

SUMMARY OF ESG ACTIVITIES IN ICS

ESG SUMMARY 2023

OUR MISSION

ICS (along with other companies in the group) worked throughout 2023 to revise the mission, vision and values. The result of intensive work, cooperation with experts, several workshops of both top management and extended management, as well as several very broad WS:

- Revised mission and vision (we have stuck to the original mission formulation, but we have verified that it is still valid).
- Revised and Formulated Values.
- Revised new strategy for the next 5 years.

We see the importance of our industry, opportunities for growth (electrification), and we are doing a lot of activities to develop our business.

Our long term motto which still makes sense:
We make modern life possible.



VISION OF VALUE

Leadership & Teamwork: We lead and work with teams by example, fostering a culture of integrity, innovation, and continuous improvement. Our leadership extends to all aspects of our business, from technical competence to sustainability.

Collaboration and teamwork are essential to our success. We value diverse perspectives and work together seamlessly to achieve our goals.

Sustainable Responsibility: We are committed to sustainable responsible business practices, including ethical decision-making, and environmental stewardship.

Innovation: We foster a culture of creativity and innovation, pushing the boundaries of what's possible to develop cutting-edge cable solutions. We approach innovation with respect for tradition and a commitment to exploring new ideas that enhance customer experience and industry standards.

Trust & Transparency: Trust and Transparency are the foundation of all our relationships, both within our company and with our customers and partners. We treat every interaction with respect and integrity.

Empowerment & Fun: We believe in empowering us to our roles, fostering a sense of responsibility and accountability that drives excellence in everything we do. We believe that a positive and enjoyable work environment enhances creativity and productivity. We infuse fun and enthusiasm into our workplace.

Customer intimacy: Our commitment to understanding our customers' needs, priorities, challenges, and aspirations allows us to provide tailored solutions and build lasting unique relationships. We exceed expectations.

Family Company: We take pride in our heritage as a family-owned business, where every employee is considered part of our extended family. This sense of belonging fosters a unique bond among our team members.

OUR VISION, THE DESIRED FUTURE STATE

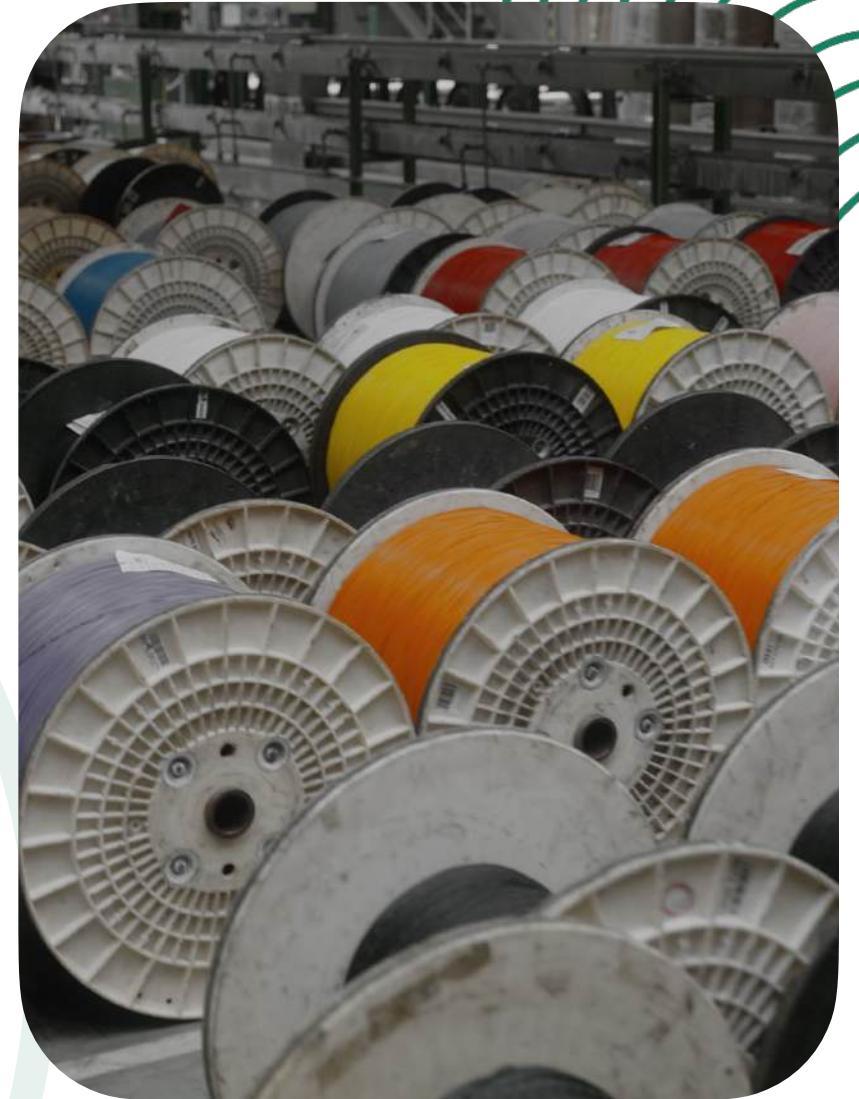
We will become a leading supplier of energy cables in Europe driven by a commitment to excellence. Our products will be an essential success factor for the sustainable electrical future of our continent and make therefore modern life possible.



OUR MISSION, OUR GOALS AND OBJECTIVES

SKB-GROUP is manufacturing and selling electrical cables for more than 130 years. In all these years we have served our customers in utilities, wholesalers, electrical engineering, railways and industry with a versatile range of products showing proven performance.

We are well positioned in our home markets (AT, CZ, SK, DE), and a substantial player in European niche markets.



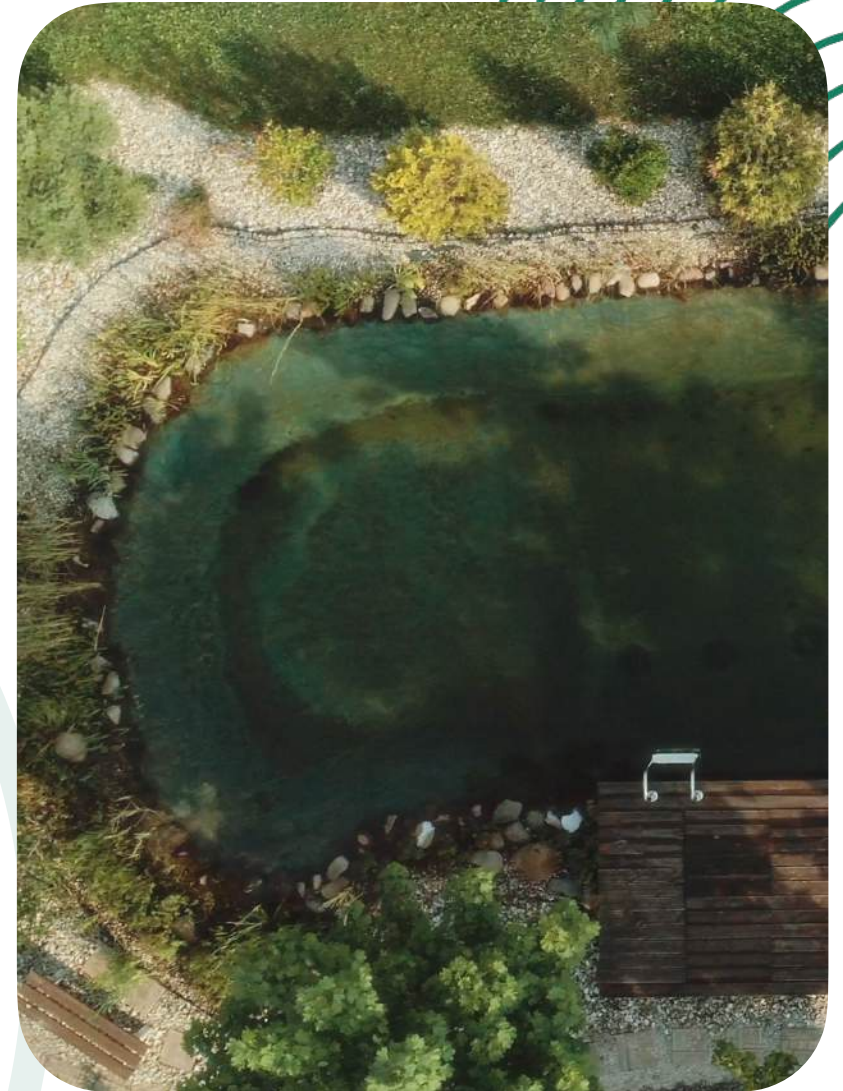
OUR APPROACH TO ESG

ICS has always believed in sustainability and acted accordingly.

All SKB-GROUP companies are constantly monitoring their energy performance to optimize it. They focus on the circular economy, both by finding ways to use recycled inputs and recycling waste from the production.

In 2022, it was decided to take a more comprehensive approach to ESG topics.

The aim was to institutionalize the ESG efforts into the overall strategy and to communicate the efforts to customers and suppliers, who are increasingly asking about our behavior in various ESG areas.



OUR APPROACH TO ESG

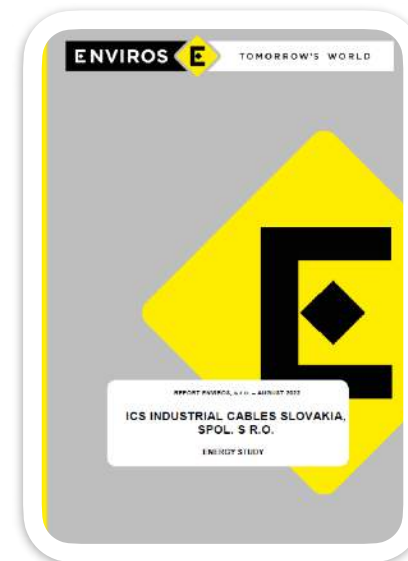
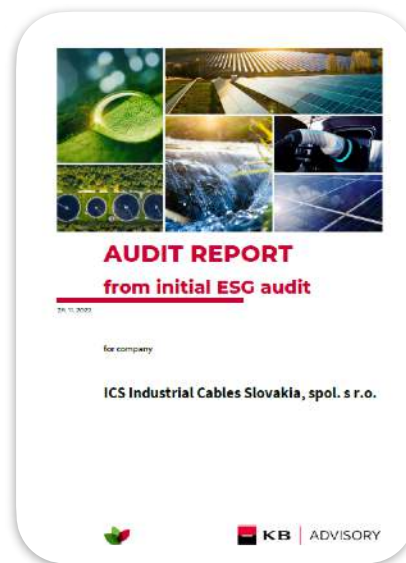
Finally, the need to contribute to the fulfilment of the European Union's commitments, and the global commitments of the UN is also on the table and ICS wants to contribute to their achievement.

That is why we have created the ESG strategy, which defines the main areas we want to focus on, milestones for the next few years including a detailed action plan.

Here I would like to emphasize the very positive approach not only of the top management, but also of all employees to sustainability. You'll see many of projects and many of the initiatives came from the employees.

At the beginning, we mapped the situation – we had an external company do an ESG audit for each company in the group, an energy study was carried out, as well as the calculation of the CO2 footprint for periods 2019 – 2021.

Based on these activities and determined individual activities that will help us achieve the ESG goals in the next 5 years. The ESG strategy also became an important part of the overall strategy.



ESG GOALS

We have set 9 main goals for the group, out of which 8 are relevant for ICS:

From area E, it is:

- Reduce greenhouse gas emissions in S1
- Reduce greenhouse gas emissions in S2
- Reduce greenhouse gas emissions in S3
- Introduce and develop CO2 reporting and assess solutions for GHG mitigation

From area S:

- Introduce an annual Satisfaction questionnaire for all employees
- Prepare Cable academy
- Set up an Employee Rotation program
- Joint activity with local community once a year

From area G:

- Integrate ESG in the Group / company life and key documents
- Set supply chain management in line with ESG objectives
- Review/update Ethical codex

These are the top-level goals. They are further translated into sub-goals, activities, and projects.



ESG ACTIVITIES

The following is an overview of activities we have done or are doing, a sample of large and small projects. This clearly shows that ESG is really wired into the entire SKW.

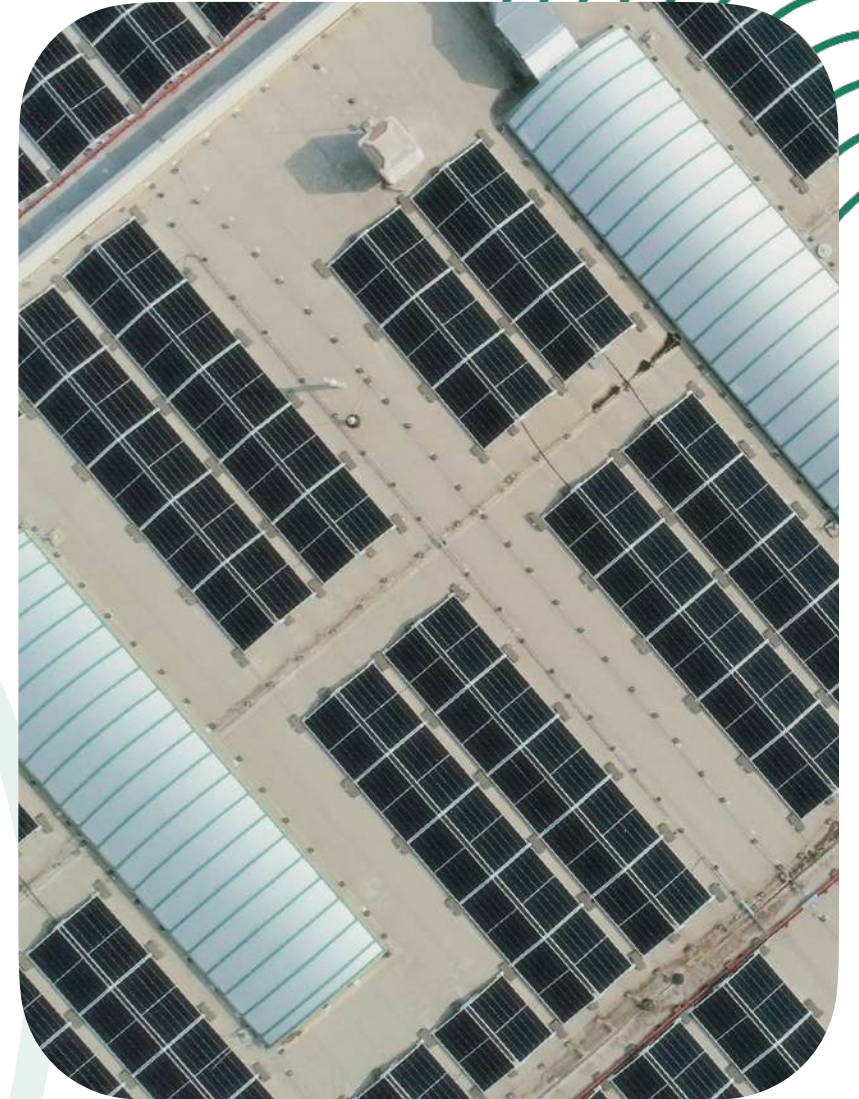
Environmental – CO2 Footprint: Our fleet

We have introduced regular CO2 footprint measurements, not only in S1 and 2, but also in S3. We are now in the phase of finding a SW supplier and in the automation of data collection. We know the history. What are we doing for the future?

Fleet electrification – we are gradually replacing the combustion business cars with electric ones; the goal is to be fully electric in 2026.

We have our goal also on electrification of forklifts – full electrification one year after the fleet electrification however we already have all but one forklifts electric.

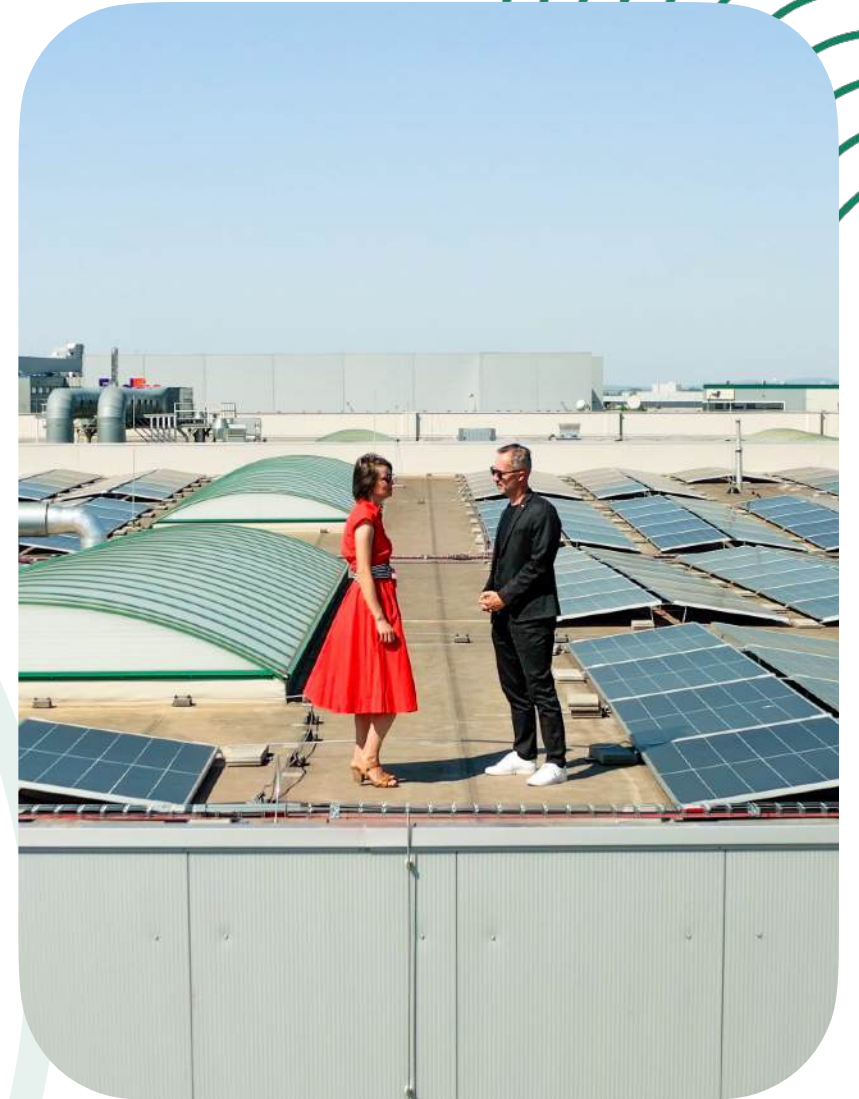
Chargers – we have built the charger inside the company.



ESG ACTIVITIES

Environmental – CO2 Footprint: PVs and Buildings

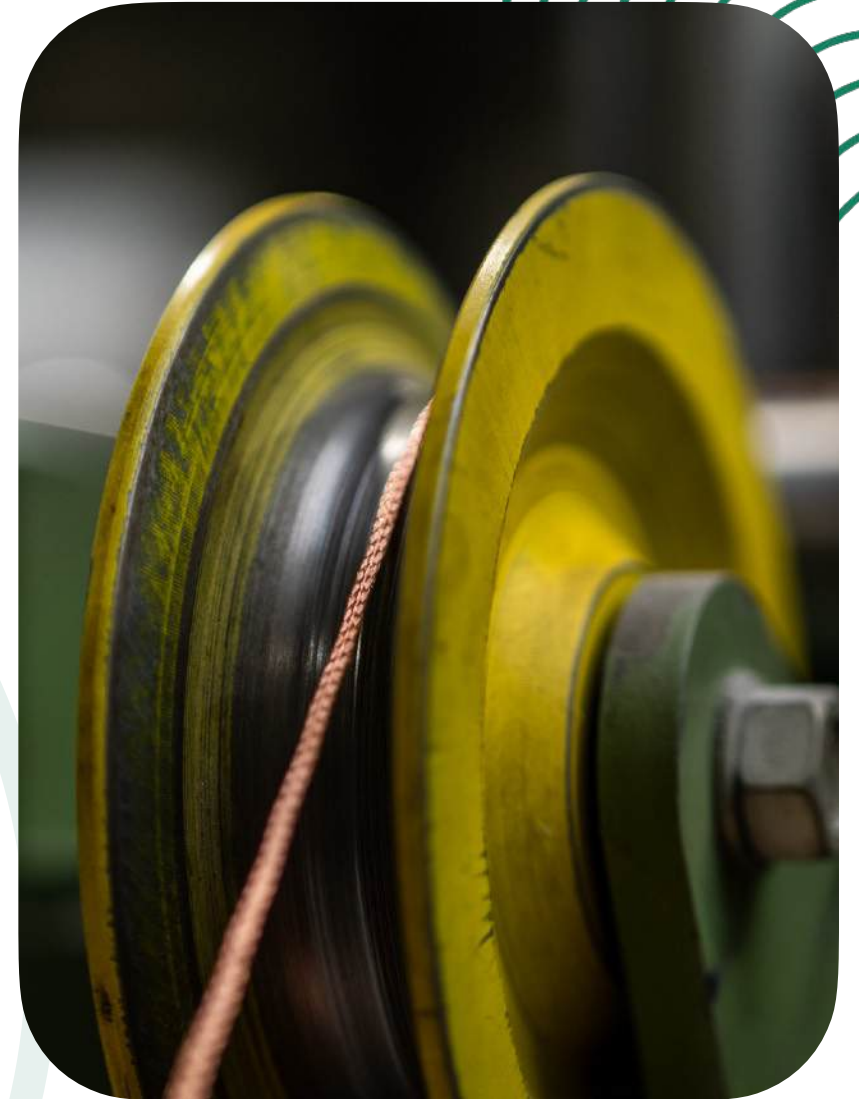
- We are focusing on both sides of the equation – making our own green electricity and spending less energy Reduce greenhouse gas emissions in S2,
- PVs
 - Construction of photovoltaic power plant – in 2023, we have installed our first PV with 810.81kWp. In 2024, we will install additional 735.78 kWp. We will thus be able to cover over 40% of our annual consumption and save c. 632 tons of CO2 per year.
 - Buildings – we replaced all lighting in our buildings.



ESG ACTIVITIES

Environmental – CO2 Footprint: Production and Non-production

- We have implemented regular scrap monitoring and set waste KPIs to motivate employees in production to save,
- Employees – we motivate our employees to save CO2 and use bikes for commuting. Twice a year we participate in a public competition “cycling to work”,
- We regularly measure the emissions of free carbon and hydrogen chloride,
- We recycle all our production waste and most of our non-production,
- Suppliers,
 - We are dealing with the purchase of green materials – we are verifying prices and supply options,
 - We are planning a project with our transport company to optimize routes and reduce the CO2 footprint – probably in 1H2024.



ESG ACTIVITIES

Objectives S

- Area S can be divided into a part focused on our own employees and on other people outside the company.
- For the internal ones:
 - We prepare a Cable academy for our employees,
 - We have introduced an annual Satisfaction questionnaire for all employees,
 - We set up an Employee Rotation program,
 - We rebuilt our canteen to provide a better place for meals and social gatherings,
 - We celebrate work anniversary after each 5 years of employment with our employees,
 - Cooling for employees in production,
 - Occupational safety – we do monitoring of injuries, we improve the provided means of protection,
 - We provide documentation in foreign languages to non-native Slovak speakers.



ESG ACTIVITIES

Objectives S

- For external stakeholders:
 - We accept students for internships,
 - We actively supported Ukraine – clothing and equipment collections, providing accommodation, providing employment,
 - Joint activity with local communities once a year – we organize events for families and friends of our employees,
 - Support for employees in their university studies in the cable industry.

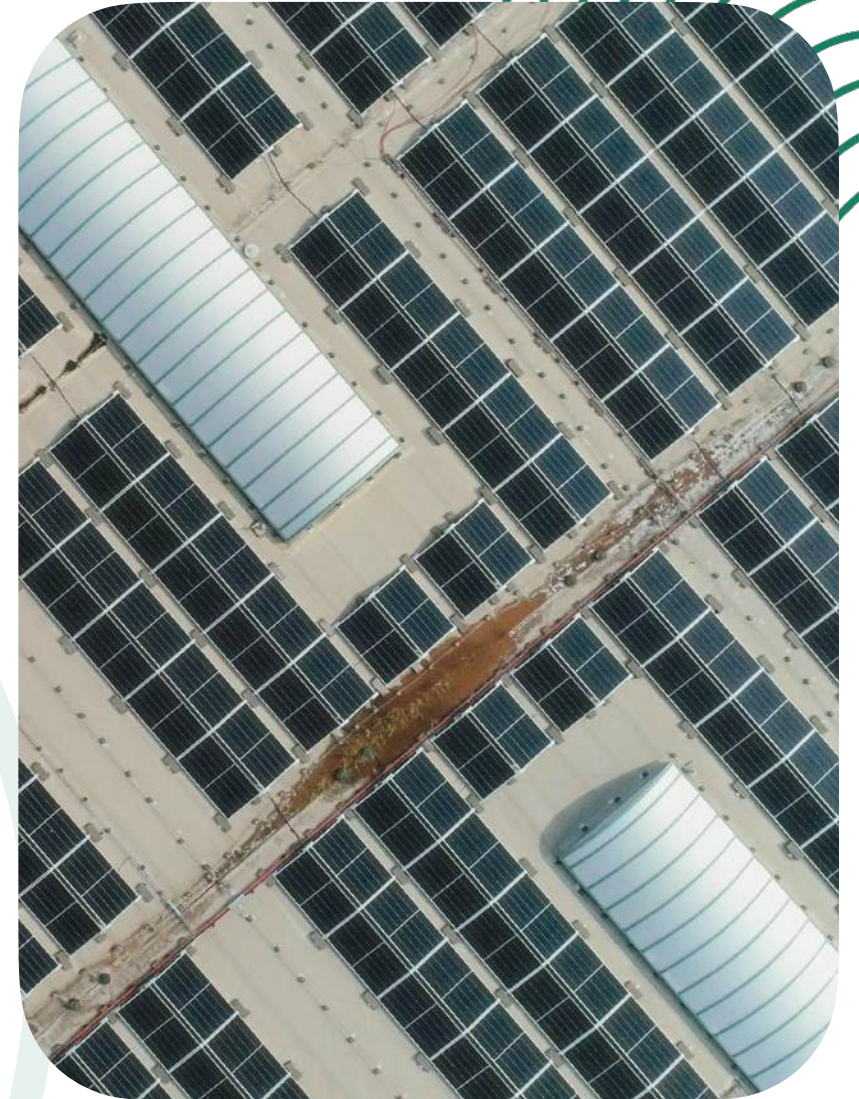


ESG ACTIVITIES

In area G

We are not yet obliged to report to CSRD or Taxonomy, however we started to summarize our efforts in ESG and we are working on our certification.

- Rules and reports:
 - We revised the current ethical codex,
 - We receive our CO2 footprint reports for 2019 – 2022
 - We went through a corporate culture project to better understand and improve the motivation of our employees,
 - We are working on revision of our supplier questionnaire.



FUTURE PLANS

Next year, we will revise our ESG strategy, adding goals and double materiality.

- We will set CO2 targets later this year,
- We will introduce SW for the CO2 footprint,
- ESG report according to CSRD,
- We plan to commit to UNGC membership,
- Review ESG strategy.





**WE
MAKE
MODERN LIFE
POSSIBLE.**