract signed, renewable energy certificates purchased – **100%** renewable energy in operational facilities

Switching to less **CO<sub>2</sub>** intensive production technologies

Commencement work on pre-feasibility study on reduction of **GHG** within our operational facilities



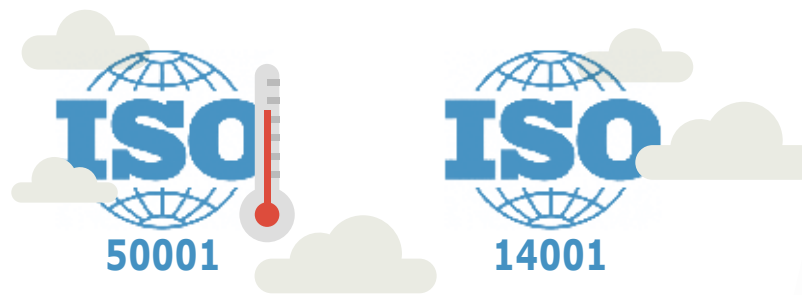


## Energy consumption within the organization

Climate change and energy efficiency remain among the top priorities of our corporate sustainability strategy. Throughout 2024, we continued to invest in energy efficiency measures, renewable energy sources, and digitalization of energy monitoring systems, all in line with our Environmental and Energy Management Policies.

All our operational sites – the production facilities in Samobor and Nova Gradiška, as well as the administrative office in Sveta Nedelja – are certified under ISO 50001:2018 (Energy Management Systems) and ISO 14001:2015 (Environmental Management Systems). These certifications provide a structured and systematic framework for managing resources, emissions, and energy use, supporting continuous improvement in energy performance and the reduction of our environmental footprint.

Despite these efforts, it is important to acknowledge that our overall energy consumption has continued to rise, largely driven by increased production volumes and business growth. Nevertheless, through proactive management, efficiency initiatives, and investments in renewable energy, we strive to mitigate the environmental impact of this rising consumption and maintain our commitment to sustainable operations.

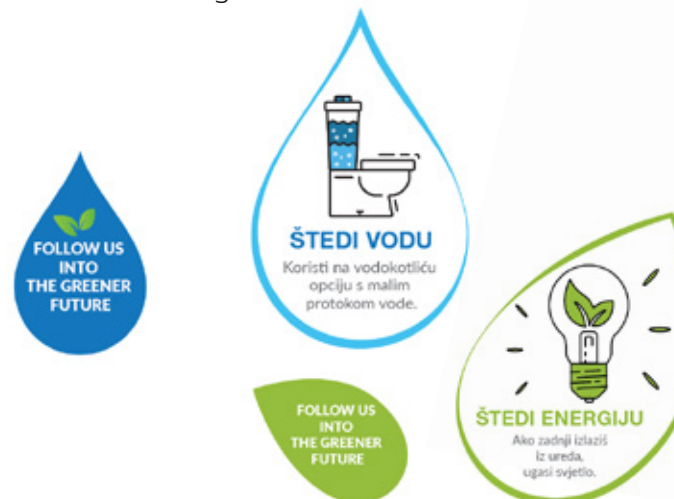


## Governance and responsibilities

Energy management at Klimaoprema is organized through an internal Energy Management Team operating within the Integrated Management System Department. Energy consumption data is reported monthly through a centralized data management tool and subsequently analysed. The Energy Manager has the authority to examine trends and propose consumption reduction targets for each business unit.

In Nova Gradiška, we introduced **digital meters for water, gas, and electricity**, enabling real-time consumption tracking. This technology will be implemented at our Samobor site in April 2025, further enhancing transparency and decision-making speed.

Since 2021, we have implemented a system of **Energy Performance Indicators (EPIs)** based on electricity, natural gas, water, and fuel consumption, correlated with various production capacity indicators. These KPIs are regularly monitored to ensure performance transparency and support proactive decision-making.



## Key improvements in 2024

A major upgrade in 2024 was modernization of production processes at the Samobor site, where a traditional sheet cutter was replaced with a state-of-the-art laser cutting system. This change significantly improved cutting precision and quality while switching to liquid nitrogen as a process gas – a cleaner and more environmentally friendly option that emits no harmful substances.

In parallel, we implemented a centralized argon distribution system for welding. This has resulted

in enhanced supply security, reduced overall consumption, and improved inventory control.

Additionally, storage tanks for liquid nitrogen and argon were installed and integrated with the telemetry application. This system sends automated alerts when gas levels fall below 20%, prompting us to initiate refilling.

Telemetry enables real-time monitoring and further optimizes gas consumption.

As a result of these measures, we achieved a **reduction in natural gas consumption** of approximately **2.71%** compared to the previous year – despite increased production volumes.



## Energy sources and total consumption

In 2024, total energy consumption across all operational locations in Croatia (Samobor, Sveta Nedelja, Nova Gradiška), including offices in leased assets<sup>1</sup>, amounted to **7.847.021 kWh**, of which **8.56%** was generated from renewable energy sources.

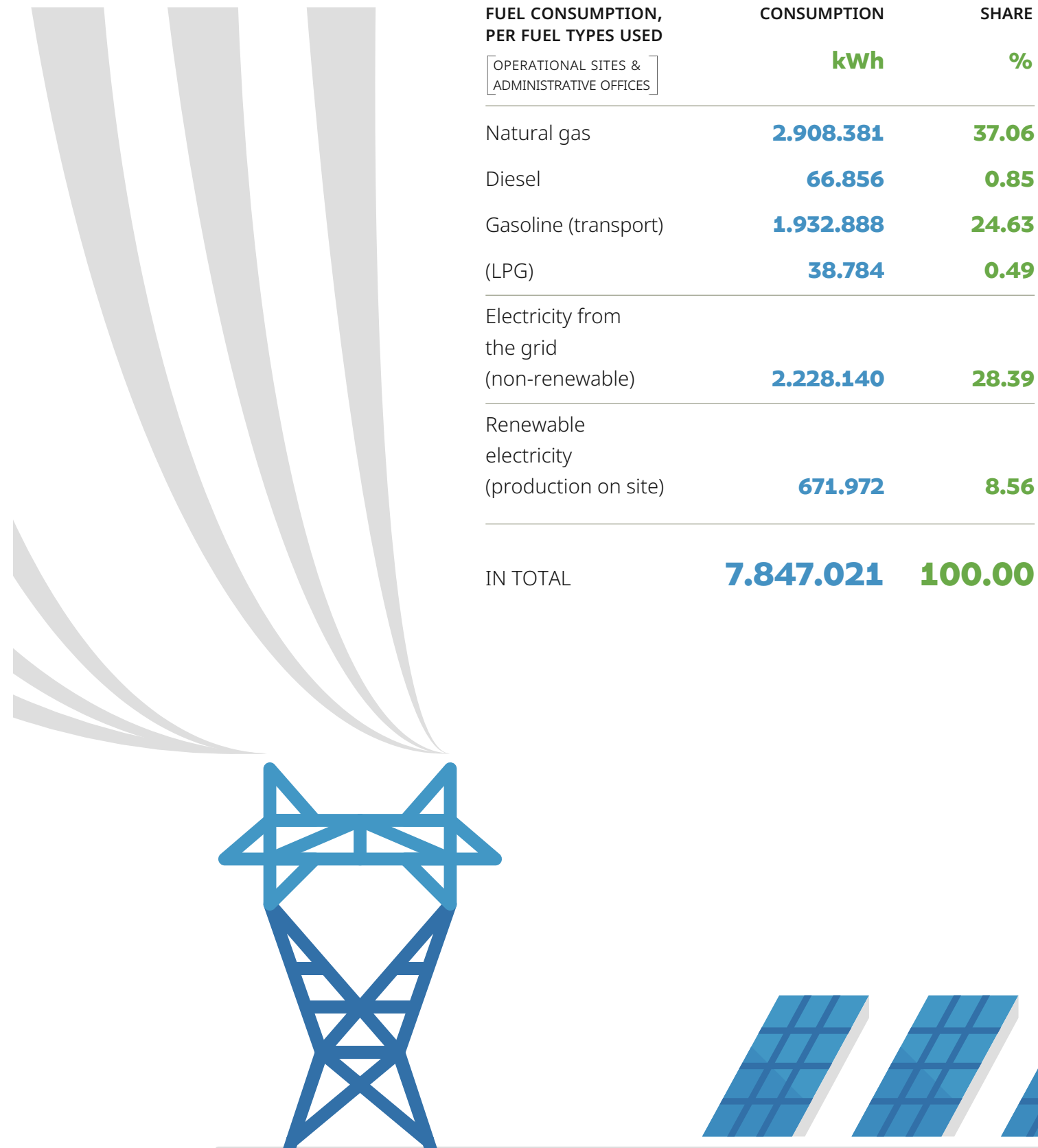
Our primary energy sources include natural gas, electricity, and transport fuels used for forklifts and vehicles. Natural gas plays a critical role in supporting production processes at our Nova Gradiška facility and serves as the main energy source for heating office spaces at both our Samobor and Nova Gradiška sites. Diesel and LPG are currently utilized for operating forklifts, while gasoline remains the predominant energy source for our corporate vehicle fleet.

In 2024, our total energy consumption increased by 3.07% compared to the previous year. The primary contributors to this rise were higher consumption of electricity, LPG, diesel, and gasoline. Several operational factors influenced this trend:

- **ELECTRICITY CONSUMPTION** increased due to higher production volumes, expanded use of new automated and digitalized production technologies, and the growing implementation of electric-powered equipment across our facilities.
- **LPG AND DIESEL USAGE** rose as a result of intensified logistics and internal transport activities, particularly linked to an increase in production output and material handling needs (forklifts and aggregate).
- **GASOLINE CONSUMPTION** remained significant, driven by the continued use of conventional vehicles within the corporate fleet, despite the introduction of hybrid models aimed at reducing reliance on fossil fuels.

While the gradual shift toward hybrid vehicles and electric forklifts has begun to show positive effects, these initiatives have not yet fully offset the increased energy demands resulting from business growth and expanded operational activities.

Electricity accounted for approximately 37% of our total energy consumption in 2024, a share comparable to that of natural gas (37%), while 24.7% was attributed to fuel consumption (gasoline) from our company vehicle fleet, which is currently undergoing partial electrification.



Energy consumption figures exclude branch offices located outside Croatia. These offices operate within leased premises, where electricity usage is negligible, as the costs are typically incorporated into the monthly lease payments. Additionally, no production operations occur outside Croatia.

### Methodology and conversion factors

Data for this report was obtained from internal metering and monitoring systems, including direct readings for natural gas, electricity, and fuel consumption. However, it is important to note that the operational boundaries applied for energy tracking and reporting differ from those used for greenhouse gas (GHG) emissions calculations.

For energy reporting, we include total energy consumption across all operational sites in Croatia, irrespective of ownership structure – this includes both owned facilities and those under operational or financial lease. In contrast, GHG emissions are calculated based only on energy consumption related to owned assets and financial leases, in line with the equity share approach.

**As a result, energy consumption figures and GHG emissions data are not directly comparable and should be interpreted separately within the respective methodological frameworks.**

Conversion factors used in the GHG emissions calculations were sourced from standard industry references and publicly available online resources. These factors are based on accepted norms and standards to ensure consistency and accuracy across different energy sources.

<sup>1</sup>Administrative offices in Zagreb and Split



## Employee engagement in energy efficiency

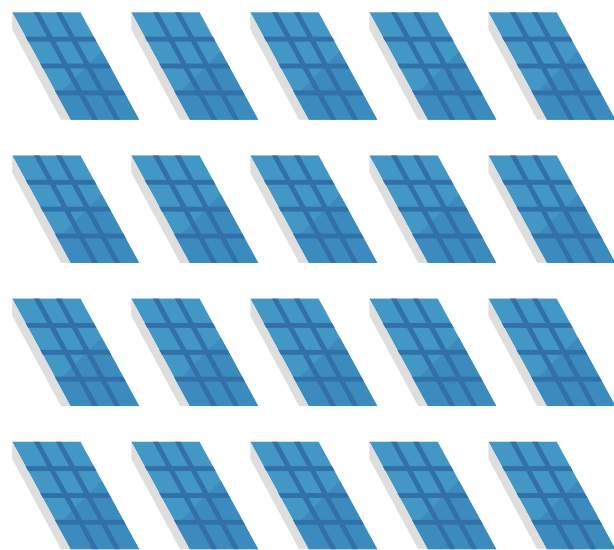
At the operational level, special emphasis is placed on employee education and involvement. In 2024, we ran communication campaigns including:

- **SharePoint announcements on themed days (energy, water, gas),**
- **Informative posters and flyers on energy-saving tips for computers, lighting, and water use,**
- **Maintain our internal „Best Energy-Saving Ideas“ competition and implement the winning proposals across our facilities.**

These initiatives are coordinated by the Energy Management Team, which meets quarterly to track implementation of energy-related measures company-wide.

### Transition to green energy & renewable energy production

In line with our long-term sustainability commitments, we move decisively toward decarbonizing production and increasing the share of renewable energy within our operations. One of the key pillars of this transition is the greening of our electricity supply, combining on-site renewable energy production with certified green electricity purchases.



In 2024, we successfully completed the installation of a photovoltaic plant at our Samobor operational site, enabling us to cover approximately 30% of the location's annual electricity needs through on-site renewable energy production. Similarly, the photovoltaic plant at our Nova Gradiška facility, which became fully operational in 2023, continues to supply around 30% of that site's annual electricity consumption.

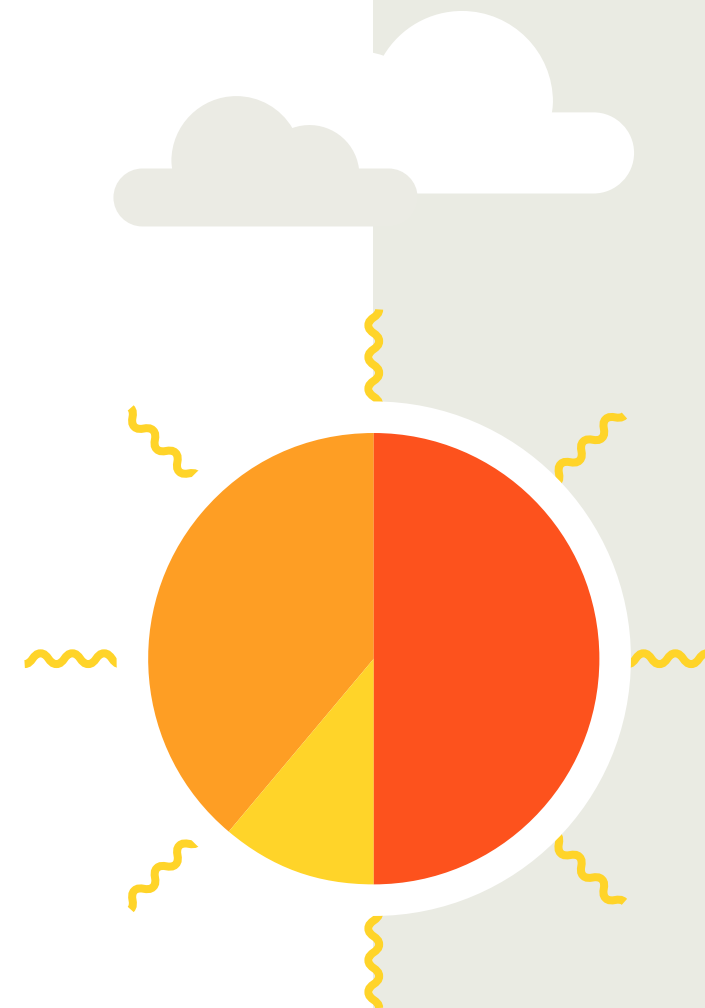
#### KLIMAOPREMA PROFILE ELECTRICITY (OPERATIONAL SITES)

Solar energy generated [kWh]	867.978
Solar energy supplied to the grid [kWh]	196.005
Solar energy self consumed [kWh]	671.972

Energy produced from our solar installations is monitored via dedicated applications for each site (Nova Gradiška and Gradna), capturing the difference between total generated, self-consumed, and grid-exported energy. This provides an accurate representation of renewable self-consumption, independent of purchased electricity volumes.

#### KLIMAOPREMA PROFILE ELECTRICITY (OPERATIONAL SITES)

Energy supplied from the grid [kWh]	1.822.470
Solar energy selfconsumed [kWh]	671.972
<b>TOTAL energy consumption [kWh]</b>	<b>2.494.443</b>

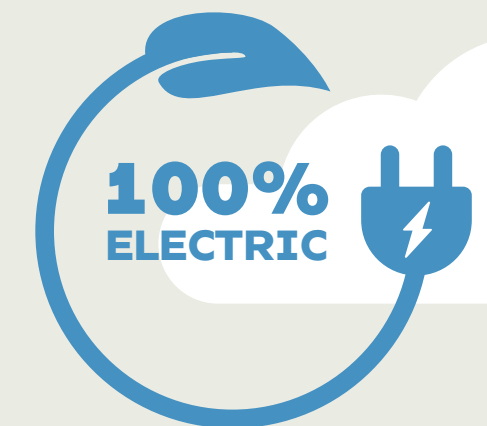


In 2023, we announced our Sustainability goal to reduce greenhouse gas (GHG) emissions by 42% by 2030 compared to our baseline emissions (average of 2020–2022). Although these targets have not been officially validated by the Science Based Targets initiative (SBTi), they are fully aligned with the SBTi methodology and best practices for corporate decarbonization.

Throughout 2023 and 2024, we diligently advanced toward achieving these targets. We successfully installed and commissioned two on-site photovoltaic power plants, enabling significant renewable energy generation directly at our facilities. In addition, we signed a one-year virtual Power Purchase Agreement (vPPA) to procure renewable electricity, further strengthening our commitment to clean energy.

Furthermore, we secured a long-term Guarantees of Origin (GoO) Agreement with KOER, Croatia's first virtual power plant, to ensure a continuous supply of certified renewable electricity through 2029.

As a result of these actions, in 2024, 100% of the electricity consumed at our operational sites (excluding leased office spaces) was sourced entirely from renewable energy, marking a major milestone in our journey toward decarbonization.





## Greenhouse gas emissions

In 2024, we achieved a **24.3% reduction** in greenhouse gas (GHG) emissions compared to our base-line year (average 2020-2022). This reduction is the result of several key initiatives aimed at improving energy efficiency and reducing emissions across our operations.

One of the main contributors to this reduction was our transition to **green energy**. Throughout 2024, 100% of the electricity consumed at our operational sites (excluding leased office spaces) was sourced or procured from **renewable sources**. This shift significantly reduced our dependence on fossil fuels and contributed directly to lowering emissions from energy consumption.

Additionally, the **digitalization of certain business processes** enabled us to optimize energy use, including a reduction in **natural gas consumption**. The implementation of advanced energy management systems allowed for better tracking and control, mini-

mizing energy losses and increasing overall efficiency.

In the **transportation sector**, we introduced **hybrid vehicles** into our fleet, which also contributed to reducing emissions associated with vehicle use. However, we recognize that the significant reduction in GHG emissions from the vehicle fleet resulted from the decrease in the number of vehicles under financial leasing (43,70 CO<sub>2</sub> eq [t]). Since we measure GHG emissions using the equity share methodology, the reduction from the fleet transition to operational leasing can be considered a partial administrative reduction, as these vehicles are no longer included in our emissions calculations under this method.

These initiatives, along with our ongoing efforts to optimize all operations, enabled us to make significant progress in reducing our GHG emissions, marking an important step toward achieving our long-term sustainability goals.

	BASELINE (tCO <sub>2</sub> eq)	2023 (tCO <sub>2</sub> eq)	2024 (tCO <sub>2</sub> eq)
Scope 1 (Direct emissions (e.g. emissions from stationary and mobile sources, including own vehicle fleet))	<b>938.9</b>	<b>972.1</b>	<b>937.0</b>
Scope 2 (Indirect emissions e.g. electricity)	<b>299.2</b>	<b>289.0</b>	<b>0,0</b>
<b>Total</b>	<b>1238.1</b>	<b>1261.1</b>	<b>937.0</b>

REDUCTION OF **301 tCO<sub>2</sub>e** =<sup>2</sup>



Taking **65** average passenger cars off the road for a full year



Powering **50** homes annually



avoiding roughly **188** round-trip transatlantic flights



Carbon sequestered by **1.000** young trees over three decades

By translating our efforts into these real-world comparisons, we can clearly see how targeted efficiency improvements drive meaningful climate action.

<sup>2</sup> European Environment Agency, average passenger car emissions (~120 g CO<sub>2</sub>/km, 12,000 km/yr)  
Eurostat, average household energy-related CO<sub>2</sub> (including heating & electricity)  
MyClimate.org, London–New York round-trip per passenger  
FAO/European Environment Agency estimates for young deciduous trees in temperate zones

## Material & products

In our ongoing journey towards sustainability, the products we create and the materials we use play a central role in shaping our environmental impact. We made a clear focus on reducing waste, optimizing resource use, and minimizing environmental impact in the years to come.

As a manufacturing company in the HVAC and cleanroom sectors, we recognize that our material

choices and resource consumption significantly impact both the environment and the long-term sustainability of our operations. Our material selection process is driven by industry standards and the specific requirements of our production processes, ensuring that we choose materials that align with the highest standards while minimizing the use of hazardous substances.

### OUR SUSTAINABILITY GOALS FOR 2030 FOR DECARBONIZED OPERATIONS

### PROGRESS IN 2024

Integrate Life Cycle Assessment (LCA) into Product Documentation: ensure product documentation includes comprehensive LCA data to assess and minimize environmental impact

**5** Environmental Product Declarations (EPDs) of our high-runner products

Reduce waste and achieve Zero Waste to Landfill by 2030: implement strategies and practices to eliminate waste from production activities

Total waste reduction **4.69%**  
**1.032** tones of metal scrap sold as secondary material  
**3.67%** landfill waste

Minimize Environmental Impact of Products: utilize sustainable materials and optimized production processes to reduce the negative environmental footprint of our products.

Launched a **pilot project** for a green HVAC product using recycled materials, initiated a **pilot project** to replace styrofoam with sustainable packaging materials for one product line.





MATERIALS USED IN PRODUCTION	2024
Metal sheets	4.076.000 kg
Aluminum	102.151 kg
Silicate board	386.993 kg
Mineral stone wool	28.716 kg
Powder for powder coating	16.832 kg
SEMI-MANUFACTURED GOODS/ PARTS THAT ARE PART OF THE FINAL PRODUCT	2024
HEPA filters	325 pcs
Seals	140.000 m
Laminar devices	25 pcs
Actuators	103.655 pcs
PACKAGING MATERIALS	2024
Plastic	101.670 kg
Cardboard	32.300 kg
Wood pallets	68.200 kg
Styrofoam	1715 kg
ASSOCIATED PROCESS MATERIALS	2024
Grease oil	612 l
Nitrogen	197.135 kg

Our production processes are designed for material efficiency and minimal waste. By applying lean manufacturing principles, we continually optimize our factory layouts and workflows to reduce overproduction, excess inventory, and unnecessary motion. We choose materials based on their mechanical properties, durability, and compliance with environmental standards.

In 2024, we implemented targeted production improvements – transitioning from sheet-metal plates to coil-based materials and optimizing our cutting programs – which together drove a **35% reduction in metal scrap**.

Metal materials, including sheet metal and aluminium, constitute the majority of our resources inventory.

Surplus metal generated during production is sold to specialized companies for recycling. Aligned with ISO 9001 standards, we have established internal procedures governing materials and their usage. These procedures, coupled with the technological specifications of our products, ensure stringent quality control throughout the manufacturing process.

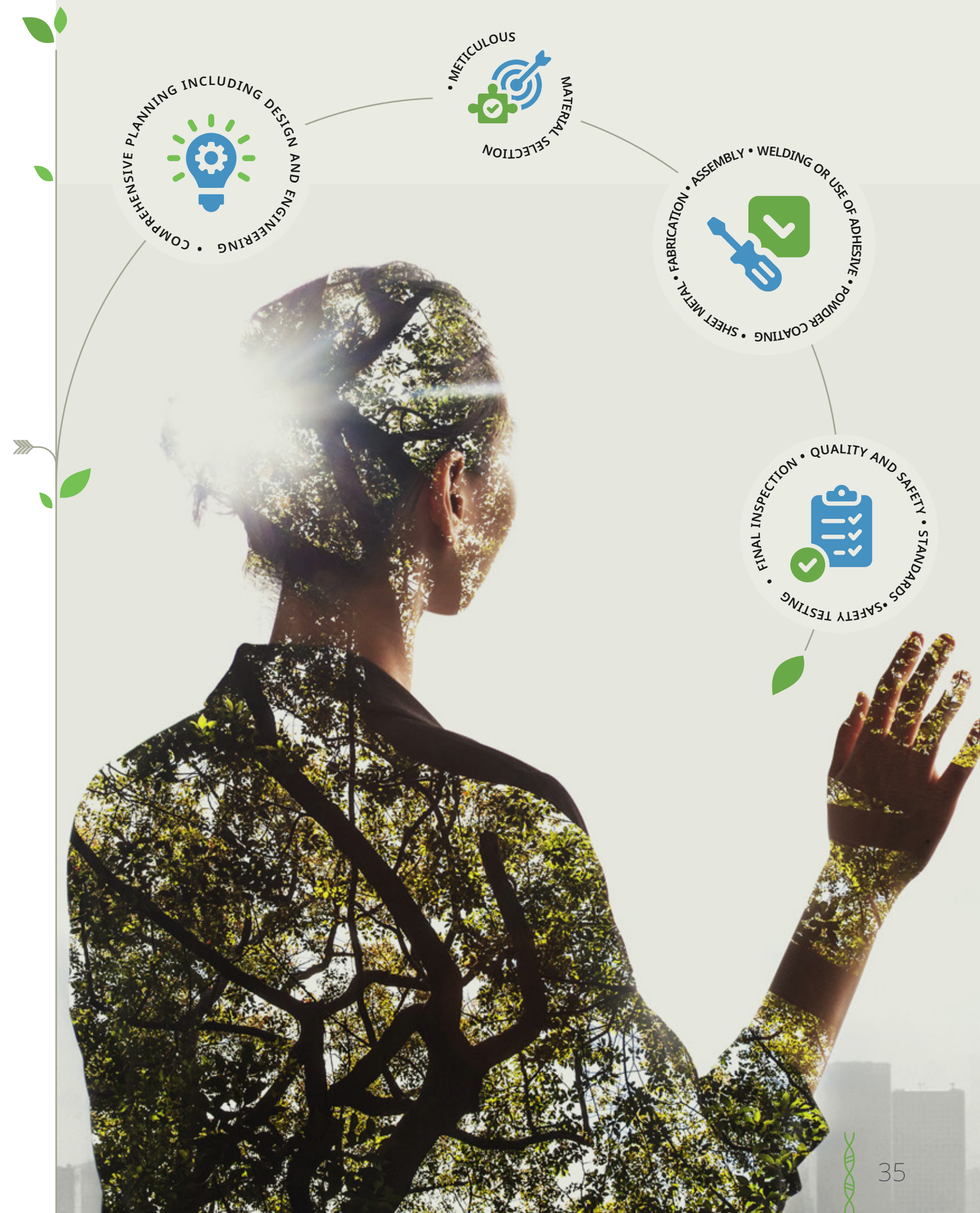
### Manufacturing Process

Our manufacturing process begins with **comprehensive planning, including design and engineering, followed by meticulous material selection**. The production process involves precise **sheet metal fabrication**, where materials are cut, bent, and shaped to create components. These parts are then **assembled**, incorporating elements such as fans, filters, dampers, and sound attenuators.

Certain components require **welding or the use of adhesives** to create airtight and secure joints, particularly in fire safety and kitchen ventilation systems. Post-assembly, surfaces may undergo **powder coating** to prevent corrosion, enhance fire resistance, and maintain cleanliness in cleanroom environments.

Before shipping, **final inspections** are conducted to confirm that all products meet requested **quality and safety standards**. For fire-related products, we conduct extensive performance and **safety testing** to ensure compliance with the required airflow characteristics, fire safety regulations, and contamination standards.

To protect products during transportation and ensure resilience, we utilize various packaging materials, including cardboard, plastic foil, and styrofoam, placing them on wooden pallets.





## 1. MATERIAL SELECTION AND USE:



- The selection of materials is primarily driven by their durability, performance, and compliance with industry standards. Our main material categories include:
  - **Sheet metal and aluminium:** These form the majority of our resources inventory, with a focus on their recyclability and mechanical properties.
  - **Silicate board, mineral stone wool, and powder for powder coating:** These materials are selected for their suitability in the HVAC and cleanroom applications.
- While some of our raw materials, such as sheet metal and aluminium, contain a percentage of recycled content, we are still working on fully integrating this data into our material profiles to differentiate between virgin and recycled content. Currently, due to incomplete data, we report all materials as virgin.
- We are working on reducing our environmental footprint by recycling metal waste generated during production. This surplus metal is sold to specialized companies for recycling.

- **Recycled metal:** In 2024, we placed our first orders for recycled steel sheets as part of our efforts to test and introduce green products. Throughout the year, we worked closely with multiple suppliers to source recycled metal and evaluated different percentages of post- and pre-consumer recycled content.



## 3. PACKAGING:

- We use plastic foil, polystyrene, cardboard, and wooden pallets as packaging materials. In 2024 we began testing packaging alternatives for part of our product range, replacing polystyrene with honeycomb paper. This transition was a challenging process, as alternative materials did not initially provide the same level of protection and quality as styrofoam. However, after extensive testing and collaboration with suppliers, we successfully implemented the switch to honeycomb paper, which offers both environmental benefits and sufficient protection for our products. Full range of this pilot project will be visible in 2025

## 4. SUPPLY CHAIN:

- Our materials are sourced from a diverse supply chain, with the majority provided by EU-based suppliers. Approximately 90% of our suppliers are based in the EU/EEA, which supports our commitment to sustainability by ensuring compliance with stringent environmental and ethical standards. Local sourcing is prioritized where possible and justifiable. Less than 10% of our total spending is directed outside the EU/EEA.



## 5. LIFE CYCLE ANALYSES:



- As part of our sustainability strategy, we have committed to integrating Life Cycle Assessment (LCA) into our product documentation by 2030. This methodology allows us to comprehensively evaluate the environmental impact of our products from raw material extraction to end-of-life disposal.
- A key milestone in our LCA journey was the publication of Environmental Product Declarations (EPDs) for several flagship components, including fire dampers and cleanroom panels. These declarations provide transparent, verified data on the life cycle impacts of our products, reinforcing our commitment to sustainability and transparency.

Regarding the Conflict Minerals Regulation, upon evaluation, it has been concluded that this regulation does not apply to Klimaoprema. We do not import any of the four minerals – tin, tantalum, tungsten, and gold (3TG). While there is a possibility that traces of these materials may be present in certain metal-based materials we purchase, we have not identified any instances thus far.





## Waste Management

Effective waste management and the recovery of secondary materials play a crucial role in achieving the goals of the European Green Deal, which aims to create a more sustainable, circular economy. The EU's environmental policy emphasizes reducing waste generation, promoting recycling, and ensuring that resources are reused efficiently.

By integrating these principles into our operations, we contribute to reducing the environmental impact of our production processes and support the transition to a resource-efficient, low-carbon economy.

### IN 2024 WE ACCOMPLISHED:

- Reduced waste by **4,69%**
- **70%** of our waste sold as secondary material
- **25** types of waste streams
- **3.12%** of waste classified as hazardous
- **3.67%** of waste on landfills

In 2024, our most significant waste-related impacts arise from materials and activities within our production facilities, where various waste streams are generated, including **metal waste, mixed construction waste, cardboard and paper packaging** and smaller quantities of hazardous waste (e.g., filters, rags, paints).

### Waste management

Both manufacturing sites have established waste disposal processes tailored to specific waste streams, ensuring efficient and environmentally responsible treatment and disposal. These sites operate under the centralized oversight of the EHS Department, which is responsible for waste management, treatment, and disposal in full compliance with local regulations and international standards.

We use an internal system for waste categorization in accordance with the Waste Catalog of Croatia. Each location has clearly defined waste disposal streams, designated containers, and real-time waste tracking via an online waste management application. All waste quantities are recorded and confirmed during pick-up by authorized companies and are entered into the waste register. Waste data is submitted to the Environmental Protection Agency as part of the Environmental Pollution Register.

Waste is managed at the point of generation, with clearly marked containers for different waste types in all production facilities and offices. In 2024, we separated a total of **25 different types of waste**, of which only **3.12%** was classified as hazardous. The remaining waste consists of non-hazardous technical, packaging, and construction materials. Internal protocols ensure that each type of waste is correctly identified and documented.

As in previous years, waste management is carried out by authorized external partners with whom we have signed contracts, and who possess the necessary permits. Depending on the type of waste, the material is either recycled, used for energy recovery, or, in a smaller percentage, sent to landfills.

Compared to 2022, the proportion of our total waste sent to landfill fell from **5.97%** to **3.67%** in 2024, marking a **38.5%** reduction in landfill disposal and bringing us closer to our Zero Waste to Landfill target.

Positive examples of our circular approach include the continued sale of **metal waste** to specialized

companies, contributing to the secondary use of raw materials and generating revenue. Paper and cardboard are also sent for recycling without additional costs based on the material weight, apart from basic collection services.

Waste management is the responsibility of the Environment, Health, and Safety (EHS) Department, which reports directly to top management.





WASTE TYPE	2024	SHARE IN 2024
Type (Hazardous and non hazardous)	kg	%
Electrical and electronic waste	1.463	0.1%
Glass for recycling	1.961	0.1%
Household deposited	53.760	3.6%
Oil for recycling	206	0.0%
Other types of toxic waste	46.815	3.2%
Other types of waste	231.081	15.6%
Paper and cardboard for recycling	89.870	6.1%
Plastic waste for recycling	18.930	1.3%
Wood waste for recycling	7.920	0.5%
<b>Total (without metal sold to third parties)</b>	<b>452.006</b>	
Waste metal for recycling	1.032.300	69,5%
<b>Total waste + metal</b>	<b>1.484.306</b>	

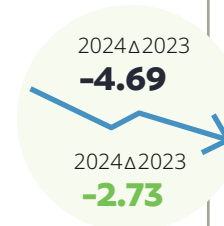
### Management of metal scrap and compliance with legal regulations

All material scrap generated within our production facilities is not considered waste but is sold as raw material for further use in industries dealing with metal processing. Under the current legislative framework, all leftover material from production (in its original, unprocessed form) must be handed over to authorized companies, which then sell it as input material for various industries.

Although this material is reused, Croatian regulations still require metal scrap to be categorized as waste, as the conditions for officially classifying it as a by-product have not yet been established. To qualify as a by-product, specific criteria outlined in waste management regulations must be met, which includes establishing a direct connection between

the seller (Klimaoprema) and the buyer of the metal, without the involvement of intermediaries. Given the current locations of production and the limited number of buyers who are geographically distant, it is not feasible to easily arrange for transportation and exchange, which prevents us from fulfilling this administrative requirement, which would allow for the exemption from categorizing it as waste.

This approach is fully aligned with existing legal frameworks, and we continue to practice selling materials to authorized companies for further processing and recycling. Through this, we actively contribute to the circular economy and the reduction of our environmental footprint.



WASTE TYPE	kg	%
Type (Hazardous and non hazardous)		
Electrical and electronic waste	1.463	0.1%
Glass for recycling	1.961	0.1%
Household deposited	53.760	3.6%
Oil for recycling	206	0.0%
Other types of toxic waste	46.815	3.2%
Other types of waste	231.081	15.6%
Paper and cardboard for recycling	89.870	6.1%
Plastic waste for recycling	18.930	1.3%
Waste metal for recycling	1.032.300	69.5%
Wood waste for recycling	7.920	0.5%
<b>Grand Total</b>	<b>1.484.306</b>	<b>100.0%</b>

WASTE TYPE	kg	%
Hazardous		
Electrical and electronic waste	1.463	3.0%
Oil for recycling	206	0.4%
Other types of toxic waste	46.815	96.6%
	48.484	100.0%
<b>Share of Hazardous waste in total</b>	<b>3.266%</b>	

WASTE TYPE	kg	%
Non hazardous		
Glass for recycling	1.961	0.1%
Household deposited	53.760	3.7%
Other types of waste	231.081	16.1%
Paper and cardboard for recycling	89.870	6.3%
Plastic waste for recycling	18.930	1.3%
Waste metal for recycling	1.032.300	71.9%
Wood waste for recycling	7.920	0.6%
	1.435.822	100.0%
<b>Share of non-hazardous waste in total</b>	<b>96.734%</b>	



WASTE MANAGEMENT METHODS

Hazardous and non hazardous	kg	%
Disposal - landfill	54.487	3.67%
Disposal - other disposal operations	964	0.06%
Recovery - other recovery operations	338.723	22.82%
Disposal - incineration	47.097	3.17%
Recovery - recycling	1.042.829	70.26%
Recovery - reuse	206	0.01%
Grand Total	1.484.306	100.0%

WASTE MANAGEMENT METHODS

Hazardous	kg	%
Disposal - landfill	/	/
Disposal - other disposal operations	/	/
Recovery - other recovery operations	1.181	2.4%
Disposal - incineration	47.097	97.1%
Recovery - recycling	/	/
Recovery - reuse	206	0.4%
Grand Total	48.484	100.0%

WASTE MANAGEMENT METHODS

Non hazardous	kg	%
Disposal - landfill	54.487	3.8%
Disposal - other disposal operations	964	0.1%
Recovery - other recovery operations	337.542	23.5%
Disposal - incineration	/	/
Recovery - recycling	1.042.829	72.6%
Recovery - reuse	/	/
Grand Total	1.435.822	100%

Water resources

Klimaoprema does not engage in water-intensive activities in production. Although water resources are not considered material for Klimaoprema, we do publicly report our water consumption.

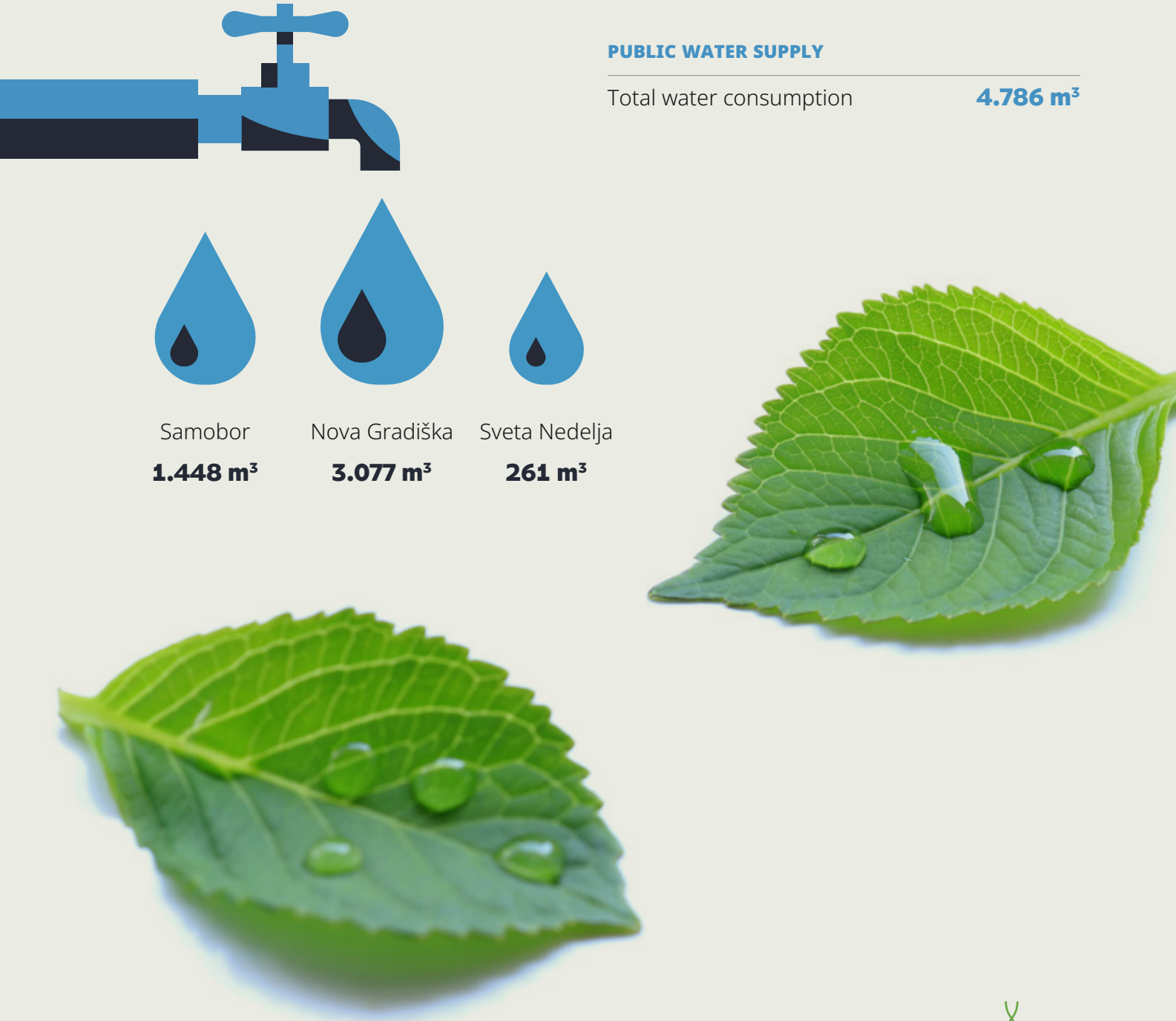
Our total water consumption in production is negligible and primarily used for sanitary and drinking purposes. Process water is only used in a small part of the plastification production line. This process water circulates in a closed loop and is

supplemented with fresh water as needed. It is used continuously in the plastification process until fully consumed. Any residue from cleaning the water tanks is classified as hazardous waste and collected by authorized waste disposal companies.

Our production locations are not located in areas of high biological diversity outside protected areas or nearby.

PUBLIC WATER SUPPLY

Total water consumption 4.786 m³





OUR PEOPLE -  
OUR RESPONSIBILITY

Today's business landscape moves quickly and can feel unpredictable. Thus, we recognize and embrace our role as a driver of positive change – not only through the products and services we offer, but also through the ways we employ, develop, and support our people.

Employees remain the core of Klimaoprema's success – they embody our identity, uphold our values, and shape our future. Their dedication, creativity and spirit of innovation empower us to face the challenges of tomorrow with confidence.

Our focus lies in creating high-quality jobs and prioritizing the recruitment of skilled workers from the local workforce, thereby strengthening regional economic development and reinforcing community ties.

We are committed to providing sustainable, inclusive, and healthy workplaces. This commitment extends beyond mere compliance with safety regulations, because we believe that a nurturing work environment is fundamental to fostering creativity, productivity, and overall job satisfaction.

SUSTAINABILITY GOALS FOR 2030

PROGRESS IN 2024

**Vision of Zero Injuries:** commit to creating a completely safe workplace by implementing stringent safety protocols and fostering a culture of health and safety, with the ultimate goal of eliminating all workplace injuries.

2024 Safety Achievements:

Recorded **8** minor incidents over **1.313.648** hours worked, achieving an industry-leading **0.61** minor incident rate per **100,000** hours.<sup>3</sup>

Launched a **near-miss reporting app** and introduced regular **Safety Gemba Walks** in production to proactively identify and eliminate hazards.

**Becoming an Employer of Choice:** strive to be recognized as an ideal workplace by offering competitive benefits, promoting a positive work-life balance, providing opportunities for career growth, and maintaining a supportive and inclusive work environment.

**8.619** hours of training

**25** top management roles and **12** production supervisors in Leadership academy

Focus initiatives on **women in business**

<sup>3</sup> Industry benchmarks for incident rates are typically expressed as cases per 100 full-time employees or per 200,000 hours worked (the OSHA standard basis). In 2022 the Metals Manufacturing sector had a total recordable incident rate (TRIR) of about 3.0 per 100 full-time workers, which equates to 6.0 per 200,000 hours worked. **Metals Manufacturing (2022):** ~3.0 per 100 workers (6.0 per 200,000 hours)



Health  
& safety

Workplace safety remains our top priority. In 2024, we continued to strengthen our Occupational Health and Safety (OHS) system, implement preventive measures, and enhance the safety culture across all business operations.



In 2024, we continued to strengthen our safety systems, particularly through proactive risk identification and mitigation. Our Health and Safety Committee continued to meet regularly in 2024, analyzing all reported incidents, unsafe situations, and employee suggestions. Every report is thoroughly considered, and concrete measures are taken to ensure safer working activities. This structured approach has allowed us to respond more quickly to potential risks, remove hazards in a timely manner, and strengthen our occupational safety system.

We also paid special attention to improving safety communication and digitizing the process of reporting unsafe situations.

To streamline logistics and relieve the Procurement and Warehouse departments, we introduced **automated vending machines for personal protective equipment (PPE)** at our Nova Gradiška site, ensuring 24/7 access to essential items such as gloves, goggles, and respirators. These smart dispensers are linked to employee RFID cards, enabling real-time consumption tracking and generating data-driven reports that support resource optimization and workplace safety monitoring. By partially outsourcing inventory and distribution responsibilities to our supplier, we not only increased operational efficiency but also reduced internal administrative workload, allowing our teams to focus on higher-value tasks.



As an organization, we are committed to continuously improving working conditions by **implementing** the internationally recognized **ISO 45001:2018 standard** across all business units, ensuring a systematic approach to identifying, assessing, and managing workplace risks. Our occupational health and safety management system is based on proactive prevention measures, continuous improvement of the working environment, and active participation from all employees in creating a safe and healthy workplace culture. Through regular audits and compliance with applicable regulations, we aim to minimize risks, prevent injuries and occupational diseases, and ensure the long-term health and well-being of our employees.



In 2024 we introduced new reporting system for near-miss so employees are able to easily and quickly report any potential risks via internal communication channels, further strengthening the culture of prevention and early risk identification. This initiative increased transparency and speed of response to potential risks but also encouraged employees to be active participants in creating a safer working environment.

**Near Misses:** The program led to the identification and documentation of over 75 near-miss and/or improvement situations, with half of them being closed as safety improvements in 2024. Rest is to be completed in 2025, due to the complexity of the solutions that need to be implemented.

Also, within the organizational improvements, the production sites rolled out the **5S** workplace organization system - Sort, Set in Order, Shine, Standardize and Sustain - to drive efficiency, reduce waste and enhance safety. Standardized checklists and visual controls now guide best practices, while regular audits ensure the improvements are maintained.

Finally, in 2024 we also introduced **Safety Gemba Walks** – structured “walk-and-talk” inspections led by frontline supervisors to observe work processes, engage directly with operators, identify unsafe behaviour in real time, and drive immediate corrective actions.

**NEMA POSLA VRIJEDNOG RIZIKA.  
SIGURNOST JE UVIJEK PRIORITET.**



In line with our commitment to employee well-being and safety, in 2024, we signed a **collective accident insurance policy** for all our employees. This initiative further strengthens our dedication to providing a safe and supportive working environment. The policy ensures that our employees are covered in the event of accidents, reflecting our ongoing efforts to prioritize health and safety as a fundamental aspect of our sustainability strategy.

**PROMOTION OF EMPLOYEES' HEALTH**

In 2024, we continued with well-received initiatives, including the **Multisport card and free additional health insurance**, which provide employees with access to systematic health checks. These benefits are designed to facilitate health care, encourage an active lifestyle, and ensure timely preventive care for all employees.

As part of **Health Month**, we organized a series of lectures focused on proper nutrition, physical activity, and mental health. Through these educational sessions, employees had the opportunity to learn about the nutritional value of food, the importance of balanced diets, and the impact of physical activity on health and well-being. Techniques for muscle relaxation and improving posture, aimed at reducing neck and joint strain, were also introduced.



Additionally, employees participated in lectures on **mental health and addiction prevention**, with a focus on the importance of supporting one-self and others. These topics will continue to be addressed in the upcoming months to ensure content availability to all employees, regardless of their work location and schedule.

As part of our ongoing commitment to workplace health and safety, we also organized safety lectures to raise awareness about the importance of safety measures and injury prevention.

**Work-related Injuries**

In 2024, we recorded **8 work-related injuries**, representing an increase compared to previous years. However, it is important to emphasize that this increase reflects a higher number of work hours and an improved incident reporting system, allowing for more accurate recording of all injuries, including minor ones that may have gone unreported in the past.

The total number of hours worked in 2024 was **1,595.333**, an increase from 2023, while the **Lost Time Injury Frequency Rate (LTIF)** was **6.09**, with **410** days lost due to injuries. Despite the increase in reported incidents, none of the injuries were severe, nor did they result in long-term consequences for employees. Comparison within the industry shows that our safety management system is effective and incident rates are similar to those of peer companies

Looking forward, we plan additional investments in technological innovations and safety systems in 2025, as well as expanding training programs to ensure that every employee has the best tools and knowledge to protect themselves and their colleagues. Our vision remains clear – to continuously improve safety conditions and strive for an injury-free environment.

**2024 SAFETY STATISTICS**

**LTIF** (Lost Time Injury Frequency Rate): **6.09**  
**LTCR** (Lost Time Case Rate): **1.22**  
Total hours worked: **1,313.648**  
Total work-related injuries: **8**  
Total lost workdays: **410**  
Regulatory or inspection notices received: **0**  
Fatalities: **0**

Lost Time Injury Frequency Rates (LTIFR) are calculated based on one million hours worked. Data on incidents and workhours represents the employed workforce.

The majority of injuries recorded and analyzed in 2024 resulted from superficial injuries and cuts on fingers and fists, which are common types of injuries in our industry. There were no incidents or injuries resulting from commuting transport organized by the company.

**HSE awareness training:**

- CPR & AED training courses held at four company locations, with AED devices installed and first responders trained.





## People

Creativity and collaboration fuel every project we deliver. Our success isn't driven solely by technology or results, but by genuine human connections and trust. Open communication, teamwork, and shared goals build strong teams – and strong teams are the engine of long-term growth and sustainability.

Our vision remains unchanged: to be recognized as an **Employer of Choice** – distinguished by a strong organizational culture, a supportive working environment, inspiring leadership and meaningful employee benefits that attract and retain top talent.

### WORKFORCE BREAKDOWN

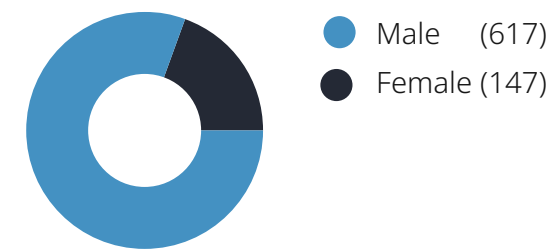
For the purpose of this report, Klimaoprema's workforce is classified into five distinct categories, based on roles, responsibilities, and organizational functions.

- **SENIOR MANAGEMENT** refers to individuals occupying top-tier leadership positions, including members of the executive board, division directors, and heads of key business sectors. These individuals are responsible for strategic decision-making and the overall governance of the organization.
- **MIDDLE MANAGEMENT** includes department managers and team leaders who operate directly below senior management. They are primarily responsible for implementing strategic directives, overseeing day-to-day operations, and managing teams within specific business units.
- **TECHNICAL PERSONNEL** comprises highly skilled professionals operating within the company's core business functions. This group includes engineers and other subject matter experts who contribute essential technical knowledge and innovation to Klimaoprema's products and processes.
- **PRODUCTION AND CONSTRUCTION PERSONNEL** consists of employees engaged in operational and hands-on activities related to manufacturing and construction. These roles are directly tied to product realization and typically require vocational or technical training.
- **ADMINISTRATIVE PERSONNEL** encompasses employees working in shared services and supportive business functions such as finance, human resources, procurement and IT. Their contributions are vital to maintaining the efficiency, compliance, and continuity of overall business operations.

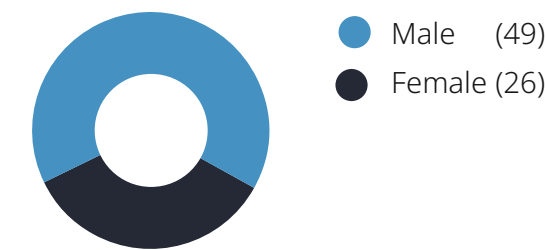
### WORKFORCE BALANCE ACROSS GENDER

Position	Gender		
	MALE	FEMALE	TOTAL
Senior management	28	3	31
Middle management	38	8	46
Administrative personnel	23	80	103
Technical personnel	157	44	201
Production and construction personnel	420	38	458
Total KO Group	666	173	839

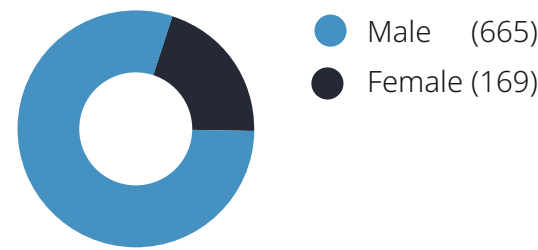
### PERMANENT EMPLOYEES



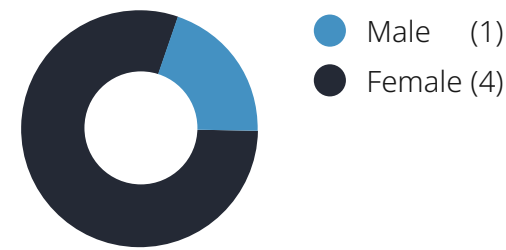
### TEMPORARY EMPLOYEES



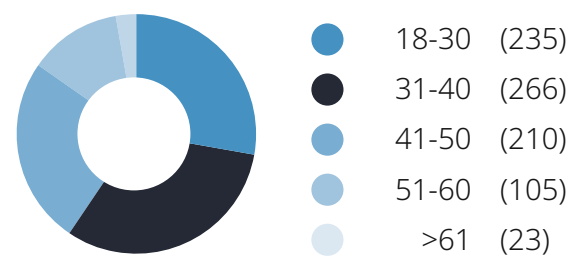
### FULL-TIME EMPLOYEES



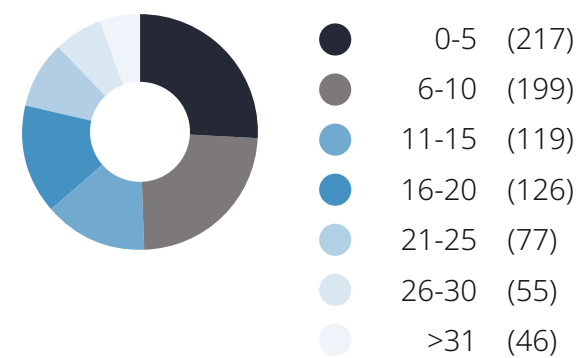
### PART -TIME EMPLOYEES



### AGE STRUCTURE



### LENGTH OF SERVICE



### COUNTRY

	MALE	FEMALE	TOTAL
KO d.o.o. Croatia	621	158	779
KO Bosnia and Herzegovina	1	0	1
KO Hungary	2	3	5
KO Slovenia	2	1	3
KO Russia	28	7	35
KO Macedonia	1	0	1
KO Serbia	11	4	15
Total	666	173	839



## General employment statistics

As Klimaoprema continues its progressive growth trajectory – driven by strong sales performance, geographic expansion, and the increasing scale of operations – the company has also recorded a consistent increase in headcount.

At the end of 2024, the total number of employees across the Klimaoprema Group reached 839, representing an increase from 765 employees reported in 2023. Of this total, over 92% (779 employees) are based at Klimaoprema d.o.o. in Croatia, reaffirming the central role of the company's headquarters in the Group's overall structure.

Despite a workforce currently composed of a higher share of male employees Klimaoprema firmly upholds diversity and inclusion as core pillars of its corporate culture and long-term human capital strategy.

**We actively promote equality of opportunity in all aspects of employment – including recruitment, career mobility, training, remuneration, and occupational safety – regardless of gender, background, or personal characteristics.** Our Code of Ethics explicitly prohibits all forms of discrimination and harassment, particularly those related to individual differences.



839

total number of employees in the Group

779

Number of employees at Klimaoprema d.o.o. (Croatia) - over 92% of the total workforce

91%

Percentage of employees with permanent contracts

764

total of employees

## Employment contract types - average

The highest concentration of temporary workers is observed in the production and construction personnel category, particularly within the Croatian entity Klimaoprema d.o.o., which recorded 48 male and 15 female temporary contracts in this category. This reflects seasonal and operational flexibility, common in production settings. Notably, all senior management, middle management, technical staff, and most administrative staff across the Group are engaged under permanent contracts.

**The employment structure at Klimaoprema Group in 2024 highlights a clear preference for permanent and full-time contracts, providing a**

99%

Percentage of full-time employees (834 employees)

female 21%  
male 79%  
Gender distribution

At the Group level, 764 employees hold permanent contracts, representing 91% of the total workforce, while 834 employees, or 99%, work full-time. Part-time roles are rare, with only 5 employees (1%) in such positions. Temporary contracts account for 75 employees (9%), and an additional 34 individuals (4%) are

**strong foundation for employee stability, loyalty, and long-term development.** The presence of temporary contracts in production roles aligns with operational needs and flexibility, while the extremely low share of part-time employment reflects the Group's commitment to offering robust, full-time career opportunities.

75%

Number of employees on temporary contracts (9% of the total)

34

Number of individuals employed under student contracts (4%)

female 15  
male 48  
Temporary employees by gender

engaged through student contracts. This structure highlights the Group's strong commitment to stable, long-term employment across core business areas, complemented by flexible arrangements that support seasonal and operational needs.



## Fluctuation

In line with Klimaoprema Group's strategic development, the year 2024 was marked by continued business growth, operational expansion and a sustained increase in workforce numbers. This upward trajectory is also accompanied by organizational restructuring as part of the broader integration into the Amelikor Group – a corporate holding structure that oversees multiple interconnected entities.

Throughout the year, several Klimaoprema employees were reassigned to newly established sister companies within the Group, reflecting the dynamic nature of our transformation. These

intra-group transitions, while neutral in terms of real attrition, statistically contribute to employee turnover calculations.

**AS OF DECEMBER 31, 2024, KLIMAOPREMA d.o.o. REPORTED:**

- **176** new hires, of which **121** men and **55** women
- **114** total employee exits, broken down as:
  - **89** departures by mutual agreement or due to other reasons
  - **25** transferred to other companies within the Group

Considering the average headcount of **759.08** employees during **2024**, the formal turnover rate was **15.97%**, while the adjusted actual turnover rate (excluding internal transfers) stood at **10.66%**, reaffirming the company's ability to retain talent even amid structural change.



## Governance of human resources

The People & Culture Department remains a strategic partner in Klimaoprema's ambition to be recognized as an employer of choice. Its dual structure – comprising **Workplace Relations** and **People Development** – ensures that both operational excellence and employee growth are addressed with equal priority. The department manages recruitment, onboarding, employee engagement, training and development, communication, benefits, and HR compliance. All key HR topics are escalated directly to the CEO, ensuring that workforce-related matters receive consistent attention at the highest organizational level.

**STRATEGIC HR DEVELOPMENTS IN 2024**

In line with our people-first strategy and commitment to continuous improvement, 2024 was marked by several transformative initiatives in the domain of human capital governance:

- **Employee satisfaction and engagement survey:** At the beginning of the year, we conducted a company-wide employee satisfaction and engagement survey. Based on the insights gathered, targeted improvement initiatives were implemented throughout the year. Particular focus was placed on our **Nova Gradiška production facility**, where six focus groups (each involving around ten employees) were held to better understand on-site needs and perspectives. Simultaneously, the **KO Rise education program**, launched the previous year, continued to support learning and development for production workers.
- **Organizational culture and values alignment:** In collaboration with an external consultant, we initiated a deep-dive into the company's organizational culture. This included the **definition and communication of a renewed vision, mission, corporate values, and desired employee behaviors**. We conducted a **"baseline values and behaviors assessment"** at the end of the year, providing a snapshot of our current cultural alignment. A set of follow-up activities has been planned for 2025 to support cultural transformation based on survey results.

- **Onboarding process optimization:** One of the most impactful changes with the end of 2024 was a **comprehensive revision of the onboarding process**. In close consultation with team leaders, new orientation materials and activities were developed, improving clarity and consistency across locations. The **Orientation Day** – once held periodically – is now conducted **monthly** at all sites, integrating key domains such as **People & Culture (P&C)**, **Health & Safety (HSE)**, and **Integrated Management Systems (IMS)**.
- **Organizational restructuring and job systematization:** In response to regulatory updates and internal growth, we executed a **company-wide job structure revision**. This included refining the organizational chart, standardizing job descriptions, and updating employment contracts across the entire workforce. The process was legally compliant and inclusive, ensuring transparency and consistency at all levels.
- **Launch of updated Klimaoprema SharePoint Portal:** Recognizing the need for centralization and improved access to key information, 2024 saw the redesign of the **Klimaoprema SharePoint platform**. This internal digital hub serves as the primary access point for all general documentation, HR procedures, and employee-related information. The platform was designed with usability in mind – offering employees **one-click access** to relevant resources, logically categorized by purpose and function.
- **New hire engagement – OnBONDing Days** In line with our goal to create a welcoming environment for newcomers, our **OnBONDing Days** continued in 2024. These events enable recently onboarded employees to connect, share experiences, and integrate more effectively into the Klimaoprema culture. The growing frequency of onboarding activities reflects our expanding workforce, with an average of 6–8 new positions opened monthly.





Female representation at Klimaoprema has historically been low, reflecting the male-dominated nature of our industry and the predominantly male-oriented curricula of our key recruitment pools (Civil and Mechanical Engineering faculties). Recognizing the distinct strengths women contribute to the workplace - particularly through empathetic, inclusive, and communicative leadership - our focus in 2024 was to strengthen our position as an Employer of Choice for women in engineering and manufacturing. We conducted a deep dive into our everyday operations to better understand how we can improve our practices, language, and culture to more visibly recognize and support the contributions of women.

**Key initiatives included:**

- Use of gender-targeted language in job postings, addressing women first
- Inclusive visuals featuring women in roles traditionally perceived as male-dominated
- Amplified external communications highlighting the contributions of women across a wide range of professional functions
- Recognition of female colleagues through internal communications and during awareness days such as International Women’s Day and Breast Cancer Awareness Day
- Active participation in external industry events, with colleagues representing the company at forums such as Women in Construction and Women in Sustainability
- Supportive maternity transition program offering new mothers a one-month period of working at 50% capacity while receiving full salary upon returning from leave

**Our employees and family members**

At Klimaoprema, we remain deeply committed to supporting work-life balance and fostering a family-friendly work environment. We believe that enabling employees to spend quality time with their families during key life moments contributes to higher engagement, emotional well-being, and long-term retention.

Respecting the needs of modern families, we ensure that all employees - regardless of gender - have access to legally guaranteed parental and paternity rights, with full organizational support. As part of this ongoing commitment, in 2024 we introduced and enhanced a range of benefits that promote family life and reinforce a caring, inclusive workplace culture.

- To ease the emotional and logistical transition at key family milestones, we granted a **free day** to employees whose children are starting the **first grade of primary school**.
- Recognizing the importance of a smooth return to work after maternity leave, we implemented a **policy that allows new mothers to work part-time** (4 hours per day) for one month, while receiving full salary compensation equivalent to a standard 8-hour workday - ensuring financial stability and a supportive reintegration period.
- Additionally, we expanded our paternity leave policy, increasing the **number of paid days available to new fathers**, further reinforcing our commitment to gender equality, shared parental responsibilities, and inclusive support for family dynamics.

- All employees have the right to request **adjusted working hours**, with particular consideration given to **parents of children up to 7 years of age** - enabling better alignment between professional obligations and family responsibilities.
- In 2024, a total of 52 employees exercised their right to maternity or parental leave, as follows:
  - **6** mothers used a combination of maternity and extended parental leave (min. 12 months)
  - **20** fathers utilized 2 months of parental leave
  - **26** fathers took advantage of the 10-day paternity leave granted at the birth of a child, providing early support to both the new-born and the mother during the critical postnatal period

These figures reflect a steady increase in leave uptake compared to the previous year (2023), indicating growing awareness and utilization of family support benefits, especially among fathers. This trend aligns with our broader commitment to **gender equality and shared parental responsibility**, which we see as a cornerstone of sustainable workforce management.



## Benefits

Our comprehensive benefits program is designed to support the physical, mental, social, and financial well-being of all team members, while simultaneously fostering loyalty, inclusivity, and professional growth.

In 2024, we continued to build upon our strong foundation of employee benefits and introduced several new initiatives in alignment with our sustainability strategy, employee feedback, and organizational values.

### Health & well-being

- **MULTISPORT CARD:** In 2024, the Multisport Card remained a valued benefit, providing employees with access to gyms, yoga studios, swimming pools, and other recreational facilities – encouraging physical activity and supporting overall well-being as part of a healthy work-life balance.
- **MONTH OF HEALTH** (new in 2024): Expanding from our previous “Health Day” tradition, we launched a **comprehensive Month of Health program**. Activities included educational workshops with nutritionists, lectures on addiction prevention (e.g., alcohol), guided exercise demonstrations by physiotherapists and personal trainers, and sessions on mental health and workplace safety – implemented with the support of external experts.
- **FREE VOLUNTARY HEALTH INSURANCE:** All employees are entitled to supplementary health insurance, providing enhanced access to healthcare services.
- **GROUP PERSONAL ACCIDENT INSURANCE:** Active for all employees during working hours and commutes, this benefit represents our extended commitment to employee safety and care.

### Financial security and recognition

- **EASTER, CHRISTMAS & SUMMER BONUSES:** Continued financial support during key periods of the year helps our employees and their families enjoy holidays and recharge during the summer.
- **VOLUNTARY PENSION SCHEME (3<sup>rd</sup> PILLAR):** The voluntary pension plan continued to support employees in

planning for long-term financial security, offering a structured and tax-beneficial way to build personal savings for retirement.

- **COMMUTING REIMBURSEMENT & FAMILY SEPARATION ALLOWANCE:** We continue to support those commuting or working away from home through targeted compensation.
- **SOLIDARITY SUPPORT:** provided to our employees for extended sick leaves, in situation of loss of a close family member and support to the families of passed employee
- **JUBILEE AWARDS:** In 2024, we celebrated key anniversaries for 19 long-serving employees.

### Celebration of employees and families

- **CHILDREN’S GIFTS:** We supported the youngest members of our Klimaoprema family by distributing holiday gifts for 479 children
- **ST. NICOLAS DAY** and **SYMBOLIC GESTURES** during Women’s Day, Pink October, and Movember promoted community and family values.
- **Day off** for employees who are parents of first graders
- 20 days for fathers / 1 year of paid leave for mothers

### Learning & early career development

- **EDUCATIONAL SUPPORT:** Continued support for workshops, certifications, and training relevant to employee roles.
- **STUDENT & APPRENTICE PROGRAMS:** included 13 secondary school apprentices and 6 university internships



### Workplace flexibility and inclusion

- **FLEXIBLE WORKING TIME & REMOTE WORK OPTIONS:** Offered where applicable, allowing employees to align work with their lifestyle and productivity needs.
- **GRADUAL RETURN FROM MATERNITY LEAVE:** Upon returning from maternity leave, new mothers are offered a one-month transition period during which they work 50% of their usual hours while receiving full salary.



### Internal communication and community building

- **TEAM BUILDINGS:** organized team gatherings by individual departments – and often cross-functional groups to celebrate accomplishments done through the year and reflect on lessons learned.
- **LAUNCH OF NEW SHAREPOINT:** centralized digital hub for employees, improving internal transparency and access to essential HR materials, policies, forms, and company news.



### Internal events in 2024:

- **ONBONDING EVENTS:** Designed for new employees, these orientation events offer an engaging introduction to the company, including a guided tour of our production facilities and opportunities to connect with colleagues and the workplace culture.
- **FAMILY DAY:** A large-scale gathering for employees and their families from all locations, featuring interactive activities, entertainment, and the chance to build community in a relaxed and joyful setting.
- **PUB QUIZ:** Held for the second consecutive year, this informal evening brings colleagues together for friendly competition, good food and drinks, and team spirit – with top performers taking home fun prizes.
- **PIZZA DAY:** A casual event celebrating World Pizza Day, bringing a moment of enjoyment into the workday and encouraging informal team bonding.



- **THEATRE & CINEMA GIFT VOUCHERS:** In partnership with a renowned theatre, we marked Theatre Day by gifting employees tickets to a live performance – promoting cultural engagement and shared experiences beyond the workplace.
- **"NAJ RADNIK" – EMPLOYEE OF THE YEAR AWARDS:** Five employees across various locations were honored for their outstanding contributions, reinforcing a culture of appreciation and recognition.
- **CHRISTMAS DINNERS:** Held at our two main company sites, these festive gatherings provided a year-end opportunity for colleagues to come together and celebrate shared success.
- **WINGS FOR LIFE WORLD RUN:** More than 60 Klimaoprema employees took part in this global charity run, promoting teamwork, movement, and a shared sense of purpose.
- **VOLUNTARY BLOOD DONATION DRIVE:** In collaboration with the Samobor Red Cross, we organized a blood donation initiative, encouraging civic engagement and contributing to our local community.

### Diversity and legal compliance

- **DISABILITY EMPLOYMENT QUOTA COMPLIANCE:**
  - Obligatory quota: 23
  - Directly employed: 2
  - The remaining quota met through **contracts with certified disability-inclusive companies**.



## Training & education

In a fast-evolving industry, we recognize that organizational success depends on empowering employees at all levels through continuous learning, cross-functional collaboration, and leadership development. That is why training and education remain a strategic pillar of our sustainability and people strategy, whereas our annual budget in learning and development continues to grow.

TRAINING STATISTICS	NUMBER OF HOURS	NUMBER OF PARTICIPANTS	AVERAGE %
Total number of training hours (KO Group)	8.619	431	20
Total number of hours (male)	6.065	347	17
Total number of hours (female)	2.553	84	30
ADDITIONAL TRAINING ON INTERNAL SOP:			
Process & production related SOP	308	[not included in average]	
Internal academy	1995		

### Leadership development

Building on the foundation laid in 2023, our **Leadership Academy – “Ameliorated Leaders”** continued to grow in 2024. Two additional groups of leaders participated in four intensive modules led by external leadership coach, covering topics such as effective communication, team motivation, personal accountability, and transformational leadership.

### KO Rise: Empowering production excellence

The **KO Rise program**, initiated in 2023, continued in full scope in 2024. Modules focused on quality control, leadership fundamentals, and technical excellence – tailored for both frontline and mid-level employees. These sessions were delivered by Klimaoprema’s own experts and external academic professionals.

### Learning highlights in 2024

Throughout 2024, we work further on strengthening culture of knowledge sharing and professional development by placing a strong emphasis on internal expertise and cross-departmental learning. One of the most valued aspects of our learning ecosystem is the promotion of internal knowledge transfer.

As part of our corporate culture, we also organized a series of “Get to Know Us” sessions, aimed at improving interdepartmental understanding and collaboration. During these sessions, several teams – such as Controlling, Integrated Management System, AMCE Sales and Business Development, as well as CR and HVAC Product Development – had the opportunity to present their functions, priorities, and internal processes to the broader organization. This initiative fostered not only knowledge exchange but also deeper respect and appreciation for the diverse roles within Klimaoprema.

A notable addition in 2024 was the implementation of CPR and AED (automated external defibrillator) training across four of our main locations. In addition to installing AED devices, selected employees received certified training to become first responders, reinforcing our dedication to employee safety and preparedness in emergency situations. In addition to formal training, practical, on-the-job

learning remains a cornerstone of our development approach. New employees in production undergo at least one month of hands-on training before taking on full responsibilities. Engineering staff are also provided with structured mentorship programs during their first six months to ensure they are well-supported as they integrate into our complex technical environment.

Klimaoprema’s commitment to learning is clear: through formal programs, mentorship, cross-functional education, and leadership training, we are cultivating an agile, competent, and motivated workforce ready to meet the challenges of tomorrow.





RESPONSIBLE  
GOVERNANCE



OUR SUSTAINABILITY GOALS FOR 2030

PROGRESS IN 2024

Ensuring a **Responsible supply chain**: commit to ethical sourcing and responsible practices throughout our supply chain, ensuring that all partners adhere to our high standards for environmental and social responsibility.

We remain committed to embedding ethical sourcing and responsible practices throughout our supply chain. **Our goal** is to ensure that all partners operate in alignment with Klimaoprema’s standards for environmental and social responsibility.

While 2024 marked the formalization of this objective, full implementation activities – such as supplier screening, monitoring mechanisms, or structured engagement – are planned for the upcoming reporting period.

Promoting ethical and transparent business practices: uphold the **highest standards** of integrity and transparency in all business operations, ensuring compliance with legal and ethical guidelines.

Work on the new **Ethical Code of Conduct**

Prioritizing **data security**: implement data protection measures to safeguard sensitive information, ensuring the privacy and security of our shareholders' data.

Adoption of **Data Security Rulebook**

Introduction of Mandatory e-learning module **“IT security”** for employees.

Klimaoprema’s governance structure aims to ensure an appropriate management and control framework as well as efficient, ethical and sustainable business operations. Excellence in business operations, together with the transparency and ethics are essential values of our governance, and key elements to build up and maintain trust relationships with all our stakeholders.

Responsible corporate governance and commitment to comply with applicable human rights standards and environmental protection for fairer and more sustainable economy is embedded in our organisation and formalised through different policies that apply to all organization activities. All of them, including Code of Conduct have been approved by the Board and available at our web page [www.klimaoprema.com](http://www.klimaoprema.com).





## UN Global Compact

In 2023, we joined the UN Global Compact and made a formal commitment to align our operations with its ten principles, which cover human rights, labor practices, environmental protection, and anti-corruption. As part of this commitment, we actively work to ensure that our business practices align with these principles, and we are dedicated to integrating them into our corporate culture, decision-making processes, and long-term strategies.

To ensure transparency and accountability, we regularly provide our Communication on Progress (CoP), a comprehensive report that highlights our efforts to uphold the principles of the UN Global Compact. This report is reflection of our current progress but also serves as a roadmap for continuous improvement in 10 areas.



## Fair, responsible and ethical governance

Klimaoprema is committed to providing its employees with a fair, responsible, transparent, and ethical work environment that upholds the basic principles of business conduct.

To ensure such an environment, we have implemented a **Rulebook on whistleblowing**, which governs the procedure for reporting irregularities and outlines the rights and obligations of both employees and whistleblowers. This Rulebook defines what constitutes irregularities and specifies the designated individuals to whom reports should

be made, as well as the procedures followed by Klimaoprema authorities upon receiving such reports.

An employee who reports potential misconduct in accordance with the Rulebook is guaranteed confidentiality of all data and the content of the report. Additionally, any employee who observes or becomes aware of misconduct during their work has the option to submit an anonymous report about potential misconduct through our **Concern line**, without disclosing their identity.

As part of our ongoing efforts to ensure a safe, inclusive, and respectful workplace, we have appointed designated female and male representatives responsible to serve as contact points for safeguarding employee dignity. Their responsibilities, as outlined in the national Labour Act and our internal Work Regulation, include receiving and managing employee complaints related to dignity violations in accordance with defined procedures and timeframes.

All information collected through the employee dignity protection process is treated with the highest level of confidentiality and managed as a strict business secret, in full compliance with legal and internal data protection requirements.

## Strengthening internal communication and feedback channels

In 2024, we continued to enhance our internal communication framework by introducing additional channels for employees to report concerns, suggest improvements, or raise inquiries. As part of this effort, we launched a **new communication channel** on SharePoint, enabling employees to directly contact the Director of Business Processes and Corporate Sustainability and the Director of People and Culture with any open issues or suggestions.

Health and safety-related concerns are addressed through dedicated reporting tools, including our **Near Miss application** and direct communication with the HSE Department, ensuring timely and appropriate responses to potential risks.

Furthermore, the Supply Chain Department implemented a new structured procedure and submission template designed specifically for shop floor employees. **This initiative allows workers to propose improvement ideas across five key areas: productivity/costs, 5S, quality, corporate culture, and health & safety.** All submitted ideas are evaluated monthly by a dedicated committee, with top-rated ideas receiving financial recognition and being implemented within the production floor.

## Code of Conduct



In our ongoing commitment to ethical conduct and responsible business practices, Klimaoprema maintains a Code of Conduct that serves as a cornerstone of our organizational culture. Our Code of Conduct emphasize integrity, professionalism, and respect in all our dealings. We uphold principles of fair and transparent customer and supplier relations, prioritizing trust, collaboration, and mutual benefit.

We remain vigilant against conflicts of interest and corruption, ensuring that our business decisions are free from undue influence and bias. We uphold principles of loyalty, respect, and confidentiality, fostering a healthy, safe, and conducive work environment that is free from any form of harassment.

Furthermore, our Code underscores the importance of information disclosure, safeguarding sensitive data, and demonstrating our commitment to protecting our assets and resources. We adhere to the highest standards of corporate governance.

## Anti-bribery and Corruption Policy

Our unwavering commitment to integrity and ethical business practices is embedded in Klimaoprema’s Anti-Bribery and Corruption Policy. The policy reinforces our zero-tolerance approach to bribery and corruption in all forms - whether involving public officials, business partners, or any other stakeholders. It clearly outlines the principles of honesty, fairness, and transparency that govern all business interactions and includes robust protections for individuals who raise concerns. In line with our no-retaliation commitment, any form of detrimental treatment - such as dismissal, disciplinary action, threats, or other unfavorable consequences resulting from a good-faith report - is strictly prohibited.

To ensure accessibility and responsiveness, we maintain a dedicated Concern Line on the Klimaoprema website, enabling both internal and external stakeholders to confidentially report suspected misconduct or unethical behavior.

## Sustainable supply chain

Compliance across the supply chain - and the acceptance and observance of the fundamental principles embedded in our corporate values and Code of Conduct - is a non-negotiable requirement for all business relationships.

To formalize these expectations, in 2023 we adopted and published the Klimaoprema Supplier Code of Conduct, grounded in internationally recognized standards, including the UN Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, the ILO Basic Terms and Conditions of Employment, and the UN Guiding Principles on Business and Human Rights.

To ensure alignment with these principles, all suppliers are required to either sign the Klimaoprema Supplier Code of Conduct or formally confirm that their internal code of conduct is consistent with the standards set forth in ours.

## Concern line

Our Concern Line is available on our website to all stakeholders – including employees, suppliers, and partners – offering a voluntary, confidential, and anonymous channel for raising EHS, compliance, or ethical concerns. By empowering anyone to speak up without fear of reprisal, we reinforce a culture of transparency and integrity and foster collaborative efforts toward sustainable, responsible practices across our supply chain.

## Data Security

Recognizing the growing importance of cybersecurity and data protection in today’s digital business environment, we have provided our employees with targeted training on information security through a dedicated digital learning platform. This initiative was designed to strengthen awareness and understanding of key information security principles, equipping employees with practical knowledge to identify and manage potential risks in their daily work.

## Measure of sustainability

### EcoVadis

In 2024, we were proud to achieve a **Bronze Medal** from EcoVadis, one of the world's leading providers of sustainability ratings for businesses. This recognition places us in the top 35% of companies assessed by EcoVadis and within the **top 14% of companies in our industry**.

**EcoVadis** evaluates organizations based on a variety of sustainability criteria, including environmental impact, labor practices, ethics, and sustainable procurement. Receiving this acknowledgment highlights our ongoing commitment to integrating sustainable practices into our operations, while also providing third-party verification of our efforts in the four key sustainability areas.

### IntegrityNext

In line with our commitment to ethical business practices and responsible sourcing, we partnered with IntegrityNext – a platform dedicated to enhancing transparency and sustainability in supply chain management. Through this collaboration, we assessed our practices against recognized ESG criteria and reinforced our efforts to uphold compliance, integrity, and accountability across all supplier relationships.

### NUMBERS

#### Anti-corruption:

Number of confirmed corruption incidents	0
Number of received concerns by internal or external stakeholders	0

#### Anti-competitive behaviour:

Legal proceedings due to anti-competitive conduct and breaches of cartel and monopoly law	0
Environmental compliance, monetary fines due to non-compliance with environmental laws and regulations	0
Non-monetary sanctions due to non-compliance with environmental laws and regulations	0
Considerable monetary fines due to the non-compliance with laws and/or regulations in the social and economic area	0
Non-monetary sanctions due to the non-compliance with laws and/or regulations in the social and economic area	0
Number of incidents related to data protection breaches	0
Complaints from regulatory bodies	0
Complaints on child / involuntary labour	0
Complaints on discriminatory behaviour	1

We do not offer donations, favors, or any other support to political parties or individual politicians, and we remain strictly non-partisan in all our activities.





## Sustainability governance

ESG at Klimaoprema is governed by a designated Director of business processes and corporate sustainability, who operates directly under the authority of the Board and leads the company's strategic sustainability agenda. The ESG Director chairs the ESG Committee, a cross-functional body composed of senior management and experts from all key business areas.

Established in May 2023, the ESG Committee was formed to strengthen our governance framework and guide Klimaoprema's environmental, social, and governance performance. Its primary responsibilities include identifying material topics based on the double materiality principle, conducting in-depth analyses of ESG-related risks and opportunities, formulating our sustainability strategy, and defining relevant Key Performance Indicators (KPIs).

The Committee meets approximately every six months to ensure regular monitoring, transparent reporting, and accountability. Its composition reflects the full spectrum of our operations - bringing together representatives from production, engineering, research and development, environmental and occupational health and safety, finance, human resources, marketing, and supply chain management.

A key feature of our ESG governance model is the active involvement of Board members, ensuring that all strategic decisions undergo high-level scrutiny and endorsement. This structure reinforces our commitment to sustainable business practices across all levels of the organization.

At the forefront of our sustainability endeavours is Director of business processes and corporate sustainability, who plays a pivotal role in orchestrating, coordinating, and overseeing various sustainability initiatives. Acting as a liaison between different organizational units, she offers comprehensive guidance and support to leaders of respective areas with the regular progress reports to the President of the Board (CEO).



ESG operates under a centralized management structure to ensure consistency, efficiency, and alignment with strategic objectives. Decisions are made with careful consideration of the broader organizational goals, and communication channels are established to facilitate the dissemination of information and feedback from employees at all levels. This centralized approach enables us to maintain strong governance, effectively manage resources, and adapt to changing market conditions while upholding our commitment to accountability and performance excellence.



## Formal figures And data

### BOARD OF DIRECTORS:

highest governance body responsible for the overall management and development strategy of Klimaoprema.

### BOARD MEMBERS

**Sergio Galošić, President of the Board and Chief Executive Officer (M)**

Other functions:

- Amelcor Engineering A.G., Board member
- Amelcor Group d.o.o., Board member
- President of the Metal Industry Association at Croatian Employer's Association
- Member of Economic Council at Faculty of Mechanical Engineering and Naval Architecture
- Member of the Supervisory Board, Center for Technology Transfer
- Member of the Management Board, Croatian Manager's & Entrepreneur's Association

**Nikola Mustapić, member of the Board (M)**

Board of Directors were appointed based on their professional qualifications, appropriate personal qualities, their vision, ethics and their compatibility with the values of the company. Their performance is evaluated yearly by the Board of Advisors, based on the number of factors, such as company performance & culture, employee satisfaction and overall contribution to the company.

The authority, duties, and responsibilities of a Board of Directors are determined by corporate law and by-laws and the organization's own policies. Management contracts contain provisions on the prohibition of competition during and after the termination of the employment relationship in the company, as well as the obligation to business secret.

Following our Code of Conduct, Board Members are not allowed to make decisions based on their personal interests, i.e. must refrain from situations where their personal interest is confronted between the requirements of their function and their other personal or professional interests or responsibilities. Members of Board of Directors are appointed on a 4-year term of office.

### BOARD OF ADVISORS

- 5 members representing the shareholders
- convenes a minimum of four times annually with the primary purpose of overseeing and advising the Board of Directors
- review of annual accounts and business reports

### GENERAL ASSEMBLY

- convened at least once a year, to review the previous year's financial report and determine the allocation of profits.

### COLLECTIVE KNOWLEDGE OF THE HIGHEST GOVERNANCE BODY

Annual knowledge exchange sessions are organized for the BoD members with the goal of advancing the collective knowledge, skills and experience in sustainable development.

The Board of Directors plays a pivotal role in shaping and supervising our sustainability endeavours, fostering a culture of ongoing leadership among experts within our organization. Board oversees various sustainability-related aspects, including the company's environmental initiatives, compliance with regulations, health and safety policies, procedures, programs, and compensation, among others.

Formal risk assessment and oversight of internal and external factors (including political, technological, economic, environmental and social risks) is done under Integrated Management System.

In addition, all departments/business areas are required to regularly monitor new laws and regulations and comply business processes in line with the enforcement of law and additional standards /norms/GMP, as case might be. Review of regulatory framework is checked at minimum twice a year.

Issues of special concern are regularly communicated with the management, regardless of the topic. Employees (from administrative, production, technical level to middle management) can express their concerns through various communication channels, and the senior executives of business divisions to which the concerns relate are obliged to consider, process and analyze them and do follow up activities if deem necessary.

Internal supervision is carried out by the controlling and internal audits, with the full disclosure on the findings to Board. The findings and recommendations from internal supervision aim to improve processes, proactively act on risks or reduce them to an acceptable level.

Remuneration policy in Klimaoprema is based on the industry trends and rates. For top management, remuneration system incorporates bonuses tied to key performance indicators (KPIs) as well as factors like personal dedication to upholding the highest standards in daily operations.

### WORKERS UNION - OPEN SOCIAL DIALOGUE WITHIN THE KLIMAOPREMA

Klimaoprema's workers union goes back to 2000, with 105 employees being current members of the worker union. No collective agreement is signed, but we established and maintain the regular meetings between our Board and Worker Union (minimum twice a year). Employee representatives were regularly informed and involved in making important social decisions and material rights.



GRI  
content index

Statement of use		Klimaoprema has reported with reference to GRI Standards for the period 1st of January 2024 to 31st of December 2024			
GRI 1 used		GRI 1: Foundation 2021			
Applicable GRI Sector Standard(s)		N/A			
			OMISSION		
GRI STANDARD/ OTHER SOURCE	DISCLOSURE	LOCATION pg	REQUIREMENT(S) OMITTED	REASON	EXPLANATION
GENERAL DISCLOSURES					
GRI 2: General Disclosures 2021	2-1	Organizational details	9		
	2-2	Entities included in the organization's sustainability reporting	76		
	2-3	Reporting period, frequency and contact point	76		
	2-4	Restatements of information	n/a		
	2-5	External assurance	74		
	2-6	Activities, value chain and other business relationships	10-15		
	2-7	Employees	48-49		
	2-8	Workers who are not employees	--	Information unavailable /incomplete	Data not available. Klimaoprema needs to implement methodes for measurement.
	2-9	Governance structure and composition	68-69		
	2-10	Nomination and selection of the highest governance body	68-69		
	2-11	Chair of the highest governance body	68-69		
	2-12	Role of the highest governance body in overseeing the management of impacts	66-69		
	2-13	Delegation of responsibility for managing impacts	66-69		
	2-14	Role of the highest governance body in sustainability reporting	66-67		
	2-15	Conflicts of interest	61-64, 68		
	2-16	Communication of critical concerns	61-64, 68		
	2-17	Collective knowledge of the highest governance body	68-69		
	2-18	Evaluation of the performance of the highest governance body	68		
	2-19	Remuneration policies	-		Employees' employment contracts, including remuneration clauses within, are protected as confidential information and their public disclosure is restricted accordingly.
	2-20	Process to determine remuneration	-		Employees' employment contracts, including remuneration clauses within, are protected as confidential information and their public disclosure is restricted accordingly.



	2-21	Annual total compensation ratio	-			
	2-22	Statement on sustainable development strategy	4-5			
	2-23	Policy commitments	61-64			
	2-24	Embedding policy commitments	61-64			
	2-25	Processes to remediate negative impacts	-			
	2-26	Mechanisms for seeking advice and raising concerns	61-64			
	2-27	Compliance with laws and regulations	68-69			
	2-28	Membership associations	9			
	2-29	Approach to stakeholder engagement	12-13			
	2-30	Collective bargaining agreements	69			
MATERIAL TOPICS						
GRI 3: Material Topics 2021	3-1	Process to determine material topics	16-17, 22-23			
	3-2	List of material topics	22-23			
MATERIALS						
GRI 301: Materials 2016	301-1	Materials used by weight or volume	33-34			
ENERGY						
GRI 302: Energy 2016	302-1	Energy consumption within the organization	28-31			
WATER						
GRI 303: Water 2018	303-5	Water consumption	43			
EMISSIONS						
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	32			
	305-2	Energy indirect (Scope 2) GHG emissions	32			
WASTE			306-1			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	38-42			
	306-2	Management of significant waste-related impacts	38-42			
	306-3	Waste generated	38-42			
	306-4	Waste diverted from disposal	38-42			
	306-5	Waste directed to disposal	38-42			
EMPLOYMENT						
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	50-53	Data presented for Klimaoprema d.o.o.	Information unavailable /incomplete	The data collection process needs to be enhanced
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	56-57	Data presented for Klimaoprema d.o.o.		The data collection process needs to be enhanced
	401-3	Parental leave	54-55	Data presented for Klimaoprema d.o.o.		The data collection process needs to be enhanced



OCCUPATIONAL HEALTH AND SAFETY						
GRI 403: Occupational Health and Safety 2018	401-3	Parental leave	54-55			
	403-1	Occupational health and safety management system	45-47			
	403-4	Worker participation, consultation, and communication on occupational health and safety	45-47			
	403-6	Promotion of worker health	56			
	403-9	Work-related injuries	45-47	Data on work-related injuries for non-employees	Information unavailable /incomplete	Data not available. Klimaoprema needs to implement methodes for measurement.
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	58-59			







## About the report

This report is the 3<sup>rd</sup> Sustainability report published by Klimaoprema. The reporting period is fiscal year 01/01/2024 –31/12/2024. Sustainability Report 2024 was reviewed and approved by the Klimaoprema Board. This report was not externally assured. Klimaoprema reported with reference to GRI Standards, Core option. The present report

covers the entire Klimaoprema Group organisation and matches the scope of consolidation used for financial information. Companies included are Klimaoprema d.d. Croatia, Klimaoprema d.o.o. Serbia, Klimaoprema d.o.o. Bosnia and Herzegovina, Klimaoprema d.o.o. Slovenia, OOO Klima- oprema Russia, Klimaoprema Hungary Kft., and

branch offices Klimaoprema United Arab Emirates, Klimaoprema Republic of North Macedonia. For all questions regarding the Klimaoprema Sustainability Report 2024 and our on-going efforts in this area, please contact our Director of business processes and corporate sustainability, Jelena Festini at: [jelena.festini@klimaoprema.com](mailto:jelena.festini@klimaoprema.com)