

SUSTAINABILITY PERFORMANCE REPORT 2024

KANSAI HELIOS Slovenia Ltd.





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ABOUT KANSAI HELIOS Slovenia Ltd.

KANSAI HELIOS Slovenia Ltd., based in Količevo, Domžale, employs around 841 people. It was founded in 1924 and today operates with production units in two locations: in Količevo and in Preska.

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

KANSAI HELIOS Slovenia Ltd. (paint, varnish and resin factory) is the European development centre of the KANSAI HELIOS Group and is also the largest company in the Group.

Through its activities and achievements, KANSAI HELIOS Slovenia has proven itself to be a responsible company that is building its future on sustainable foundations. With specific goals for 2030, including a 30% reduction in greenhouse gas emissions and a 20% reduction in energy consumption, sustainability is woven into the core of their strategy. Energy efficiency, production automation, multimodal transport, and the development of sustainable products are the key pillars of their operations. Through systematic measures, innovation, and cooperation in the value chain, the group is building a future that combines the environmental, social, and economic aspects of sustainability.

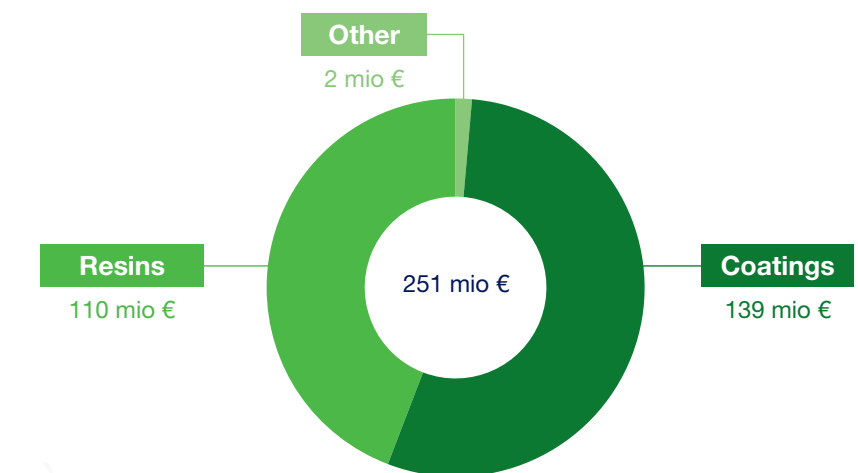
KANSAI HELIOS Slovenia Ltd. sells to
70 countries around the world.



With sustainable development projects, we are pursuing a strategy of expansion into Central and Western European markets

In 2024, KANSAI HELIOS Slovenia Ltd. achieved €251 million in sales revenue and €23.7 million in EBITDA.

The year 2024 was the last year of the medium-term management plan within the framework of Kansai Paint's global strategy. In 2024, the company prepared a medium-term management plan for the period from 2025 to 2027.



Coatings
141 mio €

Application Area	Percentage
Industrial liquid coatings	36%
Refinish	28%
Road markings	10%
Decorative	10%
Powder coatings	6%
Wood coatings	8%
Adhesives	2%

KANSAI HELIOS SUSTAINABILITY GOALS 2030

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



ESTABLISHING SUSTAINABLE OPERATIONS AND RESPONSIBLE CONSUMPTION

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

Achieve a **30%** reduction in scope 1 and scope 2 GHG emissions (baseline 2021)

Realize a **20%** reduction in water consumption (baseline 2021)

Accomplish a **30%** reduction in waste generated in our operations (baseline 2021)

Reach a **20%** reduction in energy consumption (baseline 2021)

ENSURING SAFETY AND HEALTH

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

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

STRENGTHENING SOCIETIES

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

Assess **80%** of targeted suppliers through a CSR evaluation

Attain a minimum of **30%** of all sales derived from sustainable products

Ensure **50%** or more containers are recycled

Allocate a **10%** of our annual marketing budget to support local children's development, health, and sports programmes

CREATING SUSTAINABLE VALUE THROUGH KNOWLEDGE, SKILLS AND TALENT

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

Ensure that **100%** of employees have access to participate in the employee engagement survey

Ensure **100%** of employees' familiarity with KHEC values

Strive for **80%** of R&D projects to focus on sustainable products

BUILDING PROFESSIONAL INTEGRITY

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

Ensure that **100%** of our employees complete at least one compliance and integrity training annually

Achieve **0** confirmed incidents of corruption

Provide an effective and transparent grievance system accessible to all employees

ESTABLISHING SUSTAINABLE OPERATIONS AND RESPONSIBLE CONSUMPTION



Carbon emissions

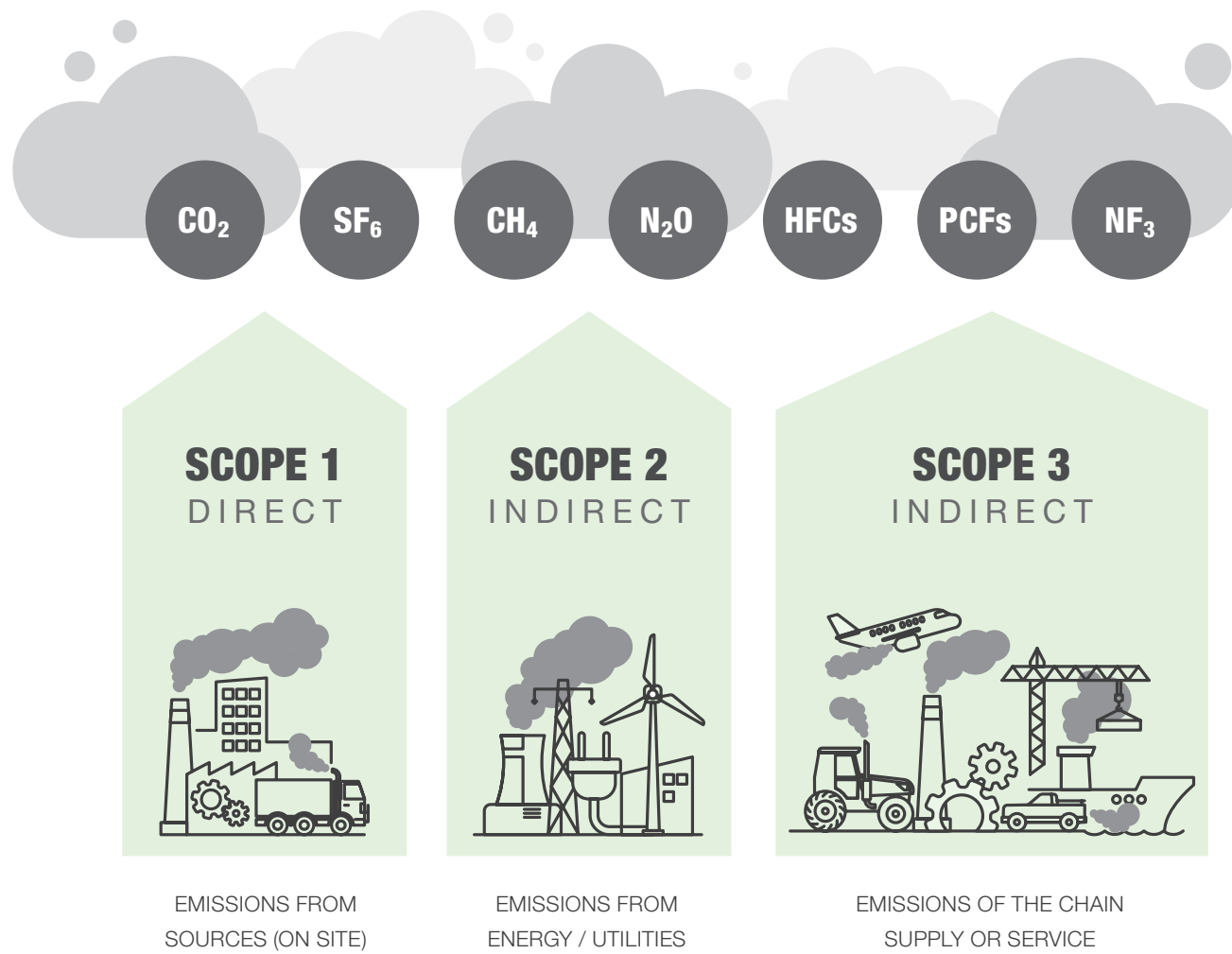
At KANSAI HELIOS Slovenia Ltd., we recognize the importance of measuring our greenhouse gas (GHG) emissions and understanding our overall carbon footprint. This is not only a question of environmental responsibility but also of meeting regulatory requirements, managing risks, and supporting transparent, sustainable business practices.

We began our assessment with Scope 1 and Scope 2 emissions, and we are now in the process of calculating our Scope 3 emissions according to the GHG Protocol. We are covering all 15 categories, which we see as

crucial—especially given that, in the paints and coatings industry, Scope 3 is the largest contributor to total emissions. Key categories such as purchased raw materials, as well as the processing and use of sold products, play a particularly significant role.

Understanding and managing these emissions helps us meet stakeholder expectations and identify potential opportunities for improvement. For us, this is both a strategic priority and a step toward a more sustainable future.

SCOPE 1 AND SCOPE 2 EMISSIONS



GRI 305-1
Direct (Scope 1)
GHG emissions

GRI 305-2
Energy indirect
(Scope 2) GHG
Emissions

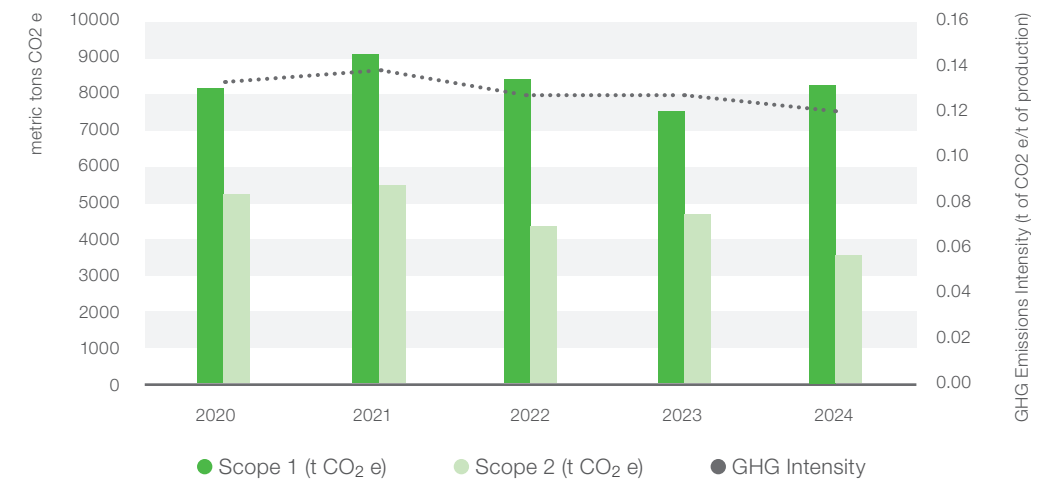
GRI 305-4
GHG emissions
intensity

ESRS E1-6

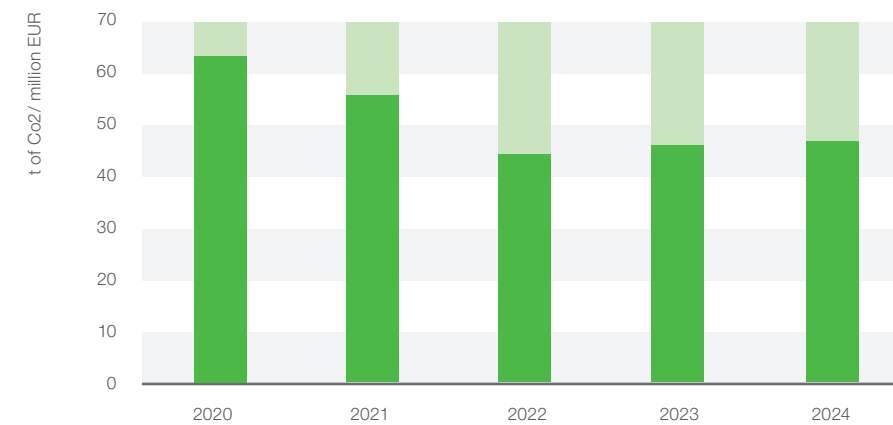
Gross Scopes
1, 2, 3 and Total
GHG emissions

	Unit	2020	2021 (baseline)	2022	2023	2024
Scope 1	t CO ₂ e	8213,9	9150,2	8516,8	7664,8	8309,0
Scope 2 (location based)	t CO ₂ e	5158,7	5419,9	4398,5	4620,2	3645,1
Scope 2 (market based)	t CO ₂ e	0,0	0,0	8087,1	0,0	0,0
Scope 1+ Scope 2 (location based)	t CO ₂ e	13372,7	14570,1	12915,2	12285,0	11954,1
GHG Intensity - Production	t CO ₂ e/t	0,13	0,13	0,13	0,13	0,12
GHG Intensity - Net Revenue	t CO ₂ e/mill EUR	64	56	44	47	48

Scope 1 and Scope 2 Emissions and Intensity

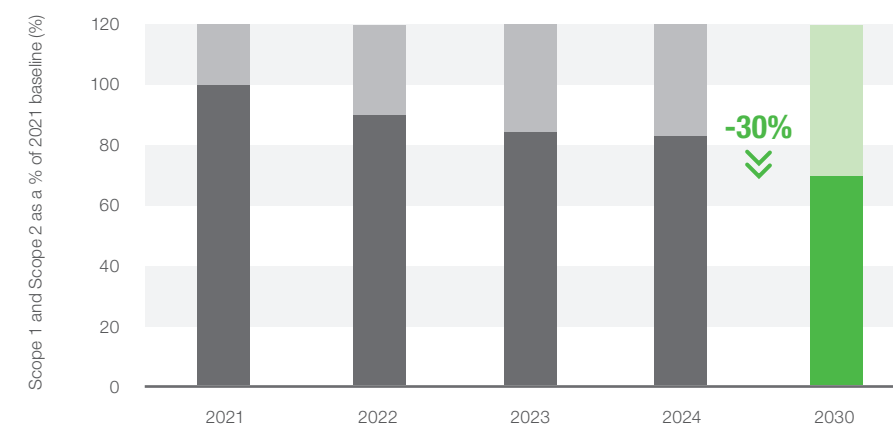


GHG Intensity based on net revenue



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

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



ENERGY CONSUMPTION AND MIX

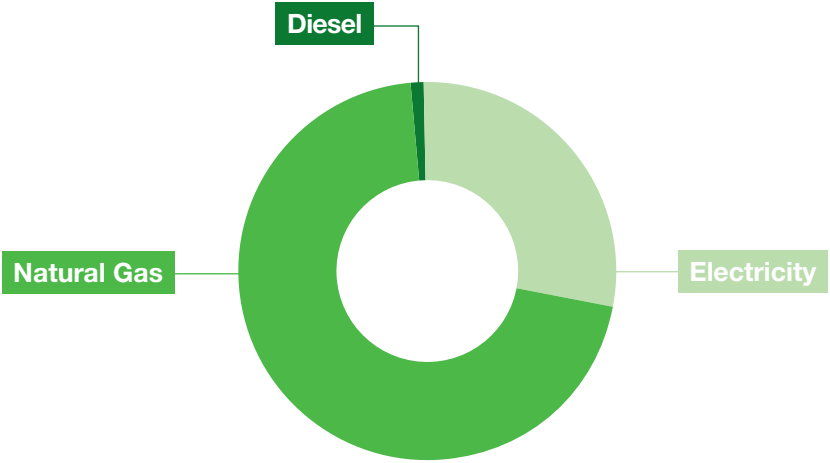
GRI 302-1
Energy
consumption
within the
Organization

ESRS E1-5
Energy
consumption
and mix

	Total Energy Consumption (MWh)
2020	59,531
2021 (baseline)	65,994
2022	59,968
2023	57,493
2024	60,548

GRI 302-1
Energy
consumption
within the
Organization

ESRS E1-5
Energy
consumption
and mix

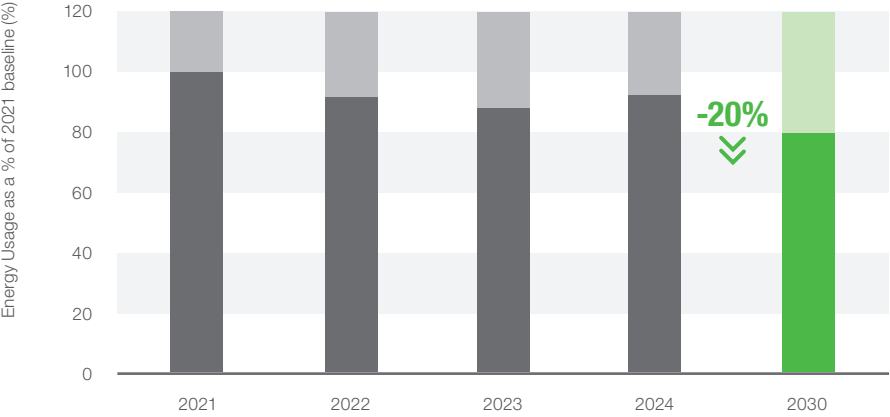


Energy Intensity

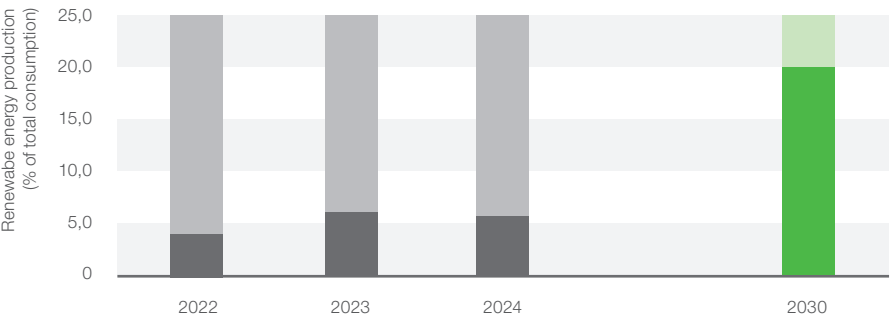
GRI 302-3
Energy intensity

	Total Energy Consumption (MWh)	Energy Intensity (MWh/t)
2020	59.531	0,59
2021 (baseline)	65.994	0,61
2022	59.968	0,60
2023	57.493	0,60
2024	60.548	0,63

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



Renewable Energy Own Production



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



WATER

GRI 303-5
Water
consumption

	Unit	2021	2022	2023	2024
Total water consumption (with well)	m ³	190.195	159.592	177.497	163.030
Total water consumption (without well)	m ³	31.719	32.797	47.071	40.229
Industrial wastewater discharge	m ³	78.800	55.127	75.958	49.068
Municipal wastewater discharge	m ³	16.704	189.06	13.846	14.299
Water for returning to groundwater	m ³	67.340	59.460	67.909	80.485
Water intensity	m3/mio EUR	840	648	817	650

GRI 303-4
Water
discharge

ESRS E3-4
Water
consumption

WASTE

GRI 306-5
Waste directed
to disposal

		Unit	2021	2022	2023	2024
Waste	Hazardous	t	3659	3126	4119	4510
	Non-Hazardous	t	2744	2515	1743	1591

ESRS E 5-5
E5-5
Resource
outflows

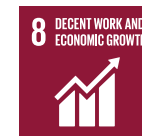
AIR POLLUTION

GRI 305-7
Nitrogen oxides
(NOx), sulfur
oxides (SOx),
and other
significant air
emissions

	Unit	2021	2022	2023	2024
SO₂	t	0	0	0	0
NOx	t	4,1	1,3	2,7	2,7
VOC	t	2,3	2,3	1,9	1,5
HFC	t	0	0	0	0

ESRS E2-4
Pollution of air,
water and soil

ENSURING SAFETY AND HEALTH



Hero for Zero

As part of the "Hero for Zero" initiative, we are expanding and deepening our activities in the area of occupational health and safety. Employees are encouraged to take an active role in ensuring safety and well-being—both for themselves and their colleagues. We are currently placing special emphasis on near misses, as we believe that timely identification and reporting of such events can prevent serious workplace injuries.

To support this, we have introduced a new communication channel where employees can report observed near misses and hazardous

situations during their work. This step aims to strengthen a culture of open communication and shared responsibility for a safe working environment.

In addition, we promote employee well-being through various workplace programs and activities. Under the "Healthy Hero" initiative, we raise awareness about the importance of a healthy lifestyle and encourage habits that contribute to long-term health and balance.

Health & Safety

Year	2020	2021	2022	2023	2024
The number of fatalities as a result of work-related injuries and work-related ill health	0	0	0	0	0
Number of work related injuries	10	11	11	13	20
Lost time injury frequency rate	6,08	6,67	7,76	9,59	14,98
Accident severity rate	0,12	0,21	0,18	0,26	0,71

ESRS S1-14
Health
and safety
indicators

GRI 403-9
Work-related
injuries



STRENGTHENING SOCIETIES



SUSTAINABLE PROCUREMENT

At KANSAI HELIOS Slovenia Ltd., we are committed to complying with the laws and regulations, implementing honest and fair corporate governance practices and strengthening integrity across all business processes. We also aim to build fair partnerships with suppliers and business partners, while taking care of the environment and sustainability in our supply chain. This is reflected in our Procurement Policy.

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

In 2024, we made significant progress in advancing sustainable procurement through the following actions:

- Updated Supplier Evaluation Criteria:** Sustainability criteria were integrated into our supplier evaluation process. Supplier ratings for 2024 (sent in early 2025) reflect these new criteria.
- Inclusion of EHS Clauses in Contracts:** EHS clauses were included into contracts with raw material suppliers for the first time.
- Strategic Supplier Engagement:** We continued to incorporate sustainability topics into our collaboration with key strategic suppliers (BASF, Allnex, BYK, Covestro).
- Issue of first internal Conflict Minerals Report:** It provides an overview of raw materials potentially containing conflict minerals and identifies the relevant suppliers. We contacted these suppliers to request a Conflict Minerals Reporting Template (CMRT) or/and a formal statement on the matter.

	2030 goal	2023	2024
Percentage of targeted suppliers	80%	84,3%	87,7%
Percentage of targeted suppliers who have signed the supplier code of conduct	80%	40,2%	37%
Percentage of targeted suppliers covered by a CSR assessment	80%	71,7%	78,7%
Percentage of all buyers who received training on sustainable procurement	100%	100%	100%
Number of formal supplier contracts with EHS clauses	*	-	17
Number of strategic suppliers engaged in regular sustainability dialogues and activities	*	-	4

ESRS G1-2
Management of relationships with suppliers

ESRS S2-1
Policies related to value chain workers

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

*To be determined at a later date

SOCIAL RESPONSIBILITY

At KANSAI HELIOS Slovenia Ltd., we are committed to social responsibility, which is one of the four core values of both our company and the entire KANSAI HELIOS Group. Responsibility towards the environment, the safety and health of employees, and care for the community are the guiding principles of our operations.

We support various efforts through donations of funds and materials, including charitable organizations, educational institutions, sports clubs, and creative projects. Our contributions span different sectors, including education, healthcare, and community development. Among our long-term partners are the Association of Friends of Youth, the Slovenian Chemical Society, the Spominčica Association, the Barka Association, the Faculty of Chemistry and Chemical Technology, as well as firefighting and youth sports associations, and associations for environmental protection and assistance to the disabled.

Our successful efforts towards sustainability and operations in various fields are confirmed by the gold recognition from EcoVadis. We are proud to be among the top 5 percent of companies worldwide participating in this demanding sustainability assessment.

We are proud of numerous socially responsible projects and collaborations that positively impact the local or broader community. In 2024, we continued our collaboration with the Pediatric Clinic, to which we donated high-quality coatings for the renovation of 66 outpatient clinics. We contributed coatings to

the Mountaineering Association of Slovenia for the renovation of 48 mountain huts, helping to protect and extend the lifespan of these important structures, thereby contributing to the preservation of our natural and cultural heritage.

As part of the socially responsible project "Let's Rebuild the Children's Playground Together," carried out on the 100th anniversary of the company and the Helios Tessarol brand, we selected a public children's playground in Vrhnika in collaboration with nine municipalities, which our team of employees renovated with fresh paint. This provided children with a safer and more pleasant play area. We also strengthen ties with the local environment through other initiatives, such as creating road markings for greater traffic safety for children at four elementary schools in Domžale.

In line with its belief in the power of sports, which brings valuable life lessons, the KANSAI HELIOS Group has long supported the KANSAI HELIOS Domžale basketball club in Domžale, providing key resources for its development programs. Additionally, we actively promote health awareness initiatives and collaborate with organizations to raise awareness about pressing health issues.

Within the company, we promote a culture of solidarity with initiatives such as "Cycling for charity," where we encourage employees to actively give back to society. This not only strengthens team spirit and a healthy lifestyle but also contributes to important local projects and helps those in need.

CREATING SUSTAINABLE VALUE THROUGH KNOWLEDGE, SKILLS AND TALENT



At KANSAI HELIOS Slovenia Ltd., we strive for continuous improvements to meet the expectations of our employees, customers, and the broader community. Our shared beliefs and core principles are embodied in the KANSAI HELIOS Group Values, which serve as the foundation of our operations and guide us towards excellence in business processes.

Through our Policy on Employee and Stakeholder Relations, KANSAI HELIOS Slovenia is committed to conducting business with a strong focus on social responsibility, ensuring prosperity and rights for our employees, stakeholders, and the communities in which we operate. This policy is based on internationally recognized standards, including

the Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, the United Nations Global Compact, the UN Sustainable Development Goals, and the Responsible Care Program.

Our dedication to excellence, sustainable development, and employee well-being is further demonstrated by our recognition as a recipient of the Reputable Employer award in the chemical industry—an honor we received last year based on a survey conducted by the largest employment portal in Slovenia—as well as our employee engagement research carried out in the previous year.



EMPLOYEES

GRI 2-7
Employees

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

		2020	2021	2022	2023	2024
Total employees	Total	866	858	859	850	841
	Female	264 (30%)	261 (30%)	267 (31%)	265 (31%)	279 (33%)
	Male	602 (70%)	597 (70%)	592 (69%)	585 (69%)	562 (67%)
Permanent	Total	783	770	771	781	789
	Female	249	246	245	252	262
	Male	534	524	526	529	527
Temporary	Total	83	88	88	48	41
	Female	15	15	22	11	16
	Male	68	73	66	37	25
Non-guaranteed hours employees (contract, agency workers)	Total				21	11
	Female				2	1
	Male				19	10

DIVERSITY

GRI 405-1
Diversity of governance bodies and employees

ESRS S1-9
Diversity indicators

		2020	2021	2022	2023	2024
Top Management*	Female Number	24	23	22	22	23
	Female Percentage	41%	39%	38%	37%	38%
Age	<30	88	99	101	81	91
	30-50	463	439	432	405	409
	>50	315	320	326	343	330

* one and two levels below the administrative and supervisory bodies

TRAINING AND EDUCATION

	2020	2021	2022	2023	2024
The percentage of employees that participated in regular performance and career development reviews	100	100	100	100	100
The average number of training hours per person for employees, by employee category and by gender.	8.7	9.7	9.7	9.1	9.0

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

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

ESRS S1-13
Training and skills development indicators

COLLECTIVE BARGAINING AND SOCIAL DIALOGUE

The percentage of total employees covered by collective bargaining agreements (KANSAI HELIOS Slovenia Ltd.)				
2020	2021	2022	2023	2024
93,1%	92,7%	92,7%	92,3%	92,2%

GRI 2-30
Collective bargaining agreements

ESRS S1-8
Collective bargaining coverage and social dialogue

R&D AND INNOVATION

In the field of product innovation, we received a silver award in September 2024 during the Innovation Day organized by the Chamber of Commerce and Industry of Slovenia for the national award recognizing the best innovations—an event held for the 22nd consecutive year. The award was granted for our coatings for agricultural and construction machinery made from biologically renewable sources. Prior to this, in June, we had already been honored with a gold award for this innovation at the regional level. Competing among outstanding innovators, we ranked among Slovenia's best, as the national innovation award by the Chamber of Commerce and Industry represents the highest recognition for innovative achievements by Slovenian companies and actively promotes the development of sustainable solutions.

One of the key steps in developing sustainable products is the establishment of new competencies, such as carbon footprint calculations and product lifecycle analysis. Last year, we successfully built these competencies, which we now actively apply. These tools enable us to strategically focus on the development of truly sustainable products that align with the European Safe and Sustainable by Design strategy and contribute to a better future for all stakeholders.

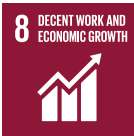
Our commitment to sustainability remains steadfast. Through innovation, responsible business practices, and continuous improvements, we are laying the foundations for a sustainable future—not just for our company, but for society and the environment as a whole.

Certifications





BUILDING PROFESSIONAL INTEGRITY



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

Excelling at doing what is right

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

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

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

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

Speak Up Policy present an important part of our Compliance Program. It fosters a culture of open and honest communication and ensures accessible, effective and reliable channels for reporting concerns. In this way, we strengthen trust in the work environment, where every employee feel **empowered to speak up**.

	2021		2022		2023		2024		2030 goal
	No.	%	No.	%	No.	%	No.	%	%
Total number and percentage of employees undergo at least one Compliance and Integrity Training per year.	35	4	66	8	470	57	683	84	100
Total percentage of employees signing Declaration of Understanding of the Code of Conduct.	-	-	-	-	-	57	-	84	100
Total number of confirmed corruption incidents.	0		0		0		0		0
Number of new cases reported through Speak Up Channels.	0		0		1		2		*

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

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

ESRS G1-3
Prevention and detection of corruption or bribery

GRI 205-3
Confirmed incidents of corruption and actions taken

ESRS G1-4
Confirmed incidents of corruption or bribery



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