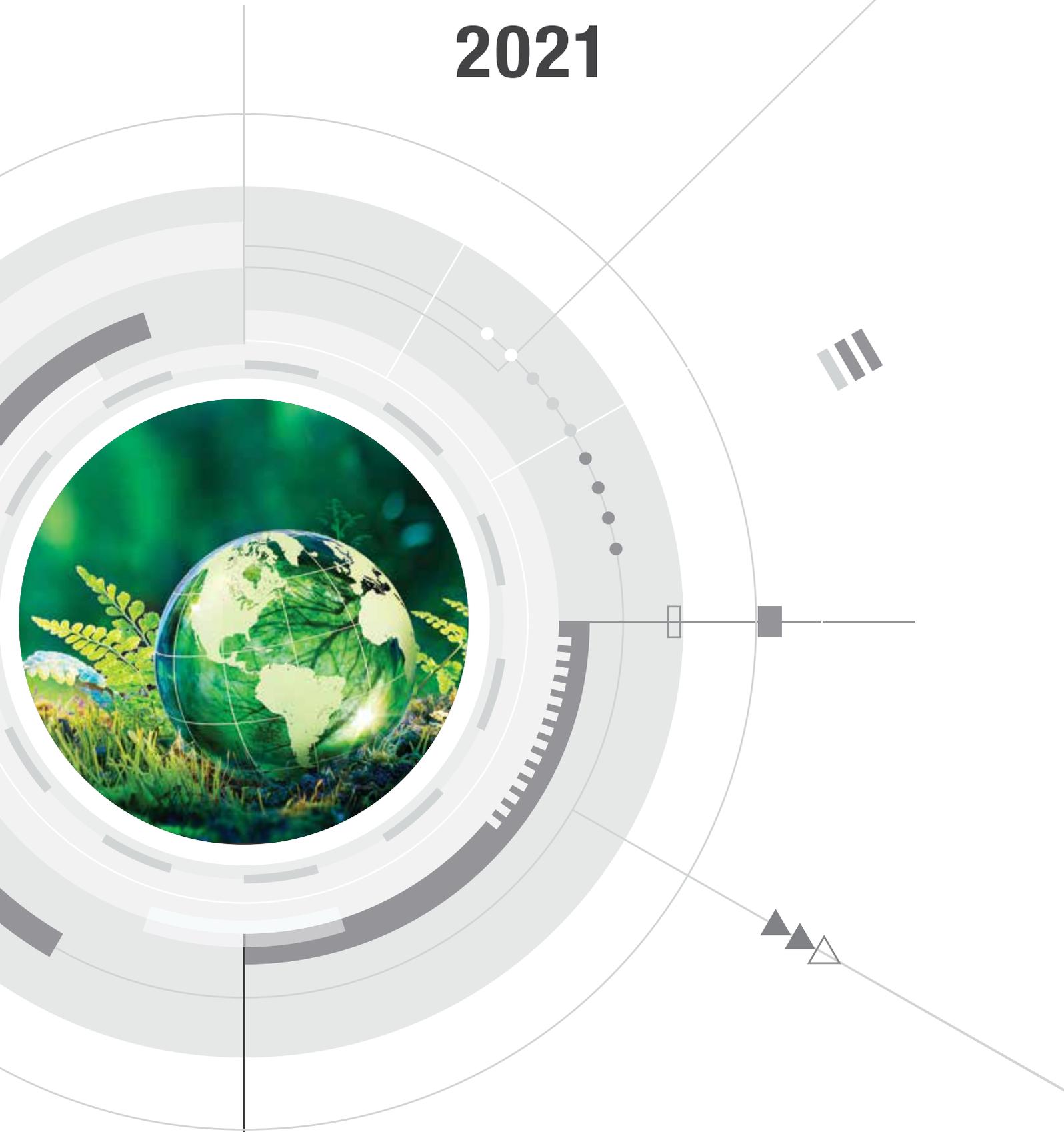


# DOMEL

## SUSTAINABILITY REPORT

### 2021

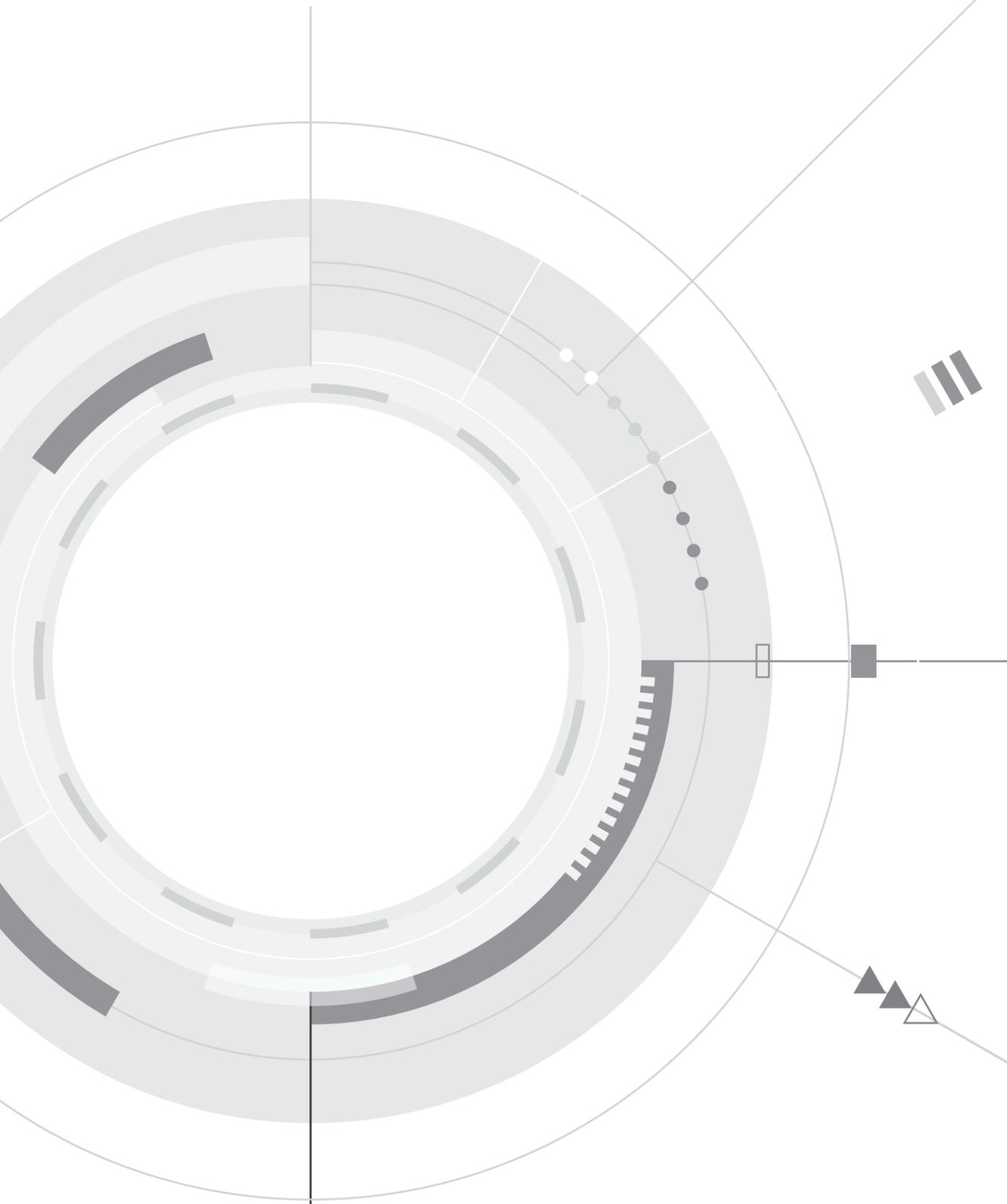




**DOMEL**

SUSTAINABILITY REPORT

**2021**



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# MESSAGE FROM THE MANAGEMENT BOARD



*Dear stakeholders,*

Domel is a global developmental supplier of electric motors, whose core competencies help shape global trends in development and technology. By continuously investing in development and innovative new solutions and technologies, we strive to achieve our mission through the principles of sustainable development. We fulfil our social responsibility through our conduct, responsiveness and actions in our environment, as well as through products that are environmentally friendly and add value for our customers and end-users. This approach improves our market position, customer trust and competitiveness. All of the above is further detailed in the Domel Group's Sustainability Report for 2021, which provides insight into important aspects of the Domel Group's business, social and environmental activities.

Sustainability is the central tenet of the Domel Group's corporate strategy for the period 2022 to 2027. Through growth in value added, we ensure the conditions to fulfil our mission to be a socially responsible employer and provide high-quality jobs. We are continuously strengthening the employee competences required to transition to a more environmentally friendly economy, and improving the level of training and commitment of our employees. Digitalisation is the common denominator of our strategic activities, and represents an opportunity to improve resource consumption, which is a significant contribution to environmental sustainability. The advanced technologies we develop facilitate the development of new sustainable products and services, through which we contribute significantly to the reduction of the carbon footprint of our products and the preservation of the natural environment. Our strategic objectives include both reducing the carbon footprint of our operations and increasing the commitment of our employees.

The 2021 financial year was the second year marked by the COVID-19 pandemic, which affected the entire world and impacted the global economy. Preventive measures were taken to limit the spread of the virus within the company, and the impact of the pandemic was mainly reflected in extraordinary increases in raw material prices, disruptions in supply chains, and increased uncertainty in our markets. Nevertheless, 2021 was a successful year for Domel. The Domel Group generated revenues of EUR 186.9 million in 2021, which was 15% more than planned and an increase of 26,5% relative to the previous year. The bulk of the Group's revenues was contributed by Domel, d.o.o., which generated EUR 186.6 million. We recorded a net profit of EUR 9.3 million and maintained a good leverage ratio. In 2021, we increased our value added per employee by 9%, to EUR 47.286 per employee. In line

with our strategic plan, increasing value added will remain our main objective and challenge for the coming years.

We are aware of the impacts Domel has on the environment and have therefore committed in our environmental policy to a responsible approach to the environment, which we wish to preserve for future generations and improve where possible using green technologies and innovations. We take a systematic approach to reducing environmental impacts by complying with the guidelines set out in the ISO 14001:2015 standard, and implementing our established environmental programmes. In 2021, we also obtained ISO 1400 certification in our Serbian subsidiary, where we expanded our production capacities. We successfully completed six environmental projects last year and have continued activities on 14 projects aimed at improving working conditions for our employees and other aspects of sustainable development.

Through innovation and knowledge, we create products that are efficient in terms of energy and materials, which in practice is reflected in savings of more than 300 GWh of electricity per year, or 78,000 tonnes of CO<sub>2</sub> emissions, taking into account in the calculation only those motors produced in the last five years in the scope of the EC drive programme and assuming the replacement of standard electric motors with Domel motors. Through innovative electric motor solutions, we are entering new platforms of electric vehicles and thus contributing to green mobility and energy-efficient transportation, and facilitating the green transition of the EU's economy.

In 2021, we celebrated our company's 75th anniversary and commemorated the courageous and forward-looking founders of the metalworking cooperative. In gratitude to them and with pride in our rich tradition, we will continue to pursue our strategy of steady growth in all areas of our operations and work towards the further growth and profitability of our company, focusing on sustainable development and social responsibility. I would like to thank all of our employees for their loyalty, responsibility and creativity, and congratulate them on all of their achievements. I firmly believe we are ready to face the challenges of the green transition, a transition to a society that manages natural resources more responsibly and sustainably, and that will ensure future generations can enjoy the same living conditions on our green planet as we have enjoyed ourselves.

MSc. Matjaž Čemažar  
Chairman of the Management Board, Domel Holding d.d.

# SUSTAINABILITY REPORTING



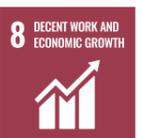
The Domel Group's Sustainability Report for 2021 provides a review of key activities and achievements connected with the company's contribution to sustainable development. It also presents the most important effects of sustainability in the areas of economic, social and environmental activity: the company's contributions to the development of Slovenia's economy, society and natural environment.

Departments from many of the company's organisational units participated in the definition of content and the preparation of data. Data and performance indicators relating to sustainable operations were collected and prepared by employees from the General Affairs Sector (HR and legal department, occupational safety and health department, system management department and general innovation department), Development Sector, Purchasing Sector, Sales Sector, and Finance and Accounting Sector. While preparing the report, we focused on ensuring balanced and relevant information that will be interesting to a wider audience and all stakeholders of the Domel Group.

Data presented regarding financial operations, employees, environmental impacts, etc. were obtained from the annual report, personnel records, the regular monitoring of environmental impacts and other measurements that we perform regularly in the scope of individual processes. Selected indicators are presented for 2019, 2020 and 2021 for comparison purposes. We also present in the report the most important effects of sustainability, such as the **material and energy efficiency of products**, **promoting innovation among employees**, **investing in employee growth**, and **increasing energy efficiency in production**.

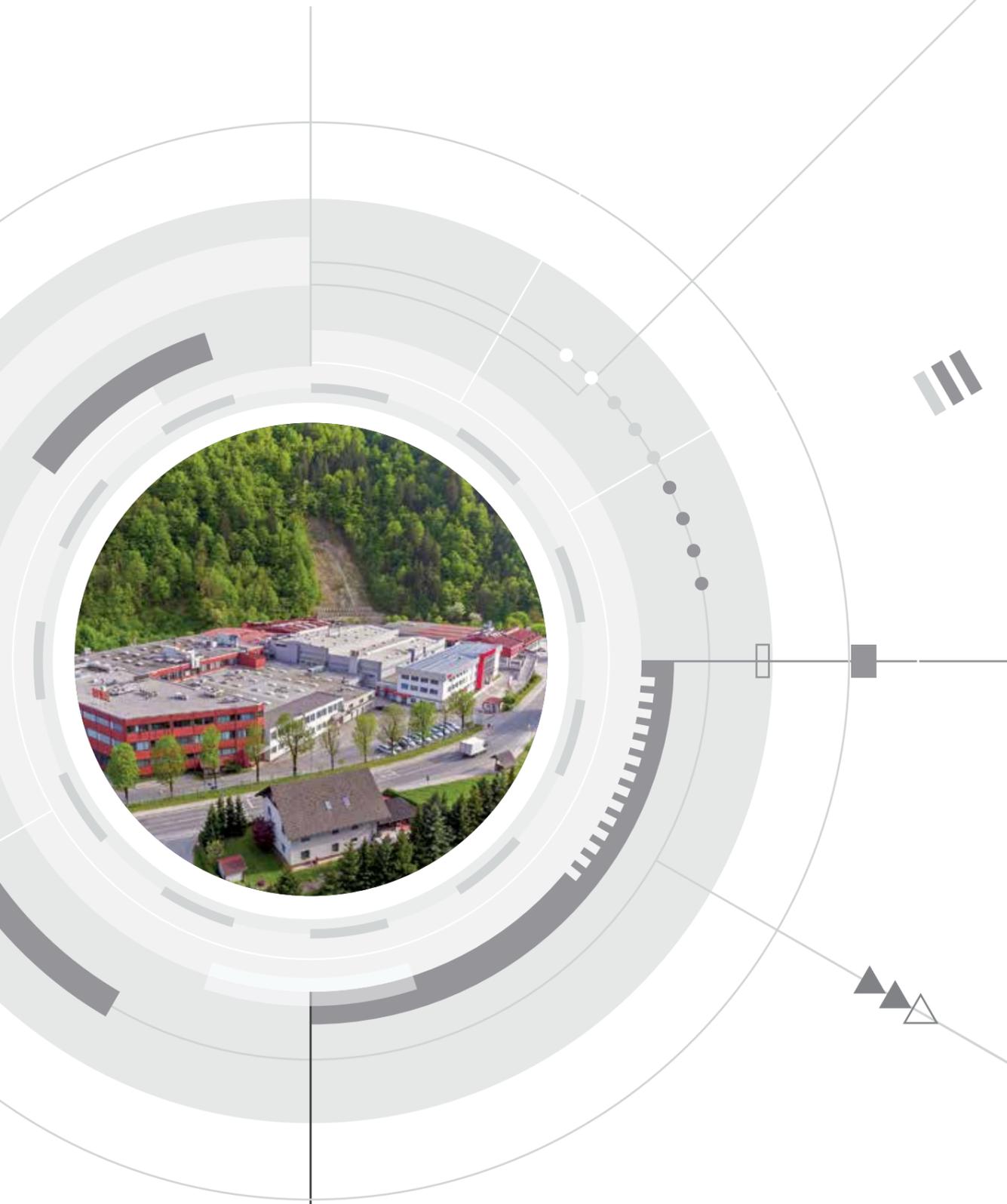
We draft a report on the sustainable operations of the Domel Group every year. This year's report is the fourth consecutive of its kind and relates to the 2021 reporting year. Presented data and calculated indicators relate to the company Domel and its production sites throughout Slovenia.

The company's sustainable operations are presented in the report in the context of the United Nations' Sustainable Development Goals 2030. On the right we present highlights of the Domel Group's contribution to the achievement of selected Sustainable Development Goals, while links between our own achievements and those goals are presented in the sections regarding economic, social and environmental contributions.



# PROFILE OF THE DOMEL GROUP

The Domel Group comprises the parent company Domel Holding d.d., and the subsidiaries Domel d.o.o., Domel Inc., Domel motors d.o.o., Odžaci, Domel IP invalidsko podjetje d.o.o., and Domel Electric Motors Suzhou Co. Ltd. In 2021, Domel Energija, d.o.o. was dissolved and the subsidiary GaMa LC, lasersko rezanje, d.o.o. was established. Basic information regarding group companies is presented on the next page.



## REGISTERED OFFICE



ŽELEZNIKI, SLOVENIA  
30.927 m<sup>2</sup>



ŽELEZNIKI, SLOVENIA  
4.620 m<sup>2</sup>



TRATA, SLOVENIA  
25.000 m<sup>2</sup>



RATEČE, SLOVENIA  
13.725 m<sup>2</sup>



ODŽACI, SERBIA  
1.600 m<sup>2</sup>



SUZHOU, CHINA  
3.200 m<sup>2</sup>

## Parent company

**Domel Holding, d.d.**  
Registered office  
Legal status  
Registration number  
Registered activity  
President of the Management Board

Otoki 21, 4228 Železniki, Slovenia  
Public limited company  
1294156  
Activities of head offices  
Matjaž Čemažar

# DOMEL

## Subsidiaries

- Domel, d.o.o.**  
Registered office  
Legal status  
Registration number  
Registered activity  
Managing Director

Otoki 21, 4228 Železniki  
Limited liability company  
5045401  
Manufacture of electric motors, generators and transformers  
MSc. Matjaž Čemažar
- Domel, Inc.**  
Registered office  
Legal status  
Registered activity  
Managing Director

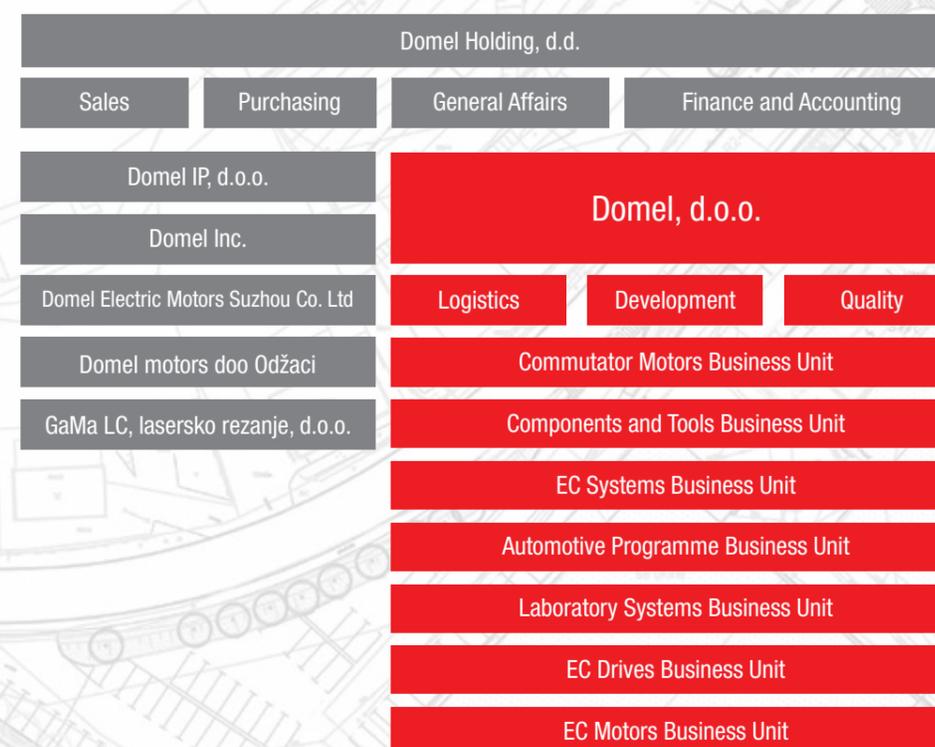
28 Gleann Court, East Rutherford, New Jersey 07073, USA  
Public limited company  
Marketing products of the parent company  
Peter Korošec
- Domel motors d.o.o. Odžaci**  
Registered office  
Legal status  
Registration number  
Registered activity  
Managing Director

Lole Ribara št. 40, 25250 Odžaci, Srbija  
Limited liability company  
21486736  
Manufacture of electric motors, generators and transformers  
Goran Čučak, Roman Prezelj
- Domel IP invalidsko podjetje, d.o.o.**  
Registered office  
Legal status  
Registration number  
Registered activity  
Managing Director

Gorenja vas - Reteče 4, 4220 Škofja Loka, Slovenia  
Limited liability company  
1853678  
Machining  
Rado Lenkič
- Domel Electric Motors Suzhou Co., Ltd**  
Registered office  
Legal status  
Registered activity  
Managing Director

Jingmao Road 285, Suzhou Industrial Park 215021 Suzhou, P.R.China  
Limited liability company  
Manufacture and marketing of vacuum units  
Boštjan Demšar
- GaMa LC, lasersko rezanje, d.o.o.**  
Registered office  
Legal status  
Registration number  
Registered activity  
Managing Director

Gorenja vas - Reteče 4, 4220 Škofja Loka, Slovenija  
Limited liability company  
8808511  
Other design and technical consultancy  
Matevž Mali, Gašper Zdravje





## *Our story*

**1946** Domel grew out of the Niko metalworking cooperative, which was established by 16 brave local people on 27 April 1946. The cooperative acquired its name from the first cooperative member and driving force in its founding, Niko Žumer. With some machines taken from a craft workshop and made operational, the cooperative started up the production of recording device mechanisms. The volume of work rapidly increased, and the number of employees grew. By the end of the first year there were already 59 cooperative members. The increase in numbers gave rise to an expansion of the product lines, which spread from office materials to laboratory apparatus.

**1953** The first electric motor was produced. There was an increasing shift towards series production.

**1954** Social ownership was introduced in the cooperative, which now had 246 workers.

**1958** The first electric motor was exported. In that same year, a new production and commercial building was constructed for electric motors. Electric motors became the primary focus of the company's product range.

**1962** In 1962 the cooperative joined Iskra, and within that group it retained the electric motor line and successfully developed it. Links started being forged with major global white goods manufacturers.

**1974** A decisive factor in determining the product orientation was the development of a vacuum motor for vacuum cleaners, which allowed the company to penetrate the German market. These motors became the core product range.

**1987** The company became independent. In 1992 it started operating under the new name of Domel.

**1996** Upon completion of the privatisation process, Domel becomes a public limited company.

**2006** A subsidiary production company was established in China, whereby Domel d.d. acquired its first production company abroad. The purpose of this company is to manufacture vacuum units for vacuum cleaners in the middle and low price range. Domel d.d. became a leading manufacturer of vacuum cleaner motors in the European market.

**2009** Sole ownership of the company was acquired by Domel Holding, d.d., which is owned by employees, former employees and those in retirement.

**2010** The merger by acquisition of the company Tehnica was carried out. Domel became a private limited company.

**2011** Along with ten partners, we established a development centre and carried out the first investments for the development of products and technologies.

**2012** The Domel Group reorganises as a more open and transparent organisation.

**2013** A new family of vacuum motors is developed with more than 50% efficiency.

**2014** As many as 100 million vacuum units are produced.

**2017** New production facilities open in Trata, Škofja Loka.

**2019** A manufacturing company is founded in Serbia.

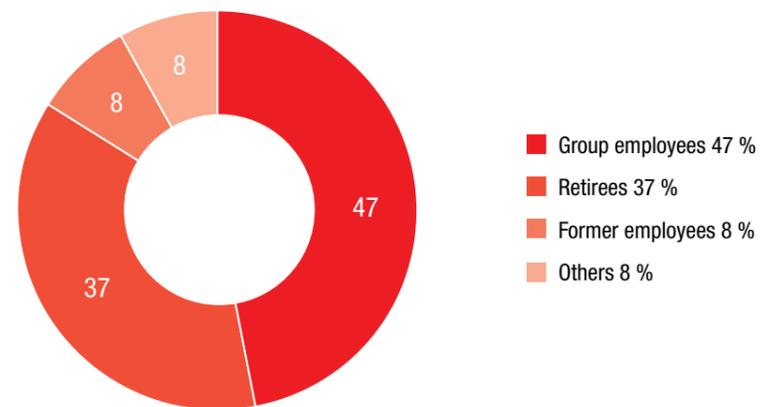
**2020** A top performing mid motor for electric bikes in serial production.

**2021** The 75th anniversary of the founding of the Niko metalworkers' cooperative, from which the company Domel was developed.



# COMPANY UNDER THE MAJORITY OWNERSHIP OF EMPLOYEES AND RETIREES

The Domel Group takes the legal organisational form of a public limited company. The company's majority owners are employees, former employees and retirees. In 2021, employees held 47% of shares, followed by retirees at 37%, former employees at 8%, and others at 8% of shares, as shown in the diagram below. Employees acquired ownership and thus management of the company in 1996 during the transition from social to private ownership, when employees resisted a planned hostile takeover bid.



Ownership structure of the Domel Group in 2021



# ON THE SHARED PATH TO SUSTAINABLE DEVELOPMENT

*Mission, vision, and values are our fundamental principles and shared guidelines for achieving sustainable development.*

## MISSION

Domel is a socially responsible company. As a global developmental supplier of state-of-the-art solutions for electric motor drives and components based on our own innovative technologies, we are able to ensure the growth and sustainable development of the Domel Group. In this way, we provide high-quality employment opportunities for the wider region.

## VISION 2027

We are the leading global development partner in the area of electric motors and components.

## VALUES

All Domel Group employees share common values that serve as the basis for our corporate culture. They are constant and sound, and have formed our policies and shaped our operations for more than a decade. They guide and lead employees in their everyday work, in decision making and in mutual relations. They form a solid basis for the continued development and advancement of our company.





# STAKEHOLDER ENGAGEMENT

The company dedicates attention to all of the Domel Group's stakeholders. We provide employees, customers, owners, local communities, business partners and other stakeholders a transparent picture about the company and its operations. We communicate regularly with stakeholders, strive to understand them and include them in our operations in different ways.



*Key stakeholders of the Domel Group*

Stakeholders	Methods of cooperation and engagement
Employees	Intranet, message board, internal newsletter, events for employees, annual interviews, and employee research and surveys.
Shareholders	Website, General Meeting of Shareholders, internal newsletter, annual report and sustainability report.
Business partners, customers	Trade fairs, business conferences, visits, contracts, assessments, portal for customers, surveys, emails and video conferences.
Suppliers	Trade fairs, business conferences, visits, assessments, supplier assessments, contracts, portal for suppliers, emails and video conferences.
Local communities	Website, social networks, open house days, sponsorships and donations, visits by school groups and pre-schoolers.
Scholarship holders	Information days, open house days, mentoring in final theses, internships, social networks, webpage.

# POLICIES ON SUSTAINABLY ORIENTED OPERATIONS

By adopting a quality assurance policy, environmental policy and code of conduct for the entire Domel Group, we continuously improve our operations and conduct in accordance with the principles of sustainable development. We have a comprehensive management system in place that meets the requirements of international quality assurance and environmental management standards. The quality assurance and environmental management systems in place at the Domel Group's production sites are presented in the table below.

Site	ISO 9001	ISO 14001	IATF 16949	ISO 13485
OTOKI	✓	✓	✓	
TRATA	✓	✓	✓	
NA PLAVŽU	✓	✓		✓
RETEČE	✓	✓	✓	
SUZHOU	✓			
ODŽACI	✓	✓		

Quality assurance and environmental management systems by production site

## QUALITY POLICY

The company has a long tradition of quality assurance, as it has held the ISO 9001 quality management certificate since 1992, as one of the first companies in Slovenia to do so. By adopting a quality assurance policy, we demonstrate our determination to apply best practices to ensure the highest standards in the development, manufacture and quality of products and customer support. We demonstrate and achieve this by:



- continuously improving and updating our management system;
- adhering to the requirements of the ISO 9001, ISO 14001, IATF 16949 and ISO 13485 standards;
- taking account of the needs of our customers, legislation and the requirements of other interested parties that Domel has agreed to;
- monitoring the quality of our processes, products and services and setting measurable objectives aimed at continuous improvement;
- managing strategic, operational and other risks, thereby guaranteeing the company's stable growth and sustainable development, long-term financial security and growth in value added;
- using risk analyses during product development to ensure product safety and reliability, user safety and the usefulness of products;
- keeping employees informed about the company's fundamental principles, strategy, policies and objectives;
- continuously developing competences and raising awareness about responsibility for quality.



## ENVIRONMENTAL POLICY

The Domel Group's environmental policy follows the principles of sustainable development and constitutes a commitment to reducing negative impacts on the environment. We pursue the core principles of the environmental policy by:

- monitoring and complying with legal requirements, our customers' requirements, and other requirements that Domel has committed to and that are linked to environmental aspects;
- training and communicating to raise the environmental awareness of all employees and others who work for or on behalf of Domel;
- systematically identifying, reducing, preventing and eliminating the negative environmental impacts of our activities;
- developing and producing environmentally-friendly products, where priority is given to materials and technologies that efficiently use natural resources and reduce energy consumption; and
- communicating and working effectively with the local community, administrative bodies, and other interested parties.

# CODE OF CONDUCT OF THE DOMEL GROUP

The code of conduct of the Domel Group binds all stakeholders to the highest ethical and moral principles with the aim of building excellent relationships among customers, co-workers and the local community. It comprises a collection of moral and ethical commitments for all employees, suppliers and other business partners that guide us to responsible conduct with careful consideration. The code is based on the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, OECD Guidelines for Multinational Enterprises, and the Universal Declaration of Human Rights adopted by the United Nations. It is also available on our website<sup>1</sup>.

## RISK MANAGEMENT

Because the business environment has changed rapidly in recent years, understanding and managing risks is an important element of our corporate governance. Reducing exposure to risks to an acceptable level is crucial for achieving the company's strategic objectives. The Domel Group's risk management policy is based on the ISO 31000 standard. We have defined a risk management framework, within which we identify and assess risks, and adopt measures to reduce the likelihood of risks arising and to mitigate the consequences if they do arise. We break risks down into three categories: financial risks, business risks and operational risks. We assess risks taking into account the likelihood that they will arise and their impact if they do. Risks are recorded in the risk register, which is regularly updated. To that end, we carefully consider external and internal aspects that affect the company and those stakeholders exposed to risks. All of the company's departments are involved in the identification and management of risks. Because we see the successful management of risks as an important element of the company's sustainable development, we dedicate a great deal of attention to environmental, social and economic risks.

The realisation of environmental risks could have a long-term adverse impact on the environment in which we operate, society and the company's reputation, and thus cause financial damage. We therefore give considerable attention to these risks, particularly the risk of natural disasters (e.g. fires and floods) and environmental disasters, such as the spillage of hazardous substances during warehousing and transport, the uncontrolled release of hazardous substances into the atmosphere, the leakage of rainwater into production facilities, or the seepage of contaminated fire extinguishing water into the Sora River or groundwater. Exposure to environmental risks is assessed as low.

Because we are a socially responsible company and care for customers and employees is one of our core values, we also dedicate a great deal of attention to social risks. The emphasis in 2021 was on managing risks in connection with the epidemic and workplace accidents, the inappropriate adaptation of the number of employees, a lack of qualified staff and the loss of key employees.

With respect to economic risks, we focus on managing business and financial risks that could affect Domel's performance. A great deal of emphasis is placed on managing risks in connection with claims for damages

due to hidden defects. We regularly monitor developments on the global markets, and therefore manage risks in connection with the economic crisis and the loss of customers and suppliers, political risks, the imposition of tariffs and risks in connection with the ineffective adaptation to changes. In 2021, due to supply chain disruptions, we paid additional attention to two risks that are trending upwards, namely the risk of non-delivery of products to customers and the loss of a key supplier. Important measures include continuous monitoring of the supply chain situation, taking action and coordinating solutions, improved capacity planning, monitoring key suppliers, and seeking alternative suppliers in the EU or in other markets outside China. We also manage financial risks, such as credit risk (payment indiscipline), liquidity, interest-rate and currency risks, and changes in the prices of exchange-traded commodities.



<sup>1</sup> <https://www.domel.com/document-download/111>

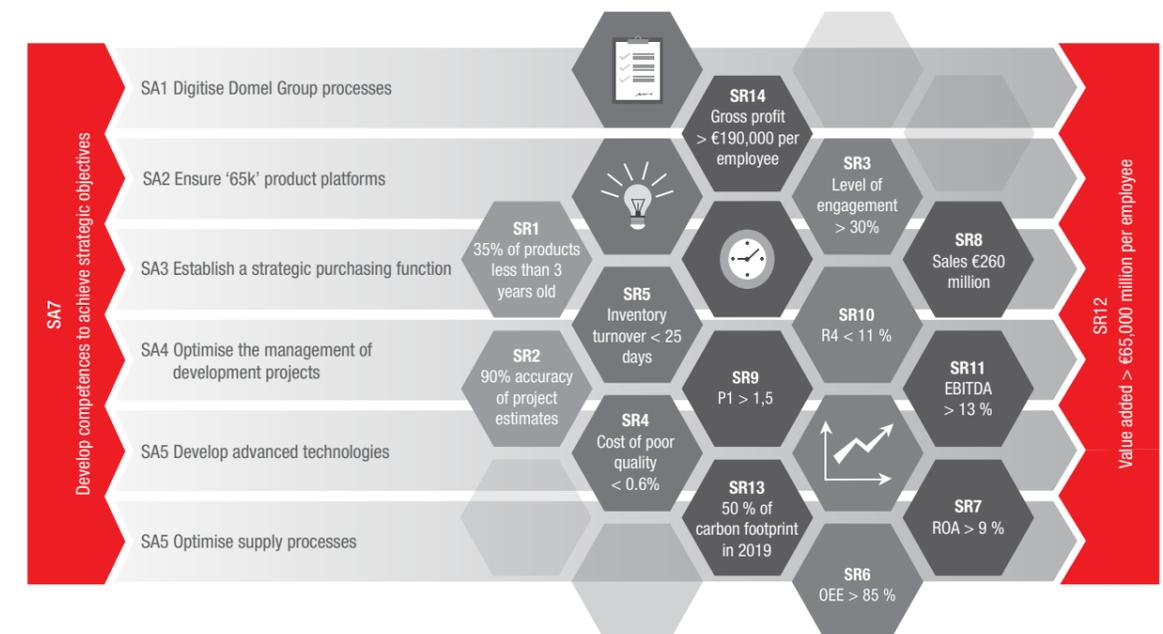


# DOMEL GROUP CORPORATE STRATEGY 2022 – 2027

A major objective of the Domel Group is to raise value added per employee above EUR 60,000. We will meet that objective by 2025 in the Slovenian part of the group and sustain that growth so that we reach EUR 65,000 per employee in Slovenia by 2027. This will be achieved through appropriate product platforms, efficient business processes and innovative manufacturing processes, which will be automated and robotised wherever economically feasible.

Assessed market opportunities indicate an opportunity for average annual sales growth of 8%, with organic growth and target earnings before interest, taxes, depreciation and amortisation (EBITDA) of 13% of revenues generated. The Domel Group's corporate strategy thus ensures the desired growth of the company's value for our shareholders, while we pursue a policy of creating high-quality, modern jobs.

*Crucial for the implementation of the corporate strategy are our efforts to respect values, organisational regulations and agreements. Leading by example is an important guideline for all managers. In our work, all employees pursue the values that derive from our tradition and cooperation with the local environment. We ensure a high level of cooperation between sectors and departments, and maintain a creative organisational climate. This is crucial for satisfied customers. In this way, we also work in a sustainable manner.*



# BUSINESS MODEL

The Domel Group's business model is based on the development and manufacture of energy efficient electric drive motors and components. Domel possesses many competences in the area of development and technology that have also been recognised by our customers. Domel is globally positioned on the market as a developmental supplier that offers customers motors and components, from technical drawing to prototype and final product. To that end, we adapt to the requirements of the application in which a product will be installed.

We offer solutions in a wide range of fields and applications: professional and household appliances, industrial applications, medical and laboratory applications and mobility applications. We build long-term partnerships with customers.

E-mobility



Industry



Home and garden

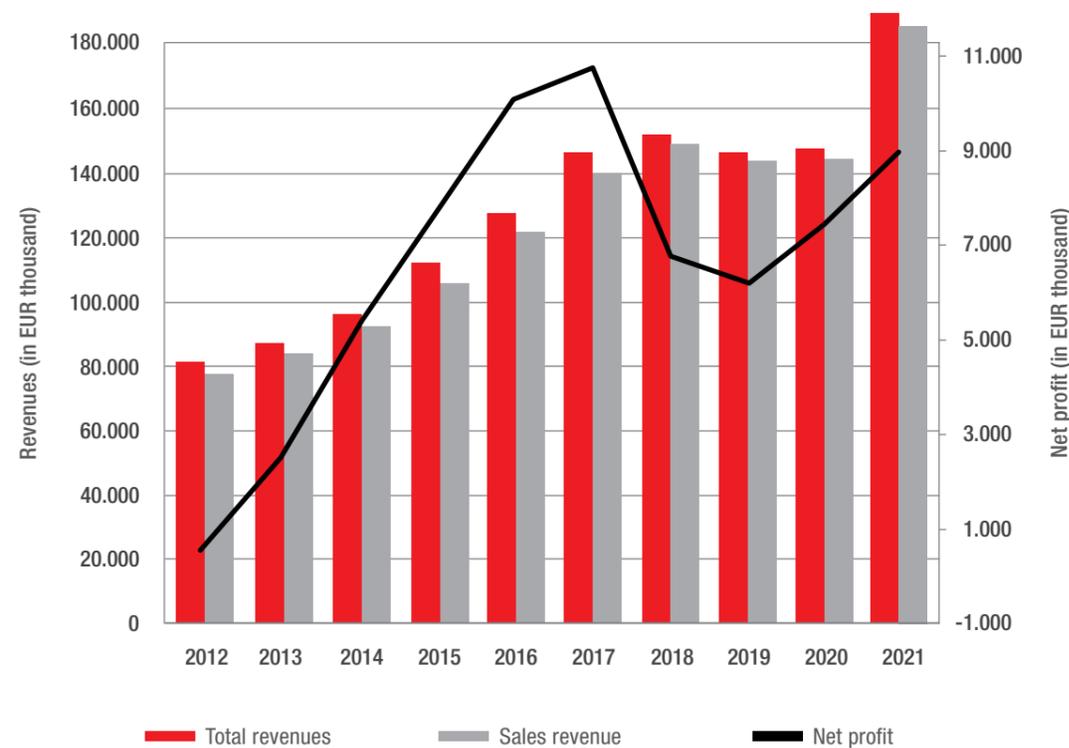


Health



# PERFORMANCE OF THE DOMEL GROUP IN 2021

In 2021, the Domel Group successfully tackled the volatile market conditions related to the coronavirus, supply chain disruptions and raw material price increases and ended the 2021 financial year with a positive result. Through the appropriate measures, the adaptation of operations and the diversification of programmes, the group met the planned revenues. After taking into account exclusions, the group generated revenues in the amount of EUR 186,9 million in 2021, which was 15% more than planned and an increase of 26,5% relative to the previous year. As shown in the graph below, sales in 2021 were 27% higher than the year before, while the group generated a net profit of EUR 9,3 million.



Total revenues, sales revenue and net profit of the Domel Group in 2021

**187 MILLION**  
IN REVENUE IN 2021

**AN INCREASE OF 26,5 %**  
ON 2020



Domel d.o.o. accounted for the highest proportion of the Domel Group's total revenues. The company generated revenues of EUR 186.5 million in 2021, which was 16% higher than planned and 25.5% higher than in the previous year. Sales revenue accounted for EUR 178.8 million or 96% of total revenues. The company generated an operating profit of EUR 9.4 million and a net profit of EUR 8.8 million in 2021. The company's EBITDA amounted to EUR 22.6 million in 2021, an increase of 17% relative to the previous year. The EBITDA margin dropped slightly to 12.7%. Value added per employee was up sharply to stand at EUR 51,059. Return on equity (ROE) remained at the same level as in the previous year. Investments totalled EUR 29.4 million in 2021, of which EUR 8.4 million was resold to our customers. The company's results once again indicate sound cash-flow management, and high levels of innovation, efficiency and business flexibility.

Domel, d.o.o.	A 2021	P 2021	A 2020	A21 / P 21	A 21 / A 20
Number of working hours	859.246	738.000	739.665	116,43	116,17
Number of employees as at 31 December 2020	1.220	1.186	1.185	102,87	102,95
Total operating revenues (in EUR)	186.526.061	160.407.000	148.581.785	116,28	125,54
Net profit (in EUR)	8.780.509	5.646.030	7.482.001	155,52	117,36
Net profit/employee (in EUR)	7.197	4.761	6.314	151,18	113,99
Net profit/total revenues	4,7 %	3,5 %	5,0 %	133,74	93,48
Value added per employee (in EUR)	51.059	45.300	47.310	112,71	107,93
Return on equity	11,6 %	8,1 %	11,1 %	143,41	104,90
EBITDA margin	12,7 %	11,8 %	13,5 %	107,28	93,90

Data relate to Domel, d.o.o.

## GOLDEN EXCELLENCE

In 2021, Dun&Bradstreet Slovenia awarded Domel, d.o.o. with a Golden Creditworthiness Certificate of Excellence, certifying that the company meets the international standard of excellence in creditworthiness and belongs to the highest order of excellence in creditworthiness in Slovenia. The company meets the criteria for excellence in creditworthiness in 2021, and is one of the most reliable Slovenian business entities, entitled to use the internationally recognised Golden Creditworthiness status.



# SALES ON MOST IMPORTANT MARKETS

Domel d.o.o. generates the majority of its sales revenue on European markets. We sold products valued at EUR 19.6 million on the domestic market in 2021, which translates to 11% of sales revenue. A total of 70% of sales revenue or EUR 124.9 million was generated by products sold on other EU markets, while foreign markets outside of the EU accounted for 19%.

Germany, which accounts for 19.4% of sales revenue, remains our most important market. Sales in that country amounted to EUR 34.7 million. Germany is followed by Romania at 12% and the domestic market at 11% of total revenue. Among our largest European markets, sales were up relative to the previous year in Germany, Austria, Romania, Sweden, Italy and Portugal, while sales declined in Hungary. The largest market outside of the EU is the USA, where products valued at EUR 8.4 million were sold, followed by China with EUR 7.2 million in products sold.



Sales on most important markets in 2021

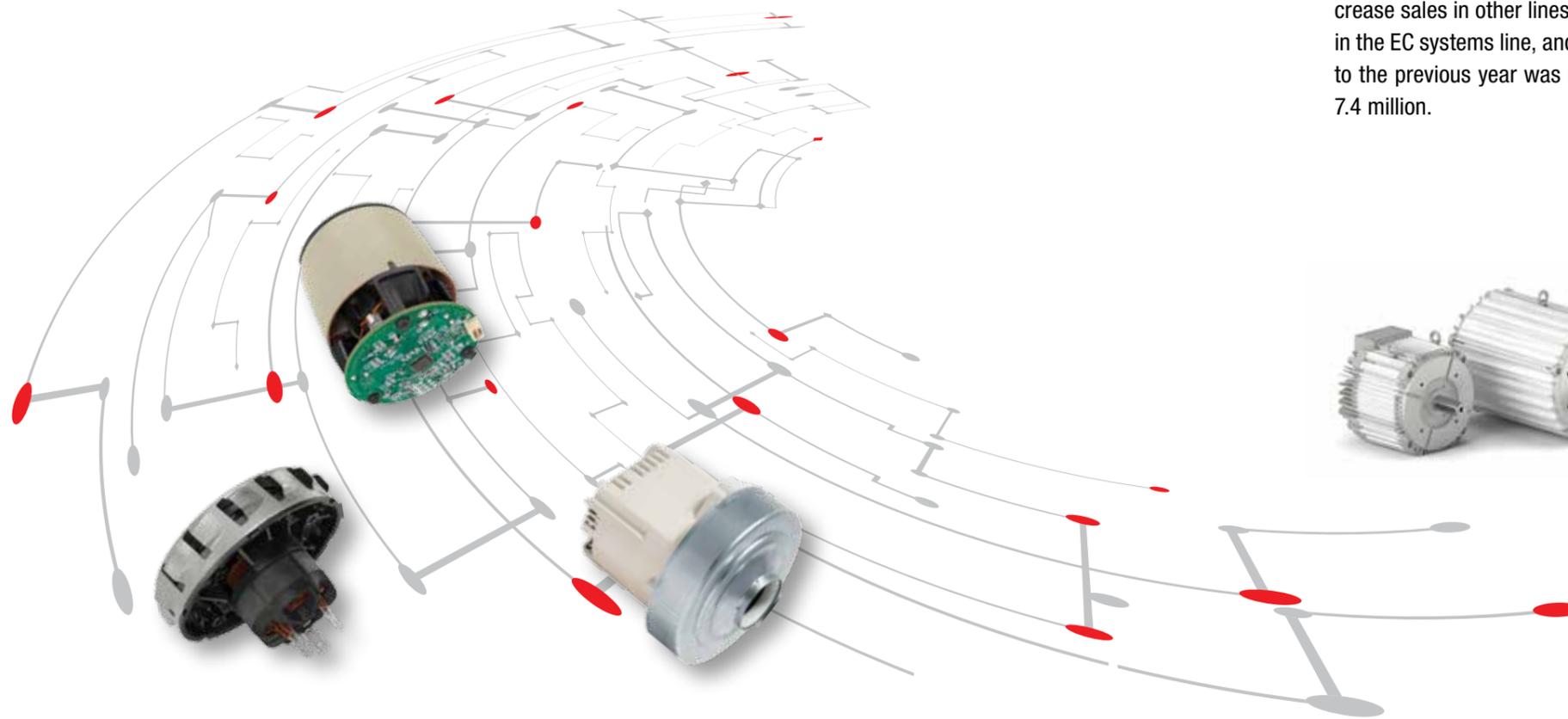
- Germany 19 %
- Romania 13 %
- China 9 %
- Austria 8 %
- Slovenia 7 %
- Sweden 7 %
- Italy 7 %
- Hungary 5 %
- Poland 4 %
- Canada 3 %
- USA 3 %
- Tukeya 2 %
- Portugal 2 %
- Denmark 2 %
- Other 9 %



# SALES REVENUE BY PRODUCT LINE

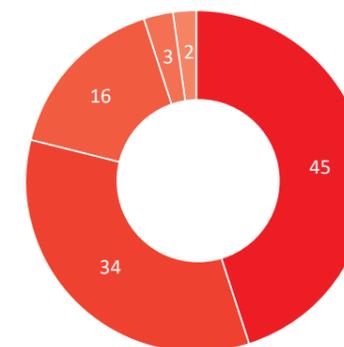
Compared to 2020, sales grew in all lines. The strongest growth was recorded in the automotive, EC motors, EC drives, EC systems, DC motors and components lines. The growth is the result of development activities and consolidated positions with customers, while part of the growth is attributable to higher raw material prices, which we have been forced to pass on in selling prices.

We consolidated our position on the vacuum cleaner motors market, where excellent characteristics and high quality are prerequisites. At 30.9% of total sales, vacuum cleaner motors remain the strongest product category. Their sales were up by 14%, or EUR 6.8 million in absolute terms. Emphasis was also placed on marketing new EC lines (EC drives and EC motors), which saw a growth of 31.1%. We also managed to increase sales in other lines. Sales were up by 34.3% in the Reteče CM line, 23.2% in the tool shop line, 20% in the EC systems line, and 17% in the components line. The largest increase in the share of sales compared to the previous year was in the automotive segment (up 3.4%), with an increase in absolute terms of EUR 7.4 million.



Sales by market segment in 2021

- Motors for household appliances 40 %
- Automotive programme 27 %
- Garden equipment 10 %
- Industrial blowers 8 %
- Air conditioning and ventilation 7 %
- Laboratory systems 2 %



Sales by product in 2021

- Universal commutator motors 45 %
- Electronically commutated motors 34 %
- Components 16 %
- Industrial equipment and tools 3 %
- Laboratory equipment 2 %

42,61250%2,613  
97%1,44180%54

# ECONOMIC ASPECTS OF SUSTAINABILITY

## INVESTMENTS IN RESEARCH AND DEVELOPMENT AND SUPPORT FOR SLOVENIAN ENTERPRISE



The Domel Group invests continuously in the development of new products and in innovative technologies. We place a strong emphasis on development activities that support the green transition and low-carbon future goals. In the development and manufacture of products, special attention is given to sustainable solutions, through which we provide customers and end-users energy efficient and innovative products. The key areas of sustainable product development are high material and energy efficiency and reducing noise levels. A number of our activities are focused on developing advanced technologies, which are key to the competitiveness and innovation of our products.

In **2021**, we earmarked **5.6%** of sales revenue to the development of new products. Creativity is one of our values, and through it we promote innovative work and new ideas. This is also reflected in the proportion of sales accounted for by newer products less than three years old, which stood at **27%** in **2021**.

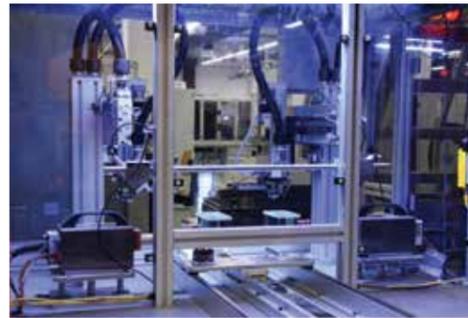
**»I FEEL SLOVENIA.  
GREEN. CREATIVE.  
SMART.«**

*In 2021, we became proud ambassadors of the Slovenian economy. As part of the national communications campaign "I FEEL SLOVENIA. GREEN. CREATIVE. SMART.", we were recognised as an innovative and sustainable company whose breakthrough solutions support a green, creative and smart Slovenian business environment. By taking part in the campaign, we will help raise Slovenia's profile as a technologically advanced, creative and green country.*



## GOLD AWARD FOR INNOVATION

The Chamber of Commerce and Industry of Slovenia (CCIS) presented Domel with the gold award for innovation, which represents the highest national recognition for the innovative achievements of Slovenian companies and other organisations. The company received the award for the development of its new water pump concept for cooling battery packs and propulsion motors in electric vehicles.



## AWARD FOR THE ENVIRONMENT FRIENDLY PRODUCT

At the environmental meeting organised by the Finance newspaper, we won the highest award in the environmentally friendly product, process or service category for the development of the NZ270 family of HVAC motors. The motors have a power range from 5 to 50 kW and, in combination with their electronics, achieve the highest efficiency in the segment. They meet the highest energy efficiency class IE5, and contribute to significantly lower electricity consumption during operation.



Since 2021 was still very much affected by the global epidemic, physical meetings with customers were practically non-existent. Nevertheless, there was an increase in development activities – from 78 to 101 development projects compared to 2020. Most of the new developments are related to the growth trend of battery applications in e-mobility as well as household appliances and garden equipment. Higher raw material and energy prices are further driving the use of more material and energy efficient solutions in air conditioning and other industrial applications. Development activities in individual lines are briefly presented below.

### NUMBER OF DEVELOPMENT PROJECTS

2020	78
2021	101

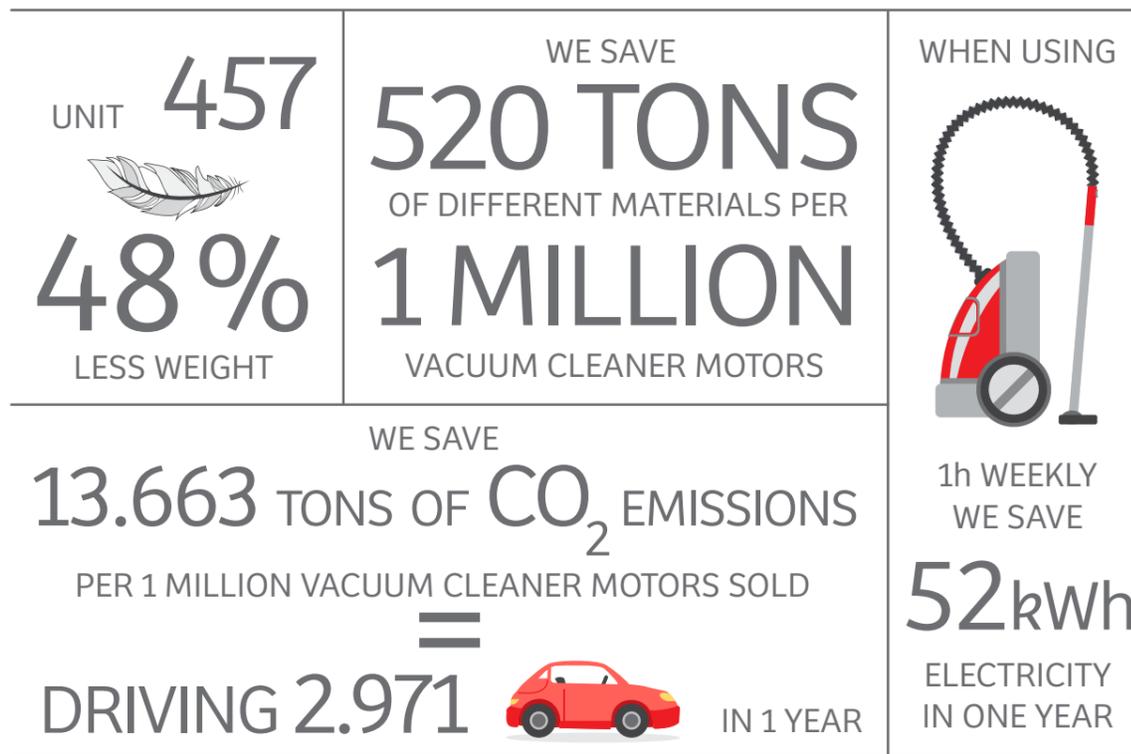




2021  
◆◆◆



In 2021, we worked intensively on developing the 457 vacuum cleaner motor as an alternative to the 467 vacuum cleaner motor. The high material efficiency of the 457 unit is reflected in its lower weight, as it is up to 48% lighter than the previous unit. This saves more than 520 tonnes of various materials if 1 million 457 vacuum cleaner motors are produced per year. In addition, the newly developed 457 unit features higher efficiency, which translates into electricity savings during the operation of the electric motor. Assuming that a vacuum cleaner fitted with the electric motor is used for an hour every week, more than 52 kWh of electricity is saved per year. The energy savings are even higher when multiplied by the one million vacuum cleaner motors sold. These savings are reflected in savings of 13,663<sup>2</sup> tonnes of CO<sub>2</sub> emissions, which is equal to the emissions generated by 2,971<sup>3</sup> cars in one year.



»» We continuously improve the technology of our electric motors and drive units in order to reduce electricity consumption during operation, which we achieve through increasing their efficiency and limiting their power. A high level of energy efficiency allows end-users to achieve major electricity savings and reduce operating costs, and is also reflected in lower greenhouse gas emissions. In this way, we help our customers achieve their goals to reduce environmental impacts and achieve climate neutrality. ««

<sup>2</sup> The calculation was made based on the Rules on the Methods for Determining Energy Savings: <http://www.pisrs.si/Pis.web/pregledPredpisa?id=PRAV14191>. The electricity emission factor for Slovenia for 2019 (0.34 kg CO<sub>2</sub>/kWh) was used for the calculation of savings of CO<sub>2</sub> emissions.

<sup>3</sup> The CO<sub>2</sub> emissions equivalent was calculated using the greenhouse gas equivalencies calculator on the website: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

## BATTERY APPLICATIONS

By increasing the efficiency of drive systems and batteries, battery powered devices are gaining popularity in the garden equipment, power tools and cleaning equipment segments. Through the innovative development of EC motors for those applications, we are setting global trends and consolidating our market position in this segment as well.

In 2021, we started production on 759 electronically commutated units used in battery applications for dry and wet cleaning. With a high efficiency of over 50%, a long service life of over 2000 hours and a compact design, we have penetrated the professional vacuum cleaner market. High material efficiency makes the entire device light, meaning that the transport and handling of final products are also easier.

## HVAC ELECTRIC MOTORS

EC drive systems intended for use in heating, ventilation and air conditioning (HVAC) rank among the top five consumers of electricity. Due to their continuous (24/7) operation, energy consumption is even more important in the applications in which such motors are used. When developing HVAC motors, a great deal of emphasis is placed on the optimal use of materials, state-of-the-art technology, a high level of efficiency and a long service life. The motors do not require maintenance, as they do not contain mechanical parts subject to wear, with the exception of the delivery system. HVAC motors achieve an IE5 efficiency rating (IEC 60034-30-2), which means super-high efficiency that is reflected in the reduced consumption of energy during operation. They are also more appropriate from a logistics point of view, as their weight is as little as 1/3 of traditional asynchronous drive systems. Moreover, the motors achieve a high level of efficiency without the use of critical strategic materials: ferrite magnets are used instead of rare-earth magnets, which represents an exceptional competitive advantage. Because the motors are designed and manufactured in Europe, safety and deliverability are improved, which in turn contributes to self-sufficiency in Europe.

We estimate that the use of our IE5 efficiency-rated **HVAC motors** sold during the last seven years (2015–2021) **saved** more than **300 GWh** of electricity in **2021** compared to the best-selling traditional asynchronous motors. Savings of 300 GWh of electricity were reflected in savings of **78,380 tonnes of CO<sub>2</sub>** emissions, which is equal to the emissions generated by **16,888** cars in one year.

<sup>4</sup> The calculation was made based on the Rules on the Methods for Determining Energy Savings: <http://www.pisrs.si/Pis.web/pregled-Predpisa?id=PRAV14191>. The electricity emission factor for the EU for 2020 (0.23 kg CO<sub>2</sub>/kWh) was used for the calculation of CO<sub>2</sub> emission savings. *Greenhouse gas emission intensity of electricity generation by country — European Environment Agency (europa.eu)*

<sup>5</sup> The CO<sub>2</sub> emissions equivalent was calculated using the greenhouse gas equivalencies calculator on the website: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

## INNOVATIONS IN E-MOBILITY

The automotive industry is a field that has undergone one of the most significant turnarounds in recent years – connectivity, self-driving vehicles and the concepts of clean and green mobility are among the primary areas in which global sustainability goals are being targeted.

Through the development of drive assemblies and components for the automotive industry (oil and water pumps and A/C compressors), the Domel Group is also doing its part to make driving more energy efficient. The Domel Group's products cover different areas of electrification. New development products in the e-mobility segment are an e-bike drive motor and a hybrid mid-drive system for e-bikes that the company developed together with its partners. Both drive systems are designed using an optimal mass-to-efficiency ratio, which means an exceptional product in terms of energy and material efficiency.

Representing something new in the e-mobility segment is the development of a drive system for electric scooters, in cooperation with domestic and foreign partners. A compact and light brushless DC motor with an efficiency rating of 85% under normal operation will be built into the energy-efficient drive system.

### “FILLED WITH SUNSHINE”

*In 2021, we participated in the opening of a self-sustained electric bike shed at Brdo pri Kranju, which is powered by solar panels mounted on the roof of the bike shed. The bike shed offers Slovenian eCult Octane bicycles for rent, powered by an electric motor developed by Domel. The new e-mobility business model, called e-Hub, is the product of a collaboration between Domel, Gorenjske elektrarne, and Elektra Balance and Beyond under the slogan “Filled with Sunshine”. The pilot project allows the testing and promotion of new products and innovative technologies in the field of electric bicycle charging and control, while the rental of high-quality e-bikes allows guests and visitors to the Brdo Park to explore the park and the surrounding area in a new and different way.*



# CUSTOMER CARE



Good customer relations and customer care are reflected in long-term partnerships, as certain customers have trusted us for close to 50 years, while major customers have been working with us for an average of more than 30 years.

Customer care is one of our core values. For this reason, our approach to customers is genuine. We take time for our customers, search for the best solutions in terms of price and quality, and are reliable and flexible. Customer satisfaction is extremely important to us, and we search for opportunities for improvement on that basis. We obtain customer satisfaction ratings in two ways. The first is monthly reporting by customers, which is an established practice at major customers. Reports are collected by the responsible sales staff and are stored on the intranet by individual year. Once a year, a customer satisfaction survey is conducted using the Customer Voice tool. Customer satisfaction analysis includes evaluation against various criteria such as on-time delivery, quality, reliability and flexibility, technical support, product competitiveness, integration of environmental criteria into the corporate process, etc.

The sales team handles the customer analyses received and formulates corrective and preventive measures on their basis. We upgraded the system used to collect data regarding customer satisfaction, and introduced a new data collection method in 2020. Due to a change in the applied methodology, year-on-year comparisons of customer satisfaction are not relevant.

In 2021, 21% of the total of 257 customers responded to the satisfaction survey. Although customer satisfaction was at an adequate level in the past year, we are continuously striving to improve and support all the assessed areas.

Customer satisfaction in 2021				
Supply chain	Quality	Sales	Research and development	Environment
4,3	4,4	4,1	4,4	4,1

*Analysis of customer satisfaction by assessment criteria in 2021*



# SUPPLIER DEVELOPMENT



Our commitment to sustainable development also includes supplier-related activities. We are committed to working strictly with suppliers who meet our expectations, respect business ethics and values that are based on internationally recognised standards regarding environmental management, and the health and safety of people, and who have a well-developed quality assurance and management system.

We can only achieve sustainability goals and meet the high standards of our customers with suppliers who are included in the early phase of development projects as partners. Suppliers are selected and assessed based on carefully defined criteria. All of our suppliers are fully responsible for the quality of materials and components that they supply the company. For this reason, they have effective quality assurance systems in place through which they ensure the high quality of supplies, the environmental acceptability of products and environmentally friendly work processes.

We employ various activities and methods to manage quality at suppliers, including:

- supplier self-assessment;
- supplier financial ratings;
- potential analysis;
- contracts with suppliers;
- feasibility assessments;
- confirmation of functioning in ordinary production conditions, test series;
- confirmation of PPAP documentation, where we verify conformity with respect to RoHS and REACH requirements;
- the assessment of processes and the monitoring of the implementation of the necessary measures;
- the assessment of regular deliveries and the monitoring of PPM; and
- credit assessments.

Suppliers who have certified management systems in accordance with the ISO 9001, ISO 13485, IATF 16949 and ISO 14001 standards submit copies of certificates to the company. Nevertheless, we assess suppliers' processes. The types of assessments that we carry out for potential and existing suppliers include potential analyses, the assessment of processes in accordance with the requirements of the ISO 9001, ISO 13485, ISO 14001 and VDA 6.3 standards, and the quick assessment of processes. Once a year, we assess the suppliers of raw materials and associated services. The basic condition for assessing a supplier is at least five deliveries in a year. The following criteria are taken into account in the overall assessment: the level of PPM in deliveries, the proportion of flawless deliveries, accuracy in terms of quantity and time, responsiveness to required 8D reports, a certified management system, payment terms, price competitiveness and technical support. We assessed 231 suppliers in 2021, of which 122 were Slovenian and 109 were foreign.

In accordance with our “Local2Local” purchasing policy, we strive to include as many local suppliers as possible in the supply chain. Good relations and cooperation with domestic and local suppliers are crucial for our operations and bring mutual benefits reflected in the acquisition of experience and expertise, and in the growth, progress and development of the local environment.

Every few years, the company organises a purchasing conference for suppliers, most recently in 2018, where we present our policies, objectives and requirements regarding quality and environmental protection, and what is expected of them based on agreements with customers and legal obligations. We organise periodic meetings with developmental suppliers where we agree on and coordinate new development projects and improve logistics concepts.

WE COOPERATED WITH  
**416 SUPPLIERS** IN 2021

**53 % SLOVENIAN**  
SUPPLIERS

## COMPLIANCE OF MATERIALS

We consistently comply with the EU’s REACH regulation, which sets out obligations regarding the handling, trade and use of chemicals within the territory of the EU, and the European RoHS Directive, which defines and places restrictions on certain hazardous substances used in electric and electronic equipment. We thus ensure the safety of products and reduce risks to people and the environment. We received 195 REACH and RoHS compliance statements from suppliers in 2021, meaning 82% of all relevant suppliers.

As a supplier of components for the automotive supply chain, we are a part of the IMDS system, through which we provide data on the composition of the materials used in our products. This makes it easier for car manufacturers to build vehicles taking into account environmental requirements. Customers from the automotive industry approve our products only if they are informed about their composition using the relevant IMDS document. We have recorded 73 new entries in the IMDS system since 2018, including 26 entries in 2021. The number of new entries depends on the number of new projects in the aforementioned segment.



SINCE

1946

NUMBER OF EMPLOYEES

1.386



AN INCREASE OF 2% ON 2020

A REDUCTION OF

3%

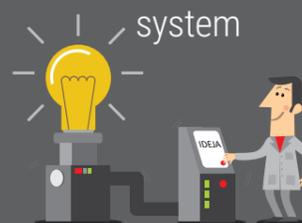
IN TOTAL

HEAT CONSUMPTION

€1,04M

IN SAVINGS

from implemented  
innovative suggestions  
entered in the **SORA**  
system



6

LOCATIONS

€187 MILLION

IN REVENUE IN 2021,

WHICH IS AN INCREASE OF 26.5% ON 2020

80.000 m<sup>2</sup>

OF WORK PREMISES

300 GWh

SAVINGS IN ELECTRICITY

per year with the use of our **HVAC-motors**  
produced over the last 5 years,  
if standard electric motors are replaced



# **SOCIAL ASPECTS OF SUSTAINABILITY**



## PROMOTING INNOVATION AMONG ALL EMPLOYEES



The company promotes the innovative thinking of all employees, with the aim of realising its ideas via experience and knowledge. As part of Domel's continuous improvement system, we have implemented the SORA web application, in which employees enter initiatives, ideas and improvements of a technical or organisational nature. Good knowledge of processes, expertise and thinking in line with Domel's objectives bring excellent results: a total of 559 proposals were registered in the SORA system in 2021. The implementation of proposed improvements brought savings of more than EUR 1.04 million, calculated in terms of annual economic benefit. The authors and co-authors of implemented proposals were paid bonuses last year in the total amount of EUR 92,500. Registered proposals are also the reason for the annual presentation of Domel awards and recognition. Last year's ceremony was also affected by the gathering restrictions due to COVID-19 measures, as a result of which the award ceremony once again took place online. However, this allowed a larger number of attendees to see the event than would otherwise have been the case.



Highlights from the presentation of recognition awards in 2021

# COOPERATION WITH LOCAL COMMUNITIES



The company's social responsibility is closely linked with its tradition and culture. Many Domel Group employees come from the local community. We return to that community every day, so it is important to keep it well-organised and friendly. We fulfil our responsibility by cooperating with local communities in all aspects of operations that can affect the quality of their life.

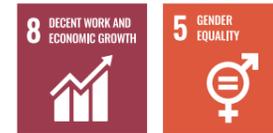
We provide financial support to an increasing number of events in the local environment and to a number of local sports clubs, where our potential employees learn about persistence, creativity and ambition. Among others, we support the Domel Ski Club, the Železniki Handball Club and the Kranj Cycling Club. In 2021, we began collaborating with the Škofja Loka Basketball Club to support the women's teams.

We assist with investments by volunteer fire brigades to upgrade their vehicle fleet and build or renovate their fire station, who have always come to our aid when we needed them.

We also pay a great deal of attention to working with the local primary school, as these children might someday be our employees. We provide them with material assistance for teaching technical elective subjects, and help them with technical equipment for classrooms. Every year, we hold presentations of the occupations that are most relevant for our company. We provide professional tours of our production facilities as part of natural science and other educational events. We start as early as pre-school, where even the youngest children are given tours of our production facilities, where they get to see their parents and learn about their jobs. We were unable to organise such visits in 2021 due to the COVID-19 epidemic.



# EMPLOYEES – A KEY SOURCE OF DOMEL'S COMPETITIVE ADVANTAGE



In managing people, we are aware that every individual is invaluable. For this reason, we place a great deal of emphasis on respect and cooperation, and on creativity and ambition. We thus support basic business policies that focus on a high level of innovation, the improvement of productivity and growth.

Developing the potential of co-workers and employee satisfaction are the primary long-term missions of our HR policy. It is important to us that all employees are actively included in the growth and development of the group, and that we provide them a work environment that offers professional and personal challenges, and facilitates dynamic and creative work. Because employee loyalty is highly important to us, we strive to maintain positive working conditions, reliable employment, and training and education opportunities.

## NUMBER OF EMPLOYEES

In 2021, the Domel Group employed 1,449 workers (as at 31 December 2021). This figure comprises 1,368 employees in Slovenia, 36 employees at the company in China and 45 employees at the company in Serbia.

Of the 1,368 Domel Group employees in Slovenia as at 31 December 2021, 561 or 41% were women and 807 or 59% were men. The proportion of women in managerial positions was 14%.

The number of employees was up by 45 in 2021, with 162 new hires and 124 employment terminations. Employee turnover in the Domel Group in Slovenia stood at 8.3%, not including reassignments within the group, of which there were 236. The average employee age was 40.9 in 2021.

Year	Number of employees	Women	%	Men	%
2019	1.293	516	39,9	777	60,1
2020	1.330	531	39,9	799	60,1
2021	1.368	561	41,0	807	59,0

Change in the number of Domel Group employees in Slovenia between 2019 and 2021

Age group	Number of employees	Women	Men
≤ 25 years	125	39	86
26–30 years	215	69	146
31–35 years	165	51	114
36–40 years	129	52	77
41–45 years	179	92	87
46–50 years	207	98	109
51–55 years	203	100	103
56–60 years	121	57	64
over 61 years	24	3	21
<b>Total</b>	<b>1.368</b>	<b>561</b>	<b>807</b>

Age structure of Domel Group employees in Slovenia in 2021

Age group	Number of new employees	Women	Men
≤ 25 years	55	21	34
26–30 years	36	16	20
31–35 years	17	10	7
36–40 years	16	8	8
41–45 years	27	15	12
45–50 years	7	3	4
over 51 years	4	1	3
<b>Total</b>	<b>162</b>	<b>74</b>	<b>88</b>

Number of new employees in 2021 by age group

Item	2019	2020	2021
Average age of employees	39,2	40,1	40,9

Average age of Domel Group employees between 2019 and 2021

The education level of employees by gender within the Domel Group in Slovenia is presented in the table below. The proportion of employees with at least secondary school education was 57.5% in 2020.

Education level	Women	Men	Total	%
Doctorate (9)	1	9	10	0,7
Postgraduate specialisation, master's degree (8)	5	21	26	1,9
Integrated specialisation programmes, old academic programmes, Bologna master's degree (7/1), Bologna (7)	32	60	92	6,7
Pre-Bologna professional higher education (7/0), Bologna (6/II)	53	92	145	10,6
Post-secondary education (6), Bologna (6/I)	29	78	107	7,8
Secondary school (5)	150	256	406	29,6
QU (4)	138	149	287	20,9
SP (3)	12	18	30	2,3
Primary school (2)	128	103	231	16,9
Incomplete primary school (1)	13	21	34	2,6
<b>Total</b>	<b>561</b>	<b>807</b>	<b>1.368</b>	<b>100</b>

Educational structure of employees in the Domel Group (Slovenia) in 2021

## DISABILITY-FRIENDLY COMPANY

The Domel Group has established the subsidiary Domel IP Invalidsko podjetje d.o.o., which employed 14 disabled persons in 2021. The Domel Group had a total of 38 disabled persons under employment in 2021. We have also concluded contracts on the employment of disabled persons with disabled workers' companies outside of the group: SIJ SUZ d.o.o., REDNAK IP d.o.o., TIP ZAŠČITA d.o.o. and ŽELVA d.o.o. We are aware that disabled persons represent important members of the working body. We provide them equal opportunities and opportunities to contribute to the company's success.



# INVESTMENTS IN EMPLOYEE GROWTH



Since employee education and training is key to the company’s growth and development, we invest heavily in systematic and planned training, as well as training tailored to business and individual needs, in line with the company’s strategy and employees’ development plans.

The company provides for the professional and personal growth of its employees via a system that includes an advancement pyramid, annual interviews, mentorship, e-training, the ‘Domel Academy’ internal education programme and inclusion in a specially developed MBA studies consortium.

The total costs of employee education and training in 2021, including seminars, courses and workshops, amounted to EUR 167,335. A total of 120.5 training hours were completed. On average, each employee received 32 hours of professional education and training in 2021, at a cost per employee of EUR 88.

The average cost of education and training, including tuition, fees and travel expenses, amounted to EUR 162 per employee in 2021. The total cost of education, including scholarships and awards for practical training for secondary-school and college students amounted to EUR 473,814.

Item	2019	2020	2021
Number of training hours per employee	29,5	21	32
Education and training costs per employee (in EUR)	140	70	88
Total education and training costs	449.950	402.523	551.827

*Number of hours and costs of education and training between 2019 and 2021*

Due to the COVID-19 epidemic, quite a few training sessions were cancelled and a number were held online. In the second half of 2020, the Smart Arena portal was established, through which employees can access e-learning and webinars. In 2021, employees completed over 3,000 hours of e-learning through the Smart Arena portal.

EACH EMPLOYEE UNDERWENT OF TRAINING ON AVERAGE IN 2021

**32 hours**

# SCHOLARSHIPS, MANDATORY PRACTICAL TRAINING AND ON-THE-JOB EDUCATION

A great deal of attention is dedicated to the recruitment of young employees. We actively continue with our scholarship policy, which primarily includes scholarship holders in technical fields from secondary schools and university programmes, while we are also included in a vocational education apprenticeship scheme.

The company awarded scholarships to 112 secondary-school and college students in 2021, a slight increase relative to 2020 (108 scholarship holders) and 2019 (106 scholarship holders). In the scope of the scholarship programme, we give students the opportunity to complete their practical training and to work on technical tasks for project, graduate and master’s theses. During the summer, we organise student work for secondary school and university students from the surrounding areas, and also during the year taking into account the needs of the work process. A total of 77 secondary-school and university students and five apprentices took part in mandatory practical training in 2021.

Our scholarship holders are also involved in the Start Young Academy, where they work on start-up projects. Through selected innovative business ideas, scholarship holders learn an open approach to innovation and the development of new products.

We also facilitate on-the-job studies: in 2021, a total of 59 employees participated in the aforementioned form of education. Of that number, 14 attended post-graduate courses, 38 attended level VI and VII courses, one attended level V courses and four attended level IV courses.



# OCCUPATIONAL HEALTH AND SAFETY



PROMOTING HEALTH WITHIN THE DOMEL GROUP: “BE HEALTHY – STAY HEALTHY”

At the Domel Group, we are well aware of the value of employee health and safety. Good health is essential to both business and personal productivity and creativity. We pay particular attention to raising employee awareness regarding occupational health and safety and maintaining and improving employees' health. In collaboration with an occupational medicine specialist, a health promotion plan is drawn up annually through a systematic approach with planned activities and measures to maintain and promote health. The programme is organised based on an employee health analysis, which allows us to adjust planned activities to the needs of employees.



For the purpose of promoting health at the workplace, the company has established a “health promotion team”, which includes the heads of production departments, technologists, the occupational safety department, the HR department, the president of the trade union, the president of the works council, the head of electrical maintenance, the head of mechanical maintenance, and the management. The broad group of stakeholders work together to develop a set of actions to improve working conditions in all areas. The company's management is actively involved in the planning of activities and approves additional funding where a proposal involves all company employees. We encourage all employees to submit initiatives, ideas and improvements related to workplace health promotion.

Due to the COVID-19 epidemic and the related protective measures, we were unable to provide our employees with a daily supply of fresh fruit, as had been provided before the epidemic in “fruit corners” at various locations within the company. In 2021, we therefore provided boxes of fresh fruit for all employees to take home, once in the spring and once in the autumn.

The funds earmarked for health promotion were not fully used in 2021 due to gathering restrictions and other epidemiological measures. As in the previous year, the annual company picnic and other social gatherings and sports competitions were cancelled.

However, we made it possible for our employees to join a supplementary collective health insurance scheme that provides quicker access to health services and a faster route to diagnosis and treatment. Depending on the package, the company covers all or part of the cost of the insurance for employees.

# SICK LEAVE

The sick leave rate was 6.43% in 2021, up from 5.29% in 2020. The sick leave rate includes absences of up to 30 days and absences of over 30 days.

Item	2019	2020	2021
Sick leave rate	5,59 %	5,29 %	6,43 %
Total number of paid work hours	2.702.634	2.805.758	2.792.633
Total sick leave hours	149.421	158.848	183.794
Total hours of sick leave charged to the company	72.744	67.481	84.521
Total hours of sick leave charged to the ZZS	76.685	91.367	99.273

Total number of work hours and number of sick leave hours between 2019 and 2021

# OCCUPATIONAL SAFETY

Safety and ensuring occupational safety is a priority area and the highest standard of the Domel Group, crucial for the success and reputation of the company. The company's goal is to have 0 workplace accidents.

The number of workplace accidents is managed through various activities and measures. We provide the safest possible work environment for our employees, periodically assess workplace risks and maintain them at an acceptable level through safety measures. In this way, we ensure the continuous improvement of the work environment. We monitor the risks of accidents and health issues for all jobs and technologies. In addition to the OSH department, concern for the occupational safety and health of employees includes directors and department heads and two occupational medicine specialists who perform preliminary medical exams and periodic medical exams. We also organise regular occupational health and safety training for employees, regularly inspect work equipment, machinery and devices, encourage employees to follow instructions for safe work, organise evacuation drills and continuously upgrade personal safety equipment.

In 2021, as in the previous year, our main focus was on the prevention and control of SARS-CoV-2 infections. We adopted internal measures to contain the spread of the virus: we provided employees with protective masks; we placed disinfectant at different locations within the company; we set up an entry point for measuring employees' body temperature; and we introduced disinfection protocols in production and common areas. We warned employees to maintain a safe distance, disinfected and ventilated premises, and banned non-essential business visits and travel.



## ACCIDENT FREQUENCY

The Domel Group recorded a total of 29 accidents in 2021, which is nine more than in 2020. The accident frequency rate increased to 21.5 accidents per 1,000 employees. The accident severity rate was 27.8 lost working days, up by 1 lost day compared to the previous year. The most frequent cause of workplace accidents are failure to follow safe work instructions, which was linked to 11 accidents, and employee carelessness, which was also linked to 11 accidents in 2021.

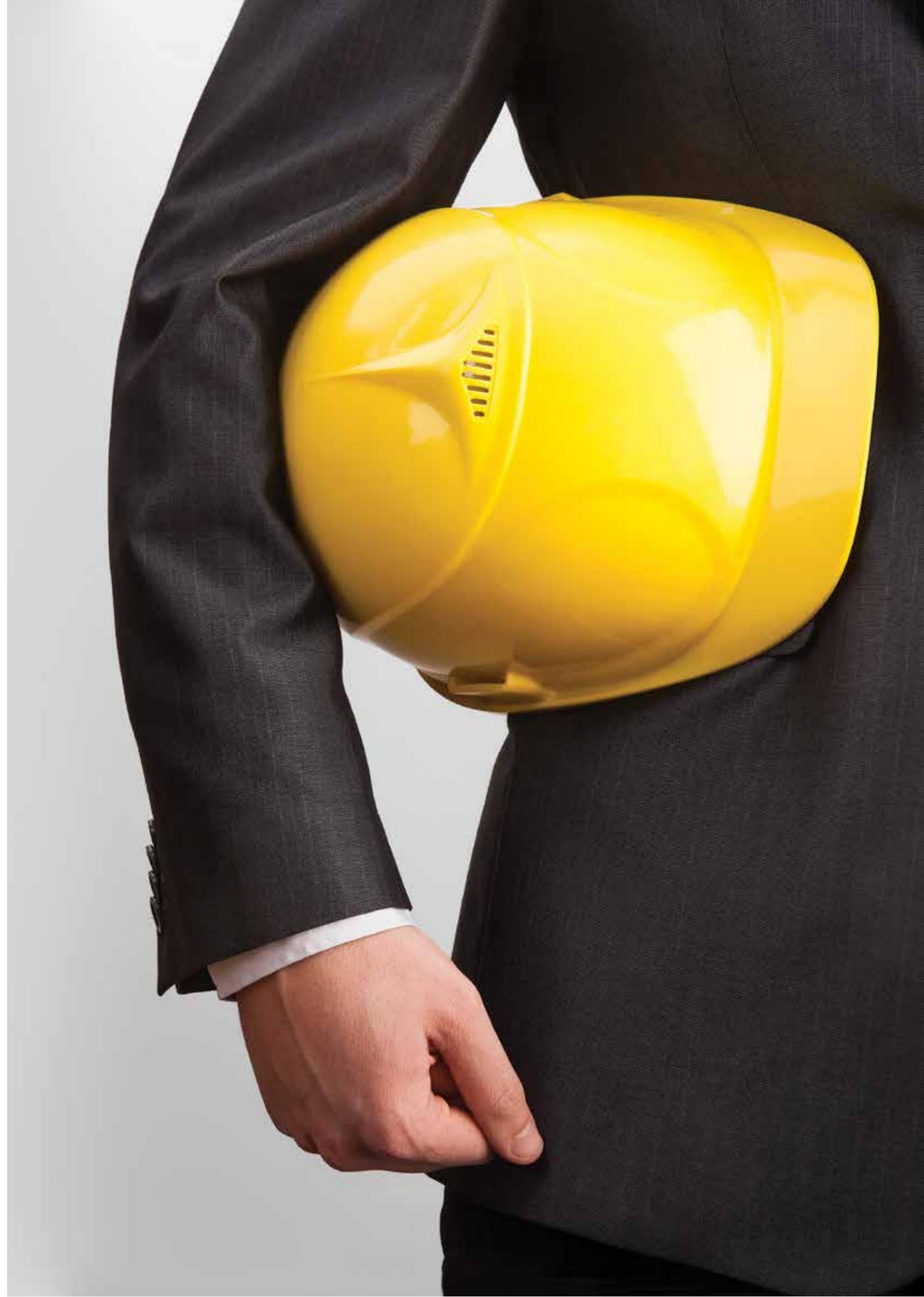
Item	2019	2020	2021
Number of accidents	21	20	29
Frequency (per 1,000 employees)	16	15	21,5
Severity <sup>6</sup>	26,3	26,5	27,8

*Number, frequency and severity of workplace accidents between 2019 and 2021*



In order to limit the number of accidents in future periods, we implemented a “safety conscious” project in the last quarter of 2021. The project was carried out in cooperation with a consultancy firm. Over the 4 months of the project, employees were introduced to their responsibilities and duties with regard to safe work and safety management through a step-by-step process, while raising awareness of the importance of changing mindsets on safety. The project laid the foundations for participants’ awareness of the importance of safety, safe behaviour and appropriate safety management, including by managers towards their subordinates.

<sup>6</sup> Accident severity is the ratio of the average number of days lost due to accidents to the total number of accidents.





# ENVIRONMENTAL ASPECTS OF SUSTAINABILITY



A healthy natural environment is a treasure, an increasingly rare resource that we aim to preserve by observing the principles of sustainable operations and thus ensuring a high-quality living environment for employees, the wider local environment and future generations. All employees of the Domel Group share responsibility for the environment.

The Domel Group has in place an environmental management system that is ISO14001 certified. Through that system, we are committed to the continuous reduction of our environmental impacts, and strive for responsible and environmentally friendly operations. Responsible environmental management is reflected in particular in savings in terms of electricity, heat and drinking water, the reduction of emissions into the environment, the responsible management and separation of waste and packaging, and the efficient use of raw materials in production processes.

Compliance with the law, standards and environmental permits is verified through regular monitoring and measurements of energy consumption and emissions into the environment. The maintenance of and opportunities to improve the environmental management system are ensured through internal and certification assessments, assessments of customers, safety reviews and inspections. We regularly update the register of environmental legislation and register of environmental aspects. As part of annual management reviews, we review the achievement of environmental aspects, the fulfilment of legal requirements and the achievement of environmental goals.

## COMPLETED AND ONGOING ENVIRONMENTAL PROGRAMMES

In 2021, several activities were carried out at company sites under environmental programmes. Certain activities are still ongoing and will be completed next year.

### Otoki site:

- Two additional charging stations for electric vehicles were ordered in 2021 and are scheduled to be installed in 2022;
- The replacement of old fire alarms will be completed in 2022;
- Three electric bicycles were provided for staff to borrow;
- Preparation of a leaflet to raise awareness of waste separation and waste management among employees;
- Activities to evaluate the environmental impacts of products throughout their life cycle;
- As part of a complete renovation of the courtyard, the water supply, hydrant network and sewerage system were overhauled;
- Energy renovation of buildings, mainly involving the replacement of windows and a new façade with insulation;
- Construction was commenced on a new car park, scheduled for completion in 2022;
- Evacuation drills were carried out;
- Renovation of the ventilation and air conditioning system in the shaft production workshop.

### Trata site:

- Video surveillance installation;
- Exploring the possibility of installing a solar power plant on the roof of the company.

### Na Plavžu site:

- Energy renovation of the old part of the production hall, where the external glass was replaced.



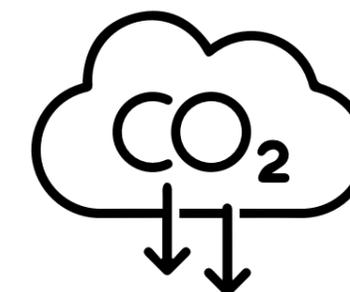
## COMMITMENT TO REDUCING CO<sub>2</sub> EMISSIONS

(t CO <sub>2</sub> e)	2019	2020	2021
Scope 1 (t CO <sub>2</sub> e)	92,15	84,47	54,61
Scope 2 (t CO <sub>2</sub> e)	10.448	10.765	16.784
Scope 1 in 2 (t CO <sub>2</sub> e)	10.540	10.849	16.839

The Domel Group's target is to reduce CO<sub>2</sub> emissions by 50% by 2027 compared to the 2019 baseline. Our focus in reducing CO<sub>2</sub> emissions is primarily on Scope 1 and Scope 2 emissions under the GHG Protocol, as those emissions can be controlled, influenced and reduced over time to a greater extent. The Domel Group's scope 1 and 2 emissions are mainly attributable to purchased electricity and heat, and fuel consumption by company vehicles. We used the market-based method to calculate emissions from electricity consumption, obtaining emission factors directly from energy suppliers. The company's sites in Slovenia, namely Otoki, Trata, Reteče and Na Plavžu, are taken into account in the calculation of greenhouse gas emissions.

*Although total electricity consumption was slightly higher in 2021, CO<sub>2</sub> emissions reflect the emission factor of purchased electricity, which was 60% higher compared to the previous year.*

*We established the methodology for calculating scope 1 & 2 CO<sub>2</sub> emissions under the GHG Protocol in 2021 and calculated the emissions for 2019 to 2021. The calculation identified the areas with the highest CO<sub>2</sub> emissions, which will further enable us to develop action plans to reduce emissions and implement our sustainability strategy.*



**CO<sub>2</sub> emission reduction scope 1 in 2:**  
achieve a 50% reduction by 2027 relative to the 2019 baseline

# ELECTRICITY



Total electricity consumption amounted to 20,100 MWh in 2021, which was 2,010 MWh or 11% more than in 2020. The increase in electricity consumption was due to higher production volumes, as production had been affected by the market situation, a reduction in orders and the situation caused by the COVID-19 epidemic in the previous year. However, energy efficiency, expressed as the ratio of electricity consumed to working hours, improved in 2021 and stood at 18.6.

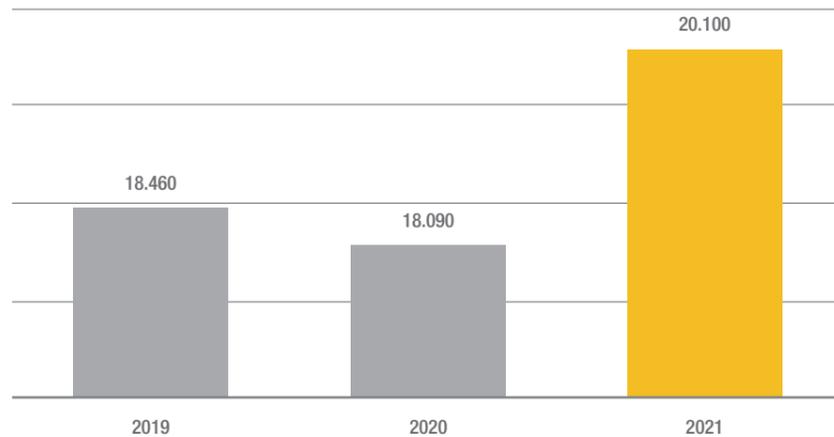
The largest share of total energy consumption is accounted for by production and business premises at the Otoki site (53.7%), followed by Trata (30.5%), then Reteče (10.2%) and Na Plavžu (5.6%).

Total electricity consumption (MWh)

Site	2019	2020	2021
Otoki	10.530	10.187	10.786
Reteče	1.280	1.559	2.049
Na Plavžu	870	1.055	1.129
Trata	5.780	5.289	6.137
Total consumption (MWh)	18.460	18.090	20.100
Energy efficiency (kWh/h)	17,2	19,1	18,6

Electricity consumption by site between 2019 and 2021

Total electricity consumption (MWh)



# HEAT



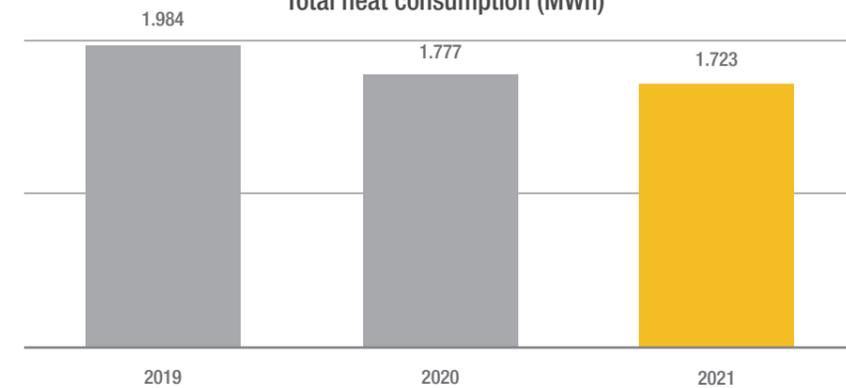
Through the energy renovation of buildings and optimisation of heat consumption, we reduced total heat consumption in 2021 by 54 MWh or 3% relative to 2020. We also reduced the consumption of primary energy sources through the introduction of efficient heating technologies. The heat obtained in 2021 from Toplarna Železniki was similar to the level recorded the previous year. Contributing to this fact were optimised heat consumption and the use of nearly all waste heat from production and the compressor station. Due to colder winter temperatures, heat consumption was 21% higher at the Otoki site compared to the previous year, while heat consumption at all other sites decreased. Through the heating rehabilitation of the production hall in Reteče, heating was arranged exclusively through the use of waste heat from the compressor station, which reduced heat consumption by 12% relative to the previous year. In the previous year, we arranged heating with the use of a heat pump at the Na Plavžu location, resulting in a 50% reduction in the consumption of primary energy sources. The production hall at the Trata location is heated using waste heat from industrial cooling and the compressor station, while the administrative building is heated using a heat pump. Natural gas is only used for support on the coldest winter days. Heat consumption at the Trata site decreased by 22%.

Heat (MWh)

Site	2019	2020	2021
Otoki	678	713	863
Reteče	946	745	654
Na Plavžu	202	153	77
Trata	158	166	129
Total (MWh)	1.984	1.777	1.723

Heat consumption by site between 2019 and 2021

Total heat consumption (MWh)



# WATER CONSUMPTION



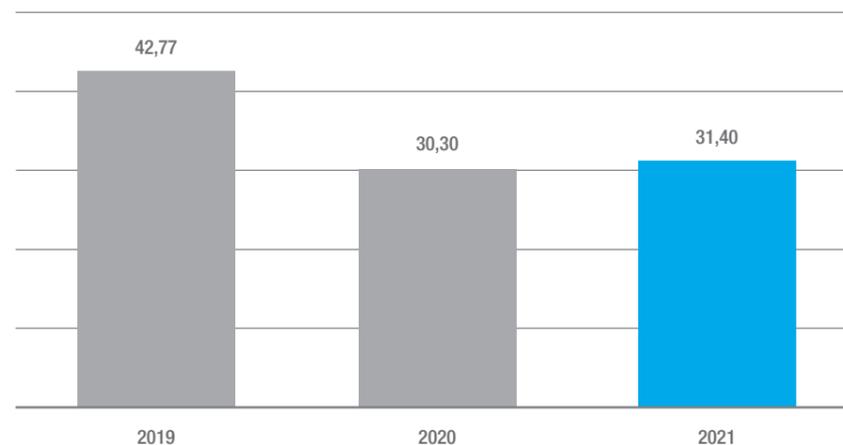
A great deal of attention is dedicated to the preservation of natural water sources and efficient water consumption. We are reducing water consumption through the optimisation of more environmentally friendly technological processes. The majority of industrial cooling is designed in closed-loop systems. For this reason, water from the public utilities network is only used occasionally for industrial cooling. Total water consumption increased slightly (3.6%) at the annual level. The main reason for the increase in total water consumption was damage to the hydrant system at the Reteče site, where water consumption was higher last year. Activities are under way to repair the defect. At the Otoki site, water consumption decreased slightly in 2021 due to the renewal of the hydrant system, which eliminated the possibility of water leaks. Water consumption remained stable at other sites, with a slight increase in 2021 only at the Na Plavžu site due to an increase in the number of employees.

Water consumption (1.000 m<sup>3</sup>)

Site	2019	2020	2021
Otoki	25,10	22,30	19,5
Reteče	14,99	5,00	8,9
Na Plavžu	0,76	0,92	1,2
Trata	1,91	1,82	1,9
<b>Skupaj</b>	<b>42,77</b>	<b>30,03</b>	<b>31,4</b>

Water consumption by site between 2019 and 2021

Total water consumption (1.000 m<sup>3</sup>)



# WASTE MANAGEMENT



Waste management is defined in the group's waste management plan. The first step to waste management is preventing the generation of waste. The company achieves this through the optimisation of technological processes, the reuse of packaging and the raising of employees' awareness. Various types of wastes are generated in the performance of our activities and managed in accordance with the waste management plan.

Separate collection and sorting of waste is the basis of circular waste management. The company separately collects all waste that constitutes a renewable source of valuable raw materials such as copper, brass and steel and delivers it to an authorised waste collector for processing. We contribute to the principle of the circular economy by returning waste to material flows. The increase in production volumes also led to an increase in useful waste in 2021. Only the volume of aluminium waste decreased, by 15% compared to 2020. The annual wastage rates, expressed as the ratio of the annual amount of materials purchased to the waste generated, remained roughly the same from 2019 to 2021 for copper and iron, while the wastage rate decreased for brass. The figure for aluminium was not taken into account due to the wide variety of materials and components purchased, as the indicator would not reflect the real situation.

Volume (1.000 kg) and rate (%) of useful waste

Item	2019	2020	2021
Copper	15,81 (1,5 %)	17,90 (1,6 %)	20,67 (1,6 %)
Brass	33,88 (22,5 %)	36,04 (4,0 %)	50,62 (2,7 %)
Aluminium	55,48 (/)	67,39 (/)	57,18 (/)
Iron	9.675,45 (6,0 %)	9.166,85 (5,9 %)	9.876,12 (5,5 %)

Volume of useful waste by type between 2019 and 2021

Separate collection is also in place for composite materials and waste components. In 2021, there was an increase in the amount of waste rotors due to higher production volumes. However, the amount of waste cables and electronic components decreased by 60% and 70%, respectively.

Volume of composite waste (1.000 kg)

Item	2019	2020	2021
Waste rotors	44,02	63,92	87,16
Waste copper cables	0,58	1,45	0,58
Waste electronic components	3,57	3,71	1,09

Volume of composite waste by type between 2019 and 2021

Volume of cardboard packaging (1.000 kg)

Item	2019	2020	2021
Cardboard packaging	128,00	121,23	130,00

Volume of cardboard packaging between 2019 and 2021

## SUSTAINABLE MANAGEMENT OF PACKAGING



We have established a system of reusable packaging that has been implemented in the logistical flows of local suppliers, which is more sustainable. We also use reusable packaging for internal deliveries of raw materials and products between company sites. However, compared to the previous year, the volume of cardboard packaging increased in 2021, mainly due to increased production volumes.

## OTHER WASTE



We pay special attention to consistent waste separation by training and raising the awareness of our employees. Compared to 2020, the amount of mixed municipal waste has increased, mainly due to the larger number of employees.

The increase in production volumes has also led to an increase in mixed packaging, hazardous waste and BMC waste. The annual wastage rate for plastic have remained at the same level (8.5%) between 2019 and 2021.

Volume of other waste (1.000 kg)

Item	2019	2020	2021
Mixed municipal waste	32,09	29,12	39,79
Mixed packaging	77,87	71,08	88,25
Waste BMC	192,6	182,53	223,17
Waste hazardous substances	45,75	40,42	41,23

Volume of other waste by type between 2019 and 2021

## EMISSIONS OF SUBSTANCES AND NOISE INTO THE ENVIRONMENT



We monitor emissions of substances into the atmosphere closely, and demonstrate compliance with permitted limit values through regular monitoring. The main sources of emissions into the atmosphere in the performance of our activities are the impregnation of rotors, the injection of plastic masses and the varnishing of stators. All emission measurements are taken when devices are operating at full power or when the generation of emissions is highest. To date, all measured emission values have been in line with prescribed limit values. In accordance with the Rules on Initial Assessment and Operational Monitoring of Sources of Noise and Conditions for the Implementation of Monitoring, we carry out operational monitoring for sources

of noise every three years. For that reason, ambient noise measurements were not carried out last year, as they had been carried out in 2020 at all four sites. The permitted limit values were not exceeded at any site. In 2021, the Škofja Loka Municipal Council raised the issue of air emissions at the Reteče site, which were said to be a cause of concern for nearby residents. We responded to the Municipal Council with clarification regarding the use of energy products at the Reteče site. We also assured them that after the production hall is renovated, the heating at the site will be environmentally friendly and in line with the company's corporate social responsibility.

Last year, we received a complaint from neighbours about environmental impacts at the Reteče site. The complaint concerned noise emissions due to open production gates. At the Trata site, we received a complaint about the grass being cut too early in the morning. A new agreement was reached to close the production gates and to stop cutting the grass in early morning hours.

In 2021, we received a commendation from the waste collection and recovery company for our careful and consistent separation of waste and for our well-marked and labelled collection pallets and barrels.

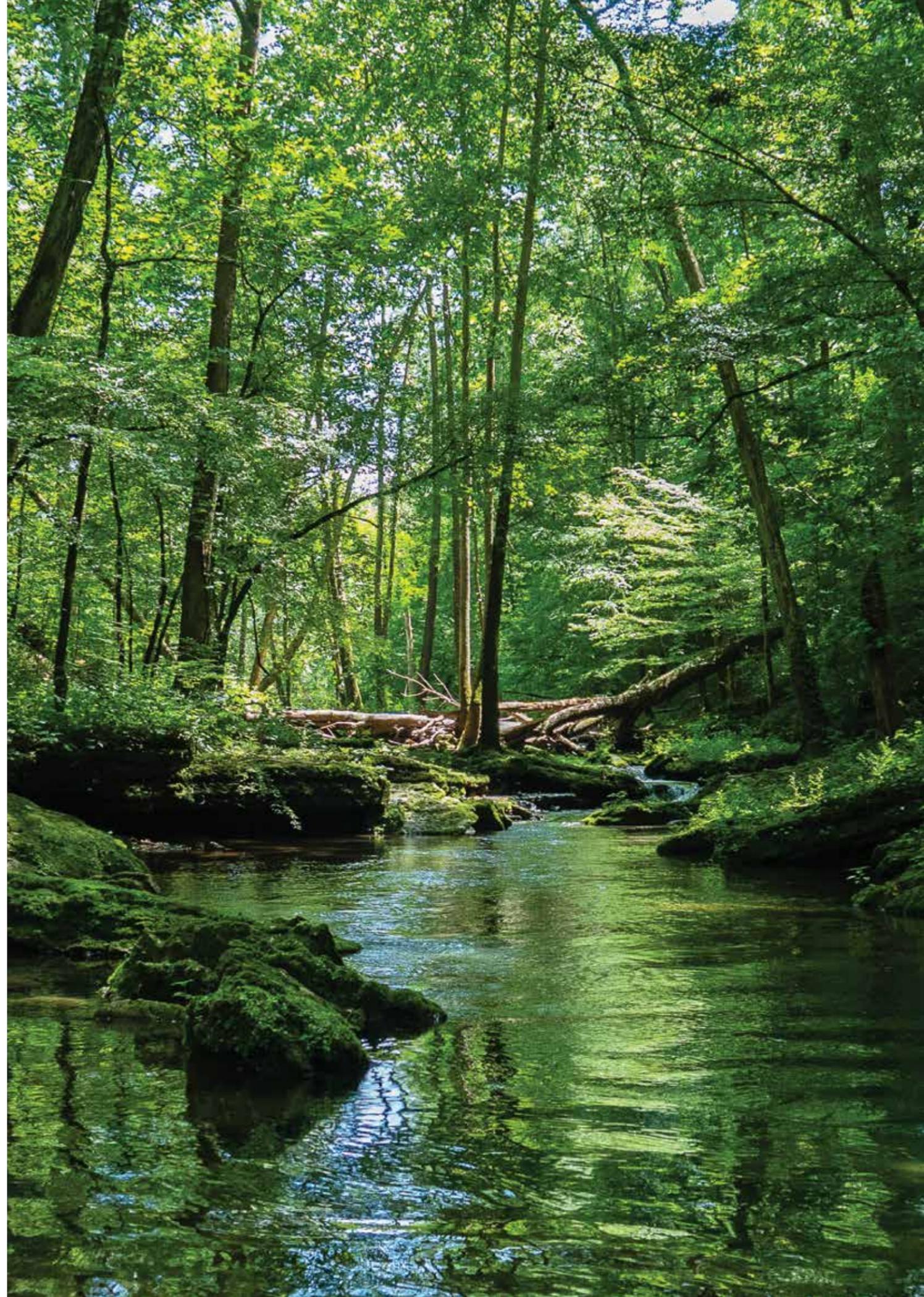
## WASTE WATER



Waste water is regularly monitored at the Otoki location. We carry out four annual measurements. The values of measured parameters in waste water were in line with the prescribed limit values at the time of measurement.

Measured parameters of waste water in 2021

PARAMETER	UNIT	MAC	Measurement 1	Measurement 2	Measurement 3	Measurement 4
pH value		6,5–9,0	7,8	7,2	7,6	7,6
Suspended solids	mg/l	80	< 5	12	20	< 5
Settleable solids	mg/l	0,5	< 0,1	0,3	< 0,1	< 0,1
Toxicity to Daphnia magna	SD	6	1	1	1	1
COD	mg O <sub>2</sub> /l	400	15,8	115	22	19
BOD5	mg O <sub>2</sub> /l	40	< 5	30	< 5	< 5
AOX	mg Cl/l	1	0,030	0,049	< 0,02	0,020
Copper	mg/l	0,5	0,027	0,11	0,017	0,012
Zinc	mg/l	2	0,18	0,25	0,054	0,040





# PARTICIPATION OF WORKERS IN MANAGEMENT



# REPORT OF THE WORKS COUNCIL FOR 2021

*The Worker Participation in Management Act (ZSDU) guarantees worker participation in company management through, inter alia, the right to information, the right to consultation and the right to approve individual business decisions of the employer.*

*One of the reasons for the need to keep workers informed is certainly to increase the level of understanding of the company's business goals and various business-related activities, and thus to improve communication throughout the entire system. This allows us to establish mutual trust between the employer and employees.*

The Works Council is now in its 8th term of office at our company and is currently formed as a unified works council comprising 19 members on the basis of a prior agreement with the Management Board. The members of the previous (7th) council held a total of 22 meetings in 2021, of which one was a programming meeting, two were correspondence meetings (by email), ten were independent meetings and nine were meetings with senior management and the Management Board. At the independent meetings, they used the planned content to direct a high-quality work programme aimed towards the set targets. At monthly meetings with the Management Board, they reviewed the economic situation and business performance of individual Domel Group companies over the past period. As a co-management body, they cooperated constructively on the improvement thereof and, at every session of the council, carefully reviewed all proposals, initiatives and questions submitted by employees, and thus made workers' interests part of the business decision-making process. All meetings of the Works Council in 2021 were held via Microsoft Teams, mostly due to measures related to COVID-19. The members of the council were well-prepared to address the individual topics on the agendas, and offered constructive proposals, initiatives and questions, actively participated in the individual discussions, adopted their decisions in accordance with their competences and powers, and thus made the workers' concerns part of the business decision-making process. Many activities were also carried out by working bodies (committees and teams) that were activated (permanent, previously approved) or formed to handle certain new content for which they are responsible.

In January and February, at the programming meeting of the Works Council, they formulated their own work contents for the document "Works Council Work Programme for 2021", and separately approved the plan for Works Council meetings with senior management and the Management Board in consultation with the Management Board.

In March they also met with the Management Board to discuss the annual tax return and accounts and the company's annual report for 2020 in accordance with Articles 89 and 90 of the ZSDU. In April, at a meeting of the Works Council with the Management Board, they also took note of the staff hiring, development and training plan for 2021 in accordance with Articles 91 to 94 of the ZSDU.

In any case, 2021 was most marked by the contents and activities of the strategic business plan, namely the revision of the Job Classification. A revision of the Minimum Wage Act once again entered into force on 1 January 2022. Thus at the end of the year, together with our social partners (the trade union) and the Management Board, they adopted additional measures to mitigate the effects of levelling and ensure the financial sustainability of the Domel Group.

They planned the promotion of health together with the Management Board in accordance with the Occupational Health and Safety Act (ZVZD-1) and determined the subsidised content at the individual and the group level. In early November, they approved and published various content (group exercise and recreation, fitness, sauna, pool, massage, etc.) and the corresponding price list.

The sports and recreation events that were coordinated with the Management Board and listed in the work programme (giant slalom competition, employee sports day, running and cycling events, etc.) were all held, either directly by the company or via partners. They also made theatre subscriptions available to employees at subsidised prices.

As mindful managers of holiday facilities, they continuously reviewed the appropriateness of the rules on the use of holiday capacities and other rules, both in the timeframes of tenders and in timeframes outside of tenders, and searched for continuous improvements in the leasing of those capacities. In addition to the summer tender, in 2021 they also published a tender for the 1 May holidays, a tender for the autumn holidays and a tender for the Christmas and New Year's holidays. They drew up a plan of investments in holiday facilities and drafted a report on occupancy rates and cost efficiency for the preceding year, which they presented in detail to the Management Board.

In accordance with Article 95 of the ZSDU, the Works Council approved the work (time) schedule. The work schedule sets out the "bases for decision-making regarding the use of leave and other work absences". At the end of the year, when the COVID-19 measures had already been partially relaxed, all workers were invited to workers' assemblies. They gathered at a number of workers' assemblies convened and organised by the Works Council in collaboration with the Management Board at all sites (Otoki, Na Plavžu, Trata, Reteče). At these assemblies, the Management Board gave detailed presentations of operations during 2021 and presented the business plan for 2022 and provided detailed information about the changes brought about by the new Minimum Wage Act. Workers' assemblies are a way to provide information to workers while giving them the possibility of posing direct questions and proposing initiatives and proposals to the management board, and a work method for the Works Council to obtain viewpoints and guidelines for its work.

At the end of the year, procedures for the elections to the new term of the Works Council also began.

Aleksander Volf  
Chairman of the Unified Works Council

# REPORT ON THE WORK OF SP SKEI DOMEL d.o.o. FOR 2021

A trade union is a voluntary mass organisation of employees, a group of people working together as a team to help achieve a common goal and protect the rights of employees. A trade union enables workers who make a living by working for an employer to fight collectively, and thus more effectively than as individuals, for decent pay for their work, for safe and healthy working conditions and for other workers' rights. The fundamental task of a trade union is to protect its members and to improve their social, educational, cultural and economic interests.

Trade unions can be organised at the level of a single employer, at the sector level and at the government level. Trade unions join forces in order to pursue their common interests, as in numbers they have more power to achieve their common objectives. Thus, trade unions can also join together at the international level in order to promote the shared interests of their individual members. The freedom to form trade unions is a constitutional right, and therefore anyone is free to join them.

The local trade union entered 2021 full of optimism and with a new plan for the coming year. The first quarter of the new year was mainly marked by anticipation of how and in what way the elections to the Domel trade union for the 2021–2026 electoral period would be conducted. Once again, work and life were affected by the COVID crisis and we have faced a dilemma as to what form the elections should take. Certain sectors shut down and reopened, movement was restricted, socialising and contacts were prohibited, and the entire country was focused only on counting infections, so we postponed the elections until 2022. Trade unions must be even more attentive to new developments and changes during crises. Domel's local trade union actively monitored all anti-corona packages and reported irregularities in the event of non-implementation by the employer.

In 2021, a higher annual leave allowance was paid than the minimum amount pursuant to the Collective Agreement, i.e. EUR 1,024.24. The annual leave allowance agreed with senior management was €1,750. No negotiations place at the end of the year on the payment of the Christmas bonus, as we reached an agreement with the senior management for the payment of a performance bonus for 2021 in the amount of €1,750 gross, which is more favourable to employees in terms of taxation.

The members of the executive committee of our local trade union are actively engaged in education and training activities. We hold one-day courses at the trade union headquarters in Ljubljana and multi-day courses on the island of Krk. All planned, in-person training and education activities were once again cancelled in 2021. Not only education and training activities, but all sports activities organised by SKEI Slovenije, including a multi-day trip across Slovenia, were also cancelled due to the epidemiological conditions. Due to the high increase in infections and all the recommendations of the NIJZ, the trade union affiliate decided to cancel the trip for 2021 to ensure the safety and health of its members.

The company's trade union organises social activities that are financed by the company every year. These include the annual picnic and social gatherings for employees in the Domel Group, and giving gifts to employees' children at the end of the year (Father Christmas). Children from two to seven years of age receive gifts. In March, all female employees at Domel receive gifts on Women's Day. The picnic for all Domel Group employees was cancelled due to the COVID-19 epidemic, while the giving of gifts to children was organised in a slightly different way. Father Christmas did not visit the company, but parents took home presents for their little ones.

In 2021, we regularly convened meetings of the executive committee of SKEI Domel d.o.o. with the senior management. All meetings were organised via Teams. The executive committee of the local trade union held five (5) ordinary meetings with senior management, while the executive committee of SKEI Domel d.o.o. met five (5) times before meeting with senior management. The executive committee held six (6) regular sessions in 2021, while the administrative board met twenty (20) times. At the beginning of 2021, the trade union affiliate carried out the first preparations for the elections for the Domel trade union for the 2021–2026 term, where we prepared everything in advance at the meeting itself so that the elections could be held in 2021. We already agreed with the senior management on the changes to enforce the minimum wage in the first quarter of 2021. Throughout the year, we discussed the proposal for amendments to the Job Classification. At the beginning of the year, the senior management presented and sent working papers on the changes to the trade union. Three (3) meetings were held on this topic via Teams, and one (1) working paper and presentation were drafted and held together with the Works Council. In the last quarter of the year, the Job Classification was already in its final phase, so that everything was ready to go live at the beginning of 2022. However, in the revision of the Job Classification itself, there was still an open working paper and proposal for amendments to items relating to working conditions, which was still in the drafting and finalisation phase. During the year, we met six times (6) on this topic together with the working group of the trade union, the Works Council and other stakeholders in the revision.

Robert Vojska  
Chairman of the Executive Committee of the Trade Union Affiliate SKEI Domel



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