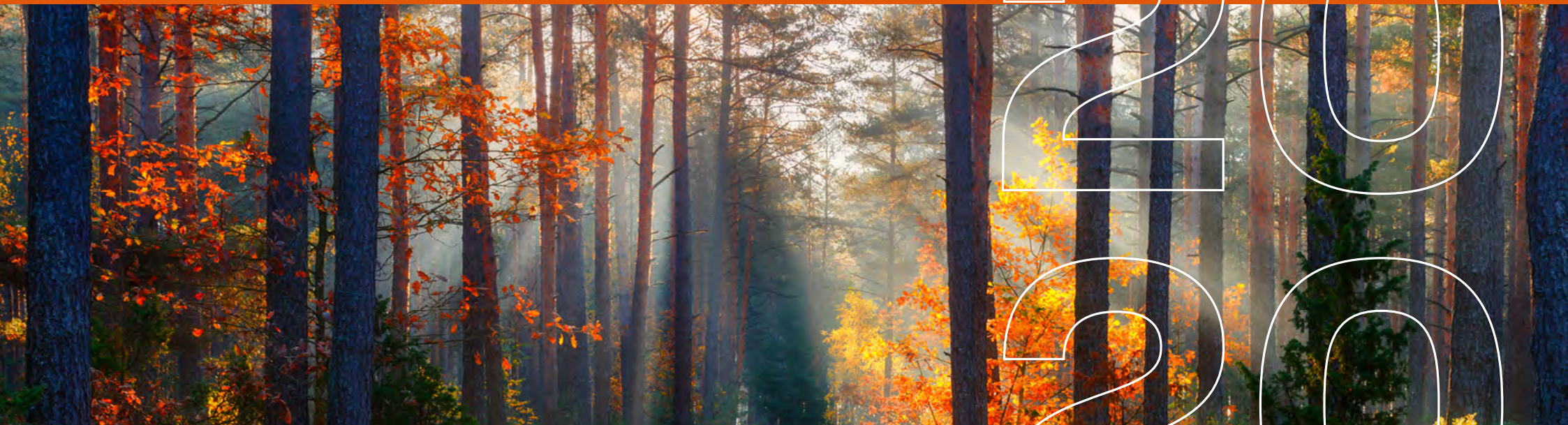




**TŘINECKÉ ŽELEZÁRNY**



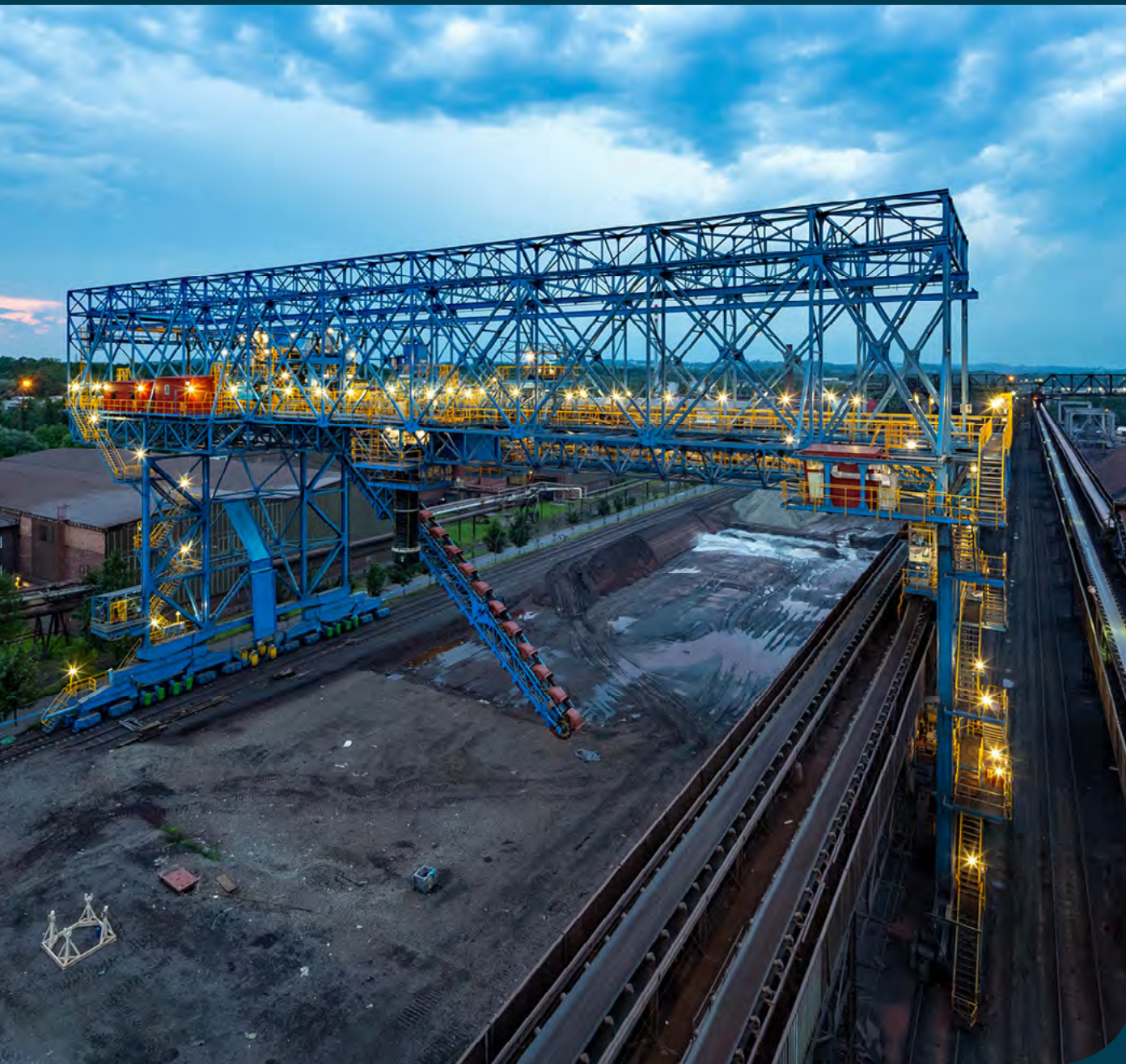
2020

# **CORPORATE SOCIAL RESPONSIBILITY REPORT**

---



# CONTENT

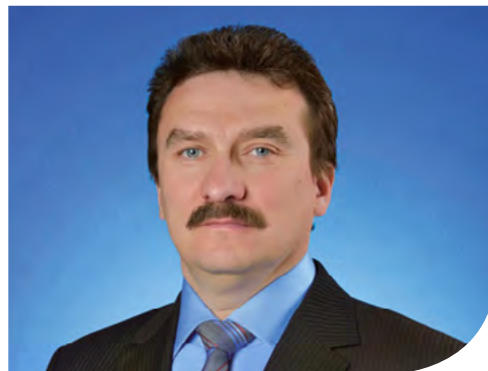


3	INTRODUCTORY WORD
4	INTRODUCTION OF THE COMPANY
9	OUR SCOPE OF BUSINESS
11	PATH TO THE CARBON NEUTRALITY
13	ECONOMIC GOVERNANCE
17	SOCIAL FIELD
22	CARE FOR EMPLOYEES
29	ENVIRONMENTAL PROTECTION
42	CONCLUDING WORDS

# INTRO- DUCTORY WORD



JAN CZUPEK  
Chairman of the Board  
of Directors



ČESLAV MAREK  
1st Vice-Chairman of the Board  
of Directors

Dear friends,

we present to you the Corporate Social Responsibility Report of Třinecké železářny for 2020 year. This publication is a summary of the company's key activities in the areas of economic management, social development and environmental care. As a responsible company, we are aware of the importance of the company's activities in each of these three areas.

The principles of social responsibility are an inseparable part of our corporate culture. We respect the interests of our employees, partners and the wider community of people in the region of which we are an important part. We are aware of how fundamentally CSR activities contribute to increasing the credibility of our company not only in the eyes of customers and busi-

ness partners, but also in the perception of the company as a whole.

Social responsibility is becoming an important indicator of a company's success. For socially responsible company is not only easier to retain existing customers, but also attracts new business partners, which in the long term contributes to increasing stability and competitiveness in the market. The principles of socially responsible behaviour strengthen the company's competitive advantages, increase its value and also affect its economic performance.

The consistent approach of Třinecké železářny in fulfilling its strategy, declared values and mission is a prerequisite for the success of a company with more than 180

years of history. The mission "Together for the Generations to Come" forms the basis of our corporate culture and manages our mission to apply the principles of the company's sustainable development strategy. The responsibility for reducing the carbon footprint is crucial for the future development of the company. Extensive investment projects in the modernization of production processes or the reduction of the energy intensity of production facilities, permanently contribute to the protection of the environment and the improvement of the quality of life of the inhabitants in the immediate vicinity.

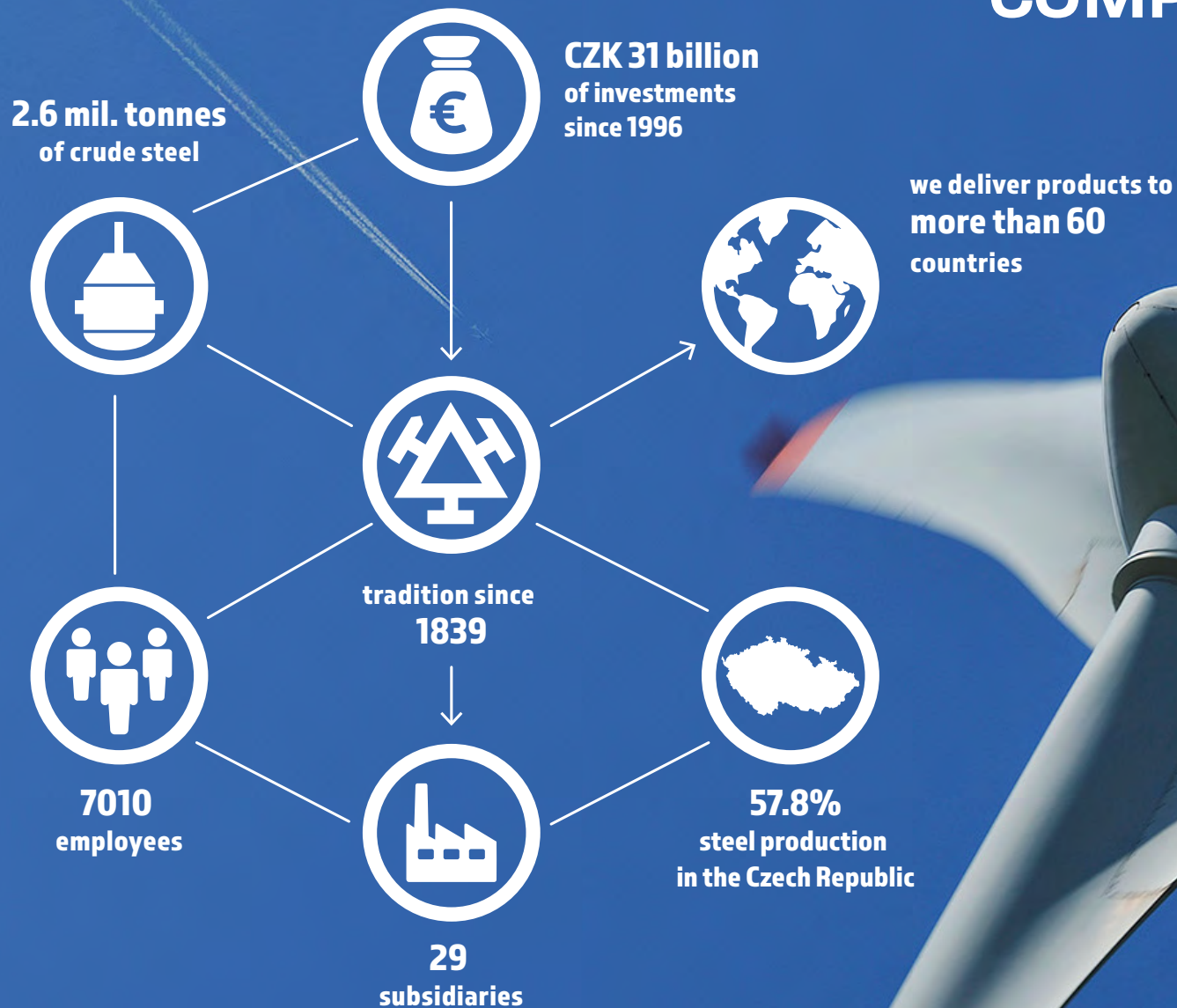
Steel making is an integral part of this picturesque region, the craft and the honest work associated with it has its deep roots and is a guarantee of quality. The year 2020

has become an unprecedented period of uncertainty in world history. Responsibility, loyalty, trust and respect are concepts that are gaining in importance in such an uncertain period. Třinecké železářny has always represented stability and perspective for many generations. We therefore feel full responsibility for our work in order to remain a symbol of tradition, quality and certainty.

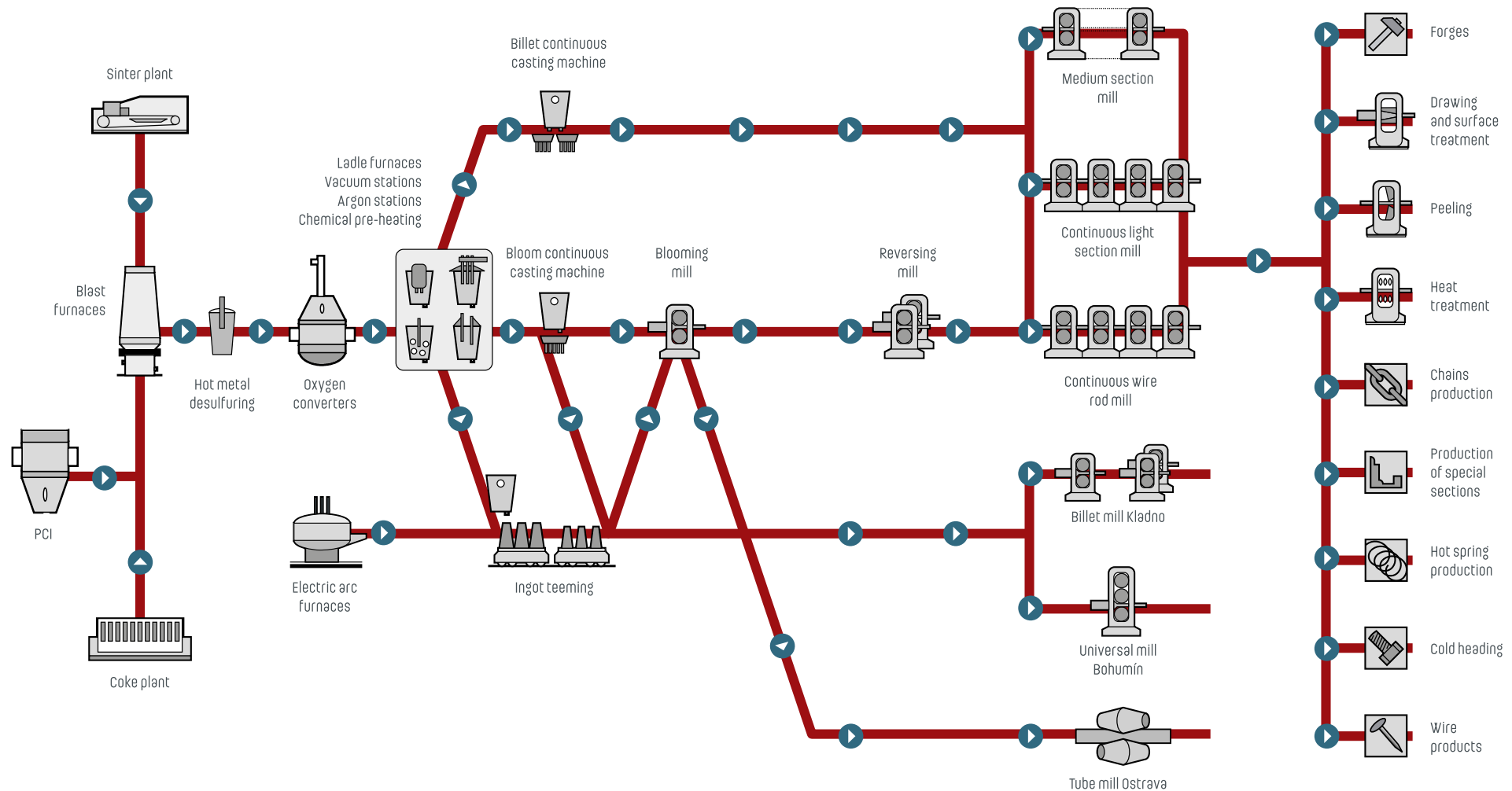
We firmly hope that this publication will be for you an interesting and beneficial source of information. We believe that, thanks to this report, we were able to emphasize the importance of the socially responsible behaviour of Třinecké železářny, which, through its responsible and consistent operation, tends towards the sustainable development of society.



# INTRODUCTION OF THE COMPANY



# Material Flows and Technologies



The significant subsidiaries  
of Třinecké železářny that belong  
to our product chains:

**BOHEMIA RINGS s.r.o.**

**D&D Drótáru zrt.**

**ENERGETIKA TŘINEC, a.s.**

**HŽP, a.s.**

**IMOPRA s.r.o.**

**MATERIÁLOVÝ A METALURGICKÝ VÝZKUM s.r.o.**

**METALURGIA S.A.**

**REFRASIL, s.r.o.**

**Řetězárna a.s.**

**STROJÍRNY A STAVBY TŘINEC, a.s.**

**SLÉVÁRNY TŘINEC, a.s.**

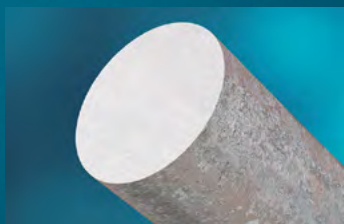
**Šroubárna Kyjov, spol. s.r.o.**

**VÚHŽ a.s.**

**ŽDB Drátovna, a.s.**



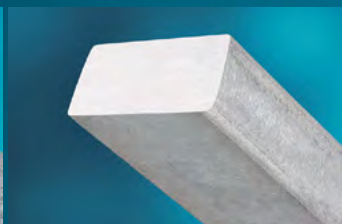
# Main products of Třinecké železářny



continuously cast semis



blooms



slabs



flat steel



squares



round steel in coils and bars



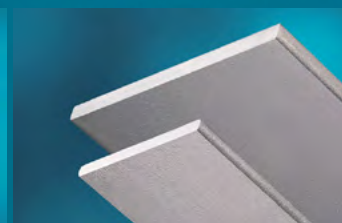
billets



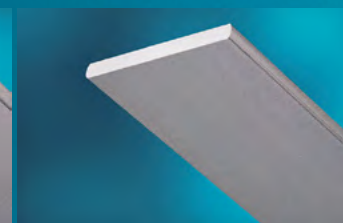
railway rails



railway superstructure  
accessories



wide steel



spring steel



steel bars



seamless tubes



hexagonal steel



angles



drawn square steel



artificial aggregate



coke-chemical products



# Examples of final products from our product chains



SBQ



peeled bars



fasteners



socket wrench



tongue groove pliers



barbed wire



chains



tongue rails



bearings



flanges



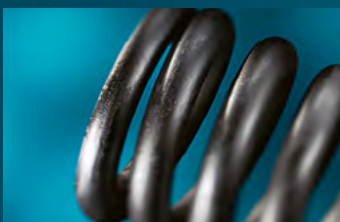
cogwheels



free cutting steel workpiece



ropes



springs



refractory



forgings



cableway ropes



leaf spring for trucks





## OUR SCOPE OF BUSINESS

**WE APPLY THE PRINCIPLES OF SOCIALLY RESPONSIBLE BEHAVIOUR IN THREE AREAS - ECONOMIC, SOCIAL, AND ENVIRONMENTAL.**

The business plan is enclosed to technical development projects plan. Our investment projects were aimed at modernising, through environmental projects resulting from the conclusions of integrated permits, projects to cut costs as well as renewal of current production facilities.

**IN 2020 THE MOST SIGNIFICANT WERE:**

- Completion of coke plant process automatization,
- Hot blast stove No. 62,
- Iron ore portal loader,
- Repair of converter gas holder.

***Třinecké železářny  
invested  
CZK 1,275 million***





Investment cost				* without subsidies		
Year	2015	2016	2017	2018	2019	2020
CZK mil.	1 518*	2 038*	2 679*	1 710*	2 195*	1 275*

Třinecké železářny has been focused on the realization of its strategic goals. One of them is the technological development of the company, which is closely related to meeting the demanding requirements of our customers. In practice, this means that by controlling the technological process throughout the production flow, the required qualitative parameters of the manufactured semis are ensured. An important factor that increases the added value of final products is the validation, integration and implementation of modern technologies that in particular significantly reduce production and processing costs or the environmental burden. Thanks to that, Třinecké železářny ranks to the top steel making company in Central Europe.

Development of our production base, technological and research activities are aimed at the improvement of products quality, an introduction of progressive production technologies and new products in order to:

- fulfil current as well as future quality of delivery requirements of the customers,
- reach effective utilization of raw materials, materials and energies, and reduction of their consumption,
- reduce the quantity of wastes produced and increase their recycling rate,
- reduce the total production of environmental impacts to health and lives of people, environment and the property,
- minimize the impacts of the serious accidents to health and lives of people, environment, property and business results.

## OUR SCOPE OF BUSINESS





## The Management Obligation

Within his competence, each manager is:

- providing sufficient human, material, financial and information resources to achieve goals, review their availability and adequacy and guarantees their purposeful use,
- taking decisions solely in accordance with legal regulations and standards,
- leading and motivating employees to safe work.

### Company management expects from leading management to:

- adherence to the Company's Code of Conduct, in particular, the prevention of corruption and respect for human rights,
- work activities will be carried out by safe working practices,
- develop this Policy into measurable goals.

### Company management expects from leading management to:

- adherence to work and technology practices with active access to continuous improvement of individual and team work, leading to goals and cost reduction at all workplaces,
- gentle handling and management of electricity, water, gas and other types of energy in all workplaces.

## Proclamation of Třinecké železářny

We are fully aware of the danger of climate change and its consequences. We intend to gradually reduce our carbon footprint and continue to take a responsible approach to environmental protection.

Thanks to investments in the latest technologies, our steel production has undergone significant changes and is one of the most environmentally friendly in Europe. All production facilities meet BAT requirements, without any exceptions, we meet strict environmental limits in air, water and soil protection every year. We strive for maximum recycling and utilization of by-products and waste generated in production processes.

At present, no commercially viable technology for producing steel without a carbon footprint is available. We are aware of this, and therefore we are preparing innovative projects for its reduction. At the same time, we implement partial actions compensating for the occurrence of emitted CO<sub>2</sub>.

On the road to carbon neutrality, our gradual goal is to reduce CO<sub>2</sub> emissions by 55% by 2030, compared to 1990 levels.

We are constantly innovating our products in order to direct steel products from our production lines to the industry contributing to reducing the carbon footprint as much as possible.

We sell 94% of our production on European markets, thus contributing to the reduction of the carbon footprint from transport.

# PATH TO THE CARBON NEUTRALITY



## SWOT analysis – Identification of CSR risks with stakeholders

### STRENGTHS

- Access to CSR information on [www.trz.cz](http://www.trz.cz)
- Clearly defined scope and stakeholder competencies given by legislation
- Investments in ecological projects
- Transmission of the requirements of the document "Principles of the business company TŘINECKÉ ŽELEZÁRNY, a.s. – Social responsibility policy" through Quality assurance agreements for suppliers
- Audits at suppliers
- Emphasis on EMS certification according to ČSN EN ISO 14001 for stakeholders
- On-line CSR training from educational events suppliers
- EMAS system implemented and certified pursuant to Regulation (EC) No 1221/2009 of the European Parliament and of the Council in public administration (District Office of Moravian-Silesian Region)
- Guaranteeing respect for ethical principles, social responsibility, human rights and employee protection for stakeholders

### WEAKNESSES

- Insufficient capacity of the IT sector for CSR development at suppliers (e-learning, portals)
- Reduced flexibility in decision-making and dealing with emergencies by state administration authorities

### OPPORTUNITIES

- Development of the IT sector for the CSR development at suppliers
- Increasing the image in terms of CSR and the entire supply chain
- Development of the project "Reducing the carbon footprint"

### THREATS

- Low awareness of CSR among new suppliers
- Reduced level of CSR evaluation of Třinecké železářny, a.s. due to the ignorance of the company by external evaluation companies (EcoVadis, NQC Ltd...)







About company's plans, objectives, activities and results inform its customers and stakeholders through its websites. In order to ensure the competitiveness of the metallurgical company, we must constantly struggle to improve the quality of our products while keeping costs down and further prudently allocating funds between renewal and modernisation projects, technology development and environmental protection.

The metallurgical industry is a very demanding manufacturing industry in terms of energy, technology and investment. The volume of funds directed to the construction of new facilities, renewal and upgrading of existing ones is therefore a necessity. In 2020, when the world was hit by coronavirus pandemic many steel companies had to face restrictions of production, staff shortages, declining demand and complications in the transport of goods. In addition, compared to other regions of the world, the competitiveness of European steel companies is adversely affected by very strict EU environmental legislation. Nevertheless, Třinecké železárny strives for the sustainable development in the social, economic and environmental fields, in the spirit of mission "Together for the Generations to Come."



On Friday, July 31 2020, seven industrial companies operating in the Moravian-Silesian Region joined forces to support the region's transition to a low-carbon economy through a joint initiative signed by the companies Al Invest Břidličná (MTX Group), Bonatrans Group, Brose CZ, Liberty Ostrava, Ostroj, Třinecké železárny – Moravia Steel and Vítkovice Steel. Together, the companies employ more than 25,000 people and generate an annual turnover of more than CZK 116 billion. Through joint proposals and projects to reduce emissions, low-carbon innovation and the circular economy, they want to contribute to a more resilient, technologically advanced region and support employment. The initiative was supported by Ivo Vondrák, governor of the region.

## ECONOMIC GOVERNANCE

*Třinecké železárny regularly publishes Annual Reports and Corporate Social Responsibility Reports.*

### TŽ Financial Gifts

Year	2015	2016	2017	2018	2019	2020
CZK thousand	43 341	15 497	21 135	45 691	20 972	26 561



# Accept the challenge



This year, for the first time, our company together with the Třinec city participated in a nationwide campaign “Bike to Work 2020.” From spring to autumn, several hundred employees of Třinecké železárny and its subsidiaries step on the pedals on the way to work. The steel making company registers more than 4 000 cyclists who have been granted permission to enter the complex by bike. In June 2020 we awarded three the most successful teams and individuals who received interesting prizes for “thirst quenching” . With regard to very positive response of the challenge among our employees we decided to repeat it in future years.







The project called WERKFUŠKY turn to witnesses and owners of various objects to get involved. Stoves, legendary grills called “rojberka” for manual and later also for electric drive, decorative pelmets, bronze art castings and many other objects made of steel and alloys were created in the past in the workshops of the extensive socialist enterprise of today's Třinecké železáreny. Třinecké železáreny cooperates with the Museum of Třinecké železáreny and the town of Třinec to map the rich self-help and do-it-yourself activities of our steelwork employees. We wanted to show this phenomenon in a broader context, in the form of an exhibition of borrowed products obtained from locals.



*The inspiration for the project logo was a phenomenon of that time called “rojberka”. This is a legendary grill for electric drive by flat battery.*







The concrete wall lining Závodní street in Třinec has been painted. The wall is decorated with pictures of pupils from the art disciplines of the local elementary art school. The pictures show the work of people who faced the infection in the first line of the covid-19 pandemic and they should be thanked for their commitment. The first of them is a picture of firefighters with the words Thank you 2020. Ten large-scale pictures were created depicting the work of people who went to work in the difficult pandemic situation. Among them are paramedics, saleswomen, police officers, rescuers, firefighters, women sewing masks, researchers, artists playing in the streets, but also steel makers from Třinec. During March and April 2020, particularly these people produced steel without interrupting the operations of the factory.





*Our company TŘINECKÉ ŽELEZÁŘNY, a. s. has a long tradition of steel-making; its basic values have been shaped and kept since its founding in 1839. Further development is associated with responsibility towards our employees, business partners, society, the regions in which our company operates, and the people who live there.*

*The code of conduct reflects the principles that are the foundation of our business, our activities, and the use of management tools.*

## **We follow ethical principles and adhere to legal regulations**

**Ethical principles and respect for the law are the fundamental principles of our code of conduct and corporate culture.**

Our company is established and exists under the laws applicable in the Czech Republic; the legal regulations governing our activities and relations are systematically followed, recognized, respected and adhered to unconditionally and consistently.

We act and take our decisions in accordance with the principles of corporate culture, social responsibility, employee collegiality and fair trade, and also in accordance with the laws and obligations ensuing from legal regulations, decisions of public authorities and the contractual relations in which we participate.

Business partners' conduct in accordance with the law and ethical principles is considered an unavoidable condition for our cooperation.

The compliance program, including management of business and procedural risks according to International Organization for Standardization (ISO) standards, international standards for Quality Management Systems (QMS) including IATF 16949 standard, principles of Corporate Social Responsibility (CSR) international standard SA8000 Social responsibility, is consistently enforced, its effectiveness is continuously evaluated and measures are taken to improve it.

## **We are a socially responsible company**

*We fulfil our corporate mission "Together for the Generations to Come."*

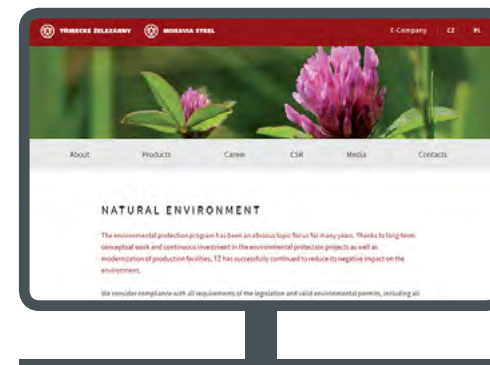
In our visions, plans and decisions, we always take into account the interests of our business partners and employees, the impact on the regions in which we operate, and the impact on their inhabitants and the environment.

We strive to make our relations with our business partners, public authorities, our employees, trade unions and the public long-established, stable and based on mutual respect and rightful trust in honest conduct.

We support the regions in which we operate and we strive to contribute to further improving the quality of life of their inhabitants.

Every year we issue a Corporate social responsibility report, which is published on our website [www.trz.cz](http://www.trz.cz).

# **SOCIAL FIELD**



## We respect our corporate culture

We are proud of our history which we build on through further development of our company as a place with lasting values, traditions and customs.

### The basic principles of our corporate culture are:

- focus on the customers, forthcoming and complete satisfaction of their needs with the highest quality products and services,
- consistent fulfilment of the obligations,
- good interpersonal relations based on cooperation and mutual respect,
- satisfaction and motivation of employees,
- development and use of knowledge, abilities, skills and experience of employees,
- teamwork,
- a high level of work ethics,
- entrepreneurial spirit of good economists – technological advancement based on systematic innovation,
- continuous improvement of everything and everyone.

## We respect our employees

Respect of human rights is commonplace in our company. We do not encourage nor tolerate any acts of discrimination. We respect employee privacy rights. We condemn any form of violent and forced labour.

We condemn the abuse of child labour. We only employ persons who meet the conditions provided by legal regulations.

We provide specialized training for pupils of secondary vocational schools and university students at our workplaces; we do so under the contracts with these schools in special mode appropriate to the age, knowledge and experience of pupils and students.

We do not tolerate any form of illegal work, not even with our business partners.

Procedures and conditions provided by legal regulations have always been the minimum standard in our relations with employees. This also applies to the conclusion and content of employment contracts or other labour-law contracts and agreements, length of working hours, work rest periods including breaks, setting overtime, remuneration, making wage deductions, and termination of labour-law relations.

Our employees are properly rewarded for their work, including providing extra pay for work in the afternoons, at night, on weekends and public holidays, overtime, and other bonuses. Beyond the law we provide our employees with social and other benefits.

In relation to our employees, but also in relation to public authorities, we fulfil all our statutory disclosure obligations.

We respect our employees' rights, including the right to form unions and negotiate collectively. We respect the position of trade unions as representatives of our employees and consider them as our partners in social dialogue.

We consistently communicate with our employees, including having meetings and consultations with top management and other executives, and informing our employees about current issues via effective means of communication.

We regularly conduct surveys of employee satisfaction and motivation.

We regularly evaluate all our employees every year.

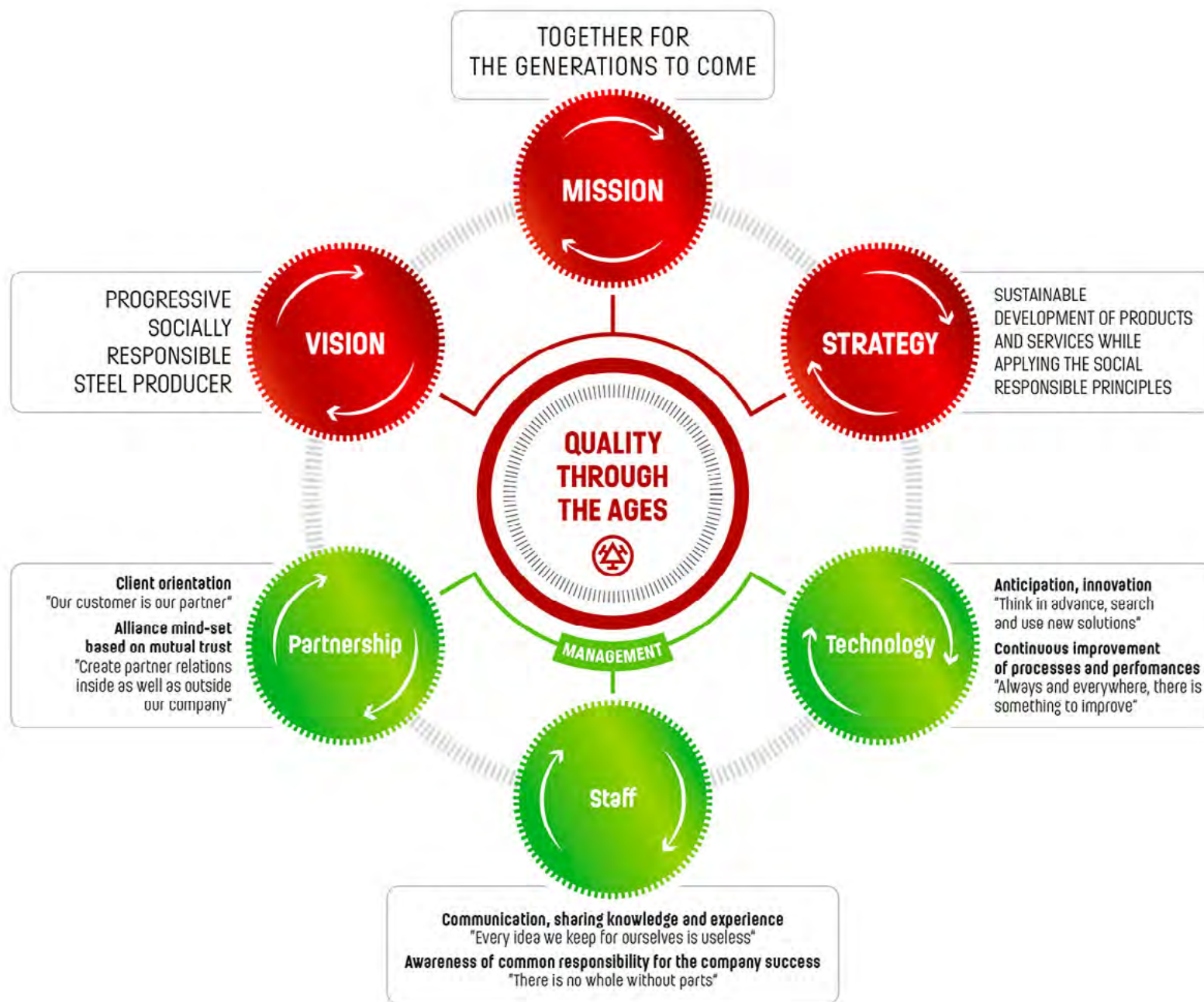
## We apply a whistle-blowing policy

We enable our employees and other persons to practise whistle-blowing, make queries and complaints.

All whistle-blowing reports, queries and complaints are consistently solved and used for further improvement.

We guarantee all employees protection against any disciplinary action on account of bona fide practising whistle-blowing, making queries and complaints.





## **We consistently comply with occupational health and safety**

Occupational health and safety of our employees is an integral part of all our activities and has the highest priority. We create the most favourable working conditions. We adhere to the accident prevention safety program; we ensure that every work activity is conducted according to safe working practices.

We have developed and systematically evaluate and update the system for identifying and assessing the risks of potential health damage at work, including measures to eliminate the risks of health damage.

We adhere to prevention. We constantly train and educate our employees to work safely and to protect their health.

We provide our employees with personal protective equipment according to the list drawn up for each job. Employees at workplaces with increased heat or physical load are provided with protective beverages.

We consistently provide assessment of our employees' medical fitness for work by means of occupational medical examinations; we do not permit performance of any work that does not meet employees' requirements for medical fitness.

If a work accident occurs despite our best efforts, we employ our system comprising of providing first aid, reporting and investigating injuries or other unfortunate events, and taking measures to prevent their recurrence and to compensate for damages.

## **We respect our business partners**

We deal with all of our business partners honestly and transparently, with respect and fairness; we expect such conduct from them.

We respect the interests and needs of our business partners, unless it is contrary to legal regulations and does not cause excessive risk or harm.

We are committed to create value for our business partners. With regard to our products, we implement the principle of constant improvement, increasing their added value, while reducing the environmental burden. We practise the strategy of zero errors.

We choose our suppliers with thorough care in order to maintain the quality of our products. We negotiate agreements with our suppliers regarding product quality and evaluate the fulfilment of their obligations.

We ensure adequate supervision of compliance with labour and technological procedures and of solutions to potential complaints from business partners. We evaluate the satisfaction of our business partners.

We want our business partners to work with us continuously or to come back to us for business. The success of our business partners is also our success.

We recognize the unity of words and actions; we keep our promises. We support ethical business culture; we fulfil our duties thoroughly, fairly and honestly.

We are ready to arrange an audit with our business partners in our company.

## **We condemn any manifestations of corruption**

We adhere to zero tolerance towards offering or accepting bribes.

Our employees are strictly guided to refrain from any act of corruption; in connection with the performance of work for our company, acting on our behalf or with reference to us, no one may solicit or accept any services in exchange for granting or promising to grant any privileges, nor offer or provide such services.







## **We respect economic competition and intellectual property and also protect personal data**

We advocate a free, honest and fair competition; we do not engage in any acts that would undermine such competition.

We avoid any conflicts of interest and situations that may cause suspicion of such conflicts.

We respect intellectual property rights and interest to protect the confidentiality of trade secrets and other confidential information, and we protect these rights and such information within the scope of legal regulations, contracts with business partners, data subjects' consents and business ethics.

Personal data of our employees, as well as any other persons whose personal data have been provided to us, are always processed only in accordance with legal regulations.

All our employees, who in the course of their duties come into contact with personal data, information constituting a trade secret or any other confidential information, are obliged to maintain confidentiality of such data and information.

## **We protect the environment**

Environmental protection is a fundamental part of our policy. The standard is no less than fulfilling all legal regulations and authorization requirements granted to us thereunder by public authorities.

In the long term and conceptually, we strive to continually reduce the impact of our activity on the environment. Old environmental burdens are removed.

To meet environmental protection principles, we have set up and implement waste management systems preferring recycling, closed water systems and industrial wastewater treatment plants, chemical treatment and energy management; The priority is to gradually reduce air pollutant emissions.

## **We apply the Code of Conduct to all activities**

The Code of Conduct is the fundamental basis of our company's internal regulations, including:

- conditions of employment,
- social code,
- technical and organizational regulations and related internal standards that are specified in such a way as to ensure their consistent application.

The Code of Conduct is respected and its compliance in our company is monitored and enforced.



*During 2020 Třinecké železářny took all necessary steps and continues to take all necessary steps to minimize the risk of infection of its employees in connection with the covid-19 pandemic. In response to emergency measures taken by the government of Czech Republic and other public authorities aimed at preventing the spread of coronavirus, we have taken a number of security and organizational measures. Anti-epidemic measures such as preventing contact between workers during shifts, regular disinfection of large common areas, including canteens, providing protective equipment beyond the scope set by legislation and many others cost Třinecké železářny millions of Czech Crowns in 2020. Of course, the company continues to closely monitor current developments and will respond operationally to protecting the health of its employees and minimizing the impact on its operations.*



Regular surface disinfection of common areas in Třinecké železářny



SOŠ students producing the protective shields

# CARE FOR EMPLOYEES

## Employee engagement survey

Direct measurement of employee engagement through a questionnaire survey in Třinecké železářny is performed in two-year periods and the last one took place in 2020. The conclusions of this questionnaire survey enabled the creation of a comprehensive picture of employee attitudes to individual company values. Out of four areas of corporate values (individual, social, customer and social), employees rated the social area the best – most of them perceive Třinecké železářny as a socially responsible company with a good reputation. 26.7% of the total number of employees was involved in the questionnaire survey.

## Employment

In 2020, the development of the planned number of employees was influenced by minor organizational changes in order to increase labour productivity. On the other hand, the actual number of employees was negatively affected by increased turnover and thus a growing shortage of employees. Availability of individual units was also affected by the disease and quarantine because of the spreading of the virus covid-19. In 2020, a real average recalculated headcount reached 7,010 employees.

### The number of Třinecké železářny employees together with agency workers of the last day of the referred year

Year	TŽ employees	Agency workers
2015	7 031	478
2016	7 035	387
2017	7 155	206
2018	7 129	186
2019	7 075	133
2020	7 004	137



## Education

Corporate education, as one of the company processes, is based on HR strategy of Třinecké železářny, therefore, its key role is to provide prepared and highly qualified employees for the fulfilment of strategic goals, especially with regard to demographic development. In general, education is an indefinite process, where employees are trained to maintain qualifications and also for further development in order to increase efficiency and competitiveness. Employees are trained mainly through external suppliers of educational services, but also by internal lecturers. An integral part of corporate education is the online Corporate Academy application, which is used mainly by implementers of periodic training in the workplace and internal lecturers who use the application to prepare and implement their training. The Corporate Academy application also enables the sharing of information, knowledge and experience, as well as a discussion on a selected topic.



*Closing ceremony of the Trainee Program*



*Třinecké železářny Trainee Program graduates*

In 2020, a part of the training events was implemented through two projects from the Operational Program Employment, a project of the Regional Council for Development and Cooperation in Třinec entitled “Education – a Joint Path to Development” and a project of Regional Chamber of Commerce of the Moravian – Silesian Region. As part of first of these projects, from May 2020, language lessons were organized in group courses, and two courses were provided in another area of education, namely the Legal Minimum course and Eplan. Support for both projects is pumped through the block exemption, i.e., that the subsidy will be granted 50% of the total eligible costs. In the middle of 2020 TŽ joined the Regional Chamber of Commerce project, through which courses in the field of soft skills were provided in September. Support for this project is drawn on a de minimis basis, which represents fully reimbursed eligible training costs. The project will be completed in May 2022.

## Motivational Programs

Motivational programs encourage employees to better performance not only in form of income but also in other ways and benefits that encourage them to better work performance together with the compensation of the negative influence of work environment. The benefits are provided above the legislative frame. Towards it, we want to motivate our employees to support our aims and objectives with the highest possible level. Following motivational elements and benefits were used in 2020.

### REMUNERATION

- bonuses – regular and extraordinary bonuses
- managers' and foreman's' funds
- higher rates of premium pay for work in the afternoon, at night, on weekends, holidays, overtime and work in difficult working environment
- rewards based on financial results achieved
- continuity bonuses

### HUMAN RESOURCES DEVELOPMENT

- trainee program for university graduates
- creating conditions for professional development of selected groups of employees and career progress
- providing scholarships for students of selected study courses
- evaluation of the secondary school graduates; their meetings with the managers within the adaptation process



### EVALUATION OF EMPLOYEES

- awarding of the title "Employee of the Year" with financial reward and the prestigious prize "Queen of Steel" for best projects, significant actions, key events and representation of the company
- rewarding for work and life anniversaries and retirement
- rewarding the best innovators

### HEALTH SUPPORT

- covering the costs of medical examinations prior to employment
- covering the costs of preventive breast cancer screening and colorectal cancer check-ups
- organising of rehabilitation stays, ambulant rehabilitation care and additional rehabilitation care
- providing employees with contribution catering in the amount of 55% to one main meal plus contribution of CZK 2.60 to one hot meal

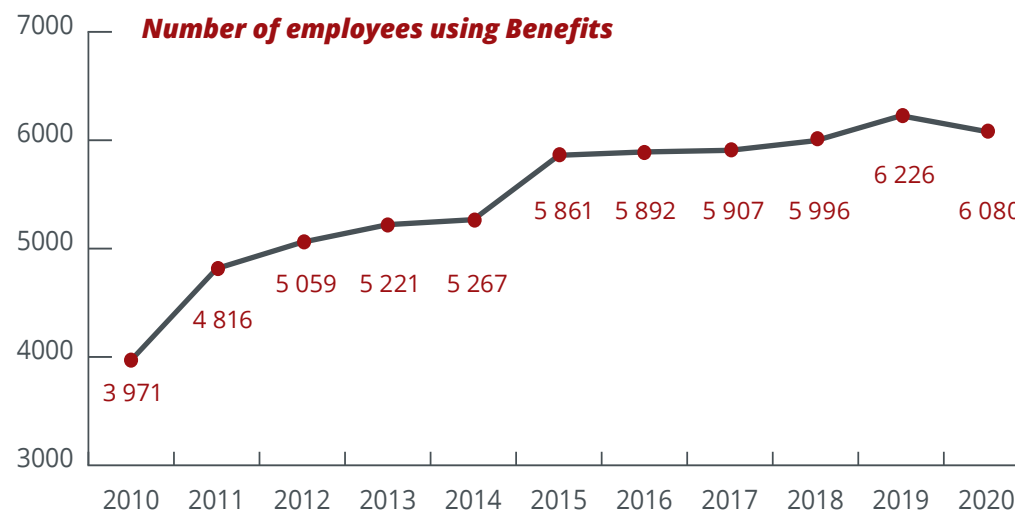
- providing employees with non-alcoholic drinks in the period of extremely hot days
- ensuring other activities to support health (providing with vitamins, health promotion benefits)

### OTHER BENEFITS

- vacation extended by 1 week
- extended range of days off with remuneration in case of personal impediment
- providing social assistance and social credits in case of very serious life situations
- providing interest-free housing promotion loans
- providing contribution for supplementary pension provision and additional pension savings
- providing contribution for private life insurance
- providing donations to support education, culture, sports and physical education
- providing donations to support and protect young people
- providing optional staff benefits
- providing curative stays for children in cooperation with the labour union
- support for kindergarten with prolonged service for employee's children

### BENEFITS

Optional benefits are provided for all employees according to the stated rules. The highest level of benefits provided per one employee in 2020 reached CZK 5,000. Possibilities to draw benefits was used by 6,080 employees (89%).



### The most frequently used benefits (% of drawing in 2020)

- Staff recreation (43%)
- Sports facilities (27%)
- Vitamin preparations (27%)
- Ice hockey season tickets (11%)



**Recruitment of new employees**  
We use a variety of forms in this area. We will inform you about some of them.

#### REGIONAL TALENT

To support and promote technical disciplines among young people, we organize a social event "Talent of the Region", where we reward pupils and students of regional schools for leading positions in knowledge Olympiads and for high school professional activities. The idea of this event is very simple – to capture interest in technical fields and science subjects, i.e. mathematics, physics, chemistry, which are not always popular among pupils and students.

*Some activities were carried out to a limited extent or did not take place at all as a result of epidemiological measures.*

Numbers of awarded students	2015	2016	2017	2018	2019	2020
School olympics	38	45	49	36	46	–
Secondary school professional activity	18	15	10	14	19	–
Talent of the region total	56	60	59	50	65	–

#### RECRUITMENT AND PROMOTIONAL ACTIVITIES AIMED AT PRIMARY SCHOOL PUPILS

- co-participation in the organization of "Open Days" at the Secondary Vocational School of Třinecké železářny and the awarding of regional primary schools, which received the most pupils for the study of technical fields
- "Open Day in TŽ" for ninth grade pupils and their parents
- participation in job exchanges organized by employment offices
- cooperation with schools in the border area of the Slovak Republic (Čierne, Skalité, Svrčinovec)
- organization of the popularization competition My Werk for seventh graders of primary schools in the region; during fun lessons, students learn about production, products, people and care for the environment in Třinecké železářny

#### RECRUITMENT METHODS AT SECONDARY SCHOOLS

- excursions and technical trainee programs with technical lectures in particular production plants (for students of secondary technical schools)
- technical trainee programs for students of the Secondary Technical School of Třinecké železářny in production plants
- presentation of the companies in the TŽ-MS Group for students of selected secondary schools in the region with the aim to attract future employees or to begin the study in technical courses at universities

#### RECRUITMENT METHODS AT UNIVERSITIES

- selection of scholars based on study results achieved, discussions and their financial support during the studies (no scholar at the moment)
- proposal of suitable topics of theses (bachelor, master, and post gradual) together with professional coaching of students during elaboration
- reward of the best theses in co-operation with the Czech Metallurgical Society
- selection of graduates based on their evaluation and interviews for the Trainee Program for university graduates



## CARE FOR EMPLOYEES

### THE YOUTH AND PREVENTING DISCRIMINATION

We recorded no discrimination situation during last year. In the period of 2014 to 2020 our employees had no requirements to solve discrimination issues and all the obligations complied with the Corporate Collective Agreement.

There were no infringements and discrimination issues recorded by the State Authority and Regional Labour Inspectorate during their audits in the period of 2014 to 2020.

Třinecké železářny employs only persons over the age of 18. This is a prevention of child labour and hazardous employment of young people.

### SPECIAL PREPARATION OF SECONDARY SCHOOL STUDENTS

Třinecké železářny provides vocational training in its operations in the form of practical training of secondary school pupils (vocational training, continuous professional practice, etc.), not only for pupils of the Třinecké železářny Secondary Vocational School, but also for pupils of other cooperating schools in the regions in which it operates. The training of these juveniles takes place in accordance with the educational programs of individual schools under the supervision of authorized secondary school employees and instructors from among the employees of individual Třinecké železářny operations in a special regime and in accordance with contracts concluded between Třinecké železářny and individual secondary schools.





## Influence of the Třinecké železářny activities to the region

Our company has financially supported retraining too. Kvalifikační a personální agentura, o.p.s. (KaPA) is one of the organisations that we have cooperated with. Its aim is to increase the rate of employment in the micro region of Třinec, Český Těšín, and Jablunkov as well as knowledge and skill broadening together with retraining.

The curative stays in Tatras for pupils of primary schools in Třinec and its vicinity have been organized by Třinecké železářny since 2014. Already 1523 pupils from primary schools have participated in these stays from 2014 to 2019. The amount of money reached CZK 9.4 million. In 2020, only shortened stays for 75 pupils from Třinec and its vicinity took place due to the pandemic measures.

To support the publicly beneficial activities in non-profit organizations in the region, the company's "Volunteer Day" has been organized since 2012; the total of 344 TŽ employees participated in helping the non-profit organizations. In 2020, the Volunteer Day did not take place due to the pandemic situation.



- 1/ Departure of the Primary school Vendryně pupils to the curative stay in Tatras
- 2/ Camp fire in Žiar, Tatras
- 3/ Mascot of Ice-Hockey Club Třinec at the primary schools' ski races
- 4/ Ball of Highlanders, Mosty u Jablunkova
- 5/ Ball of Highlanders, Mosty u Jablunkova

## OCCUPATIONAL SAFETY AND HEALTH (OSH)

*Třinecké železářny regularly monitors and evaluates human health risk and adopts measures to eliminate it. Positive results in the field of labour safety and health protection achieved in long-term, high-quality preventive care, implemented and efficient management system were rewarded by the State Authority of Labour Safety in the Czech Republic that gave us the prize Safe Company for the third time in 2019.*

Monitoring of the situation of labour safety and health protection is an integral part of management and evaluation of labour safety and health. These activities are provided with narrow cooperation with the service supplier in the field of labour safety and health protection, the company Enviform in Třinec.

The participation of employees in solving issues regarding labour safety and health protection is carried out with the Labour Union as well, mainly via the Commission of Health and Labour Safety.

### The mission of the Commission is to evaluate and regard the OSH area:

- regularly assess the risks associated with occupational safety and health, receive employee inputs, suggestions and identified risks to be discussed on behalf of the Commission

Chairman and Vice-Chairman at a meeting of the OSH Representative and the OSH Supplier (Enviform)

- evaluate the level of injuries and discuss the causes of accidents at work and other adverse events with a potential impact on health threats (accidents, near misses)
- addressing stimuli within the work ergonomics.

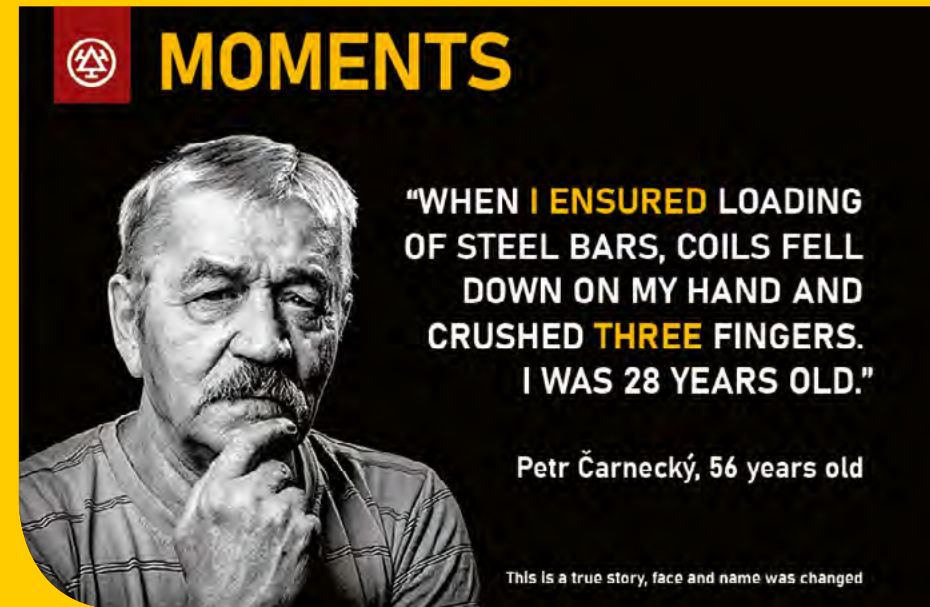
### The joint specialist Commissions have been appointed too:

- investigation commission for resolving and compensation of work accidents
- audit commissions for internal audits in the field of labour safety and health protection at particular workplaces
- joint evaluation meetings with the representatives of employer (representative of labour safety and health protection), staff (representative of Labour Union), and service supplier in the field of labour safety and health protection (Enviform)

### We have carried out following trainings within the OSH training system:

- induction courses for new recruits in the field of labour safety and health protection

## CARE FOR EMPLOYEES



- induction courses for new recruits at workplace by the supervisor
- trainings under the supervision of experienced colleague and further testing
- regular educational trainings according to curriculum approved by supervisors and particular safety technician
- "OSH Days" – consultancy and advisory events at particular production plants
- extraordinary educational trainings based on current needs – analyses of work accidents and measures to correct the non-conformity

In 2020, a total of 31 work accidents were recorded in Třinecké železářny with lost time accident longer than 3 days related to 7 010 TŽ employees. No fatal or serious injury was recorded. The level of the accident rate is 0.44 per 100 employees of Třinecké železářny and year.

Work accidents solving together with non-lost time accidents is always carried out with adopted measure to prevent any recurrence of such an accident. Injuries with lost time as well as non-lost time with the potential for serious injury, including measures taken throughout the company, are investigated by the Commission.





# ENVIRONMENTAL PROTECTION





# Air protection



Compared to 2019, there was slight year-on-year growth in solid pollutant emissions, nitrogen oxides, sulphur oxides, and carbon monoxide. This growth corresponds to the year-on-year increase in production on the main facilities.

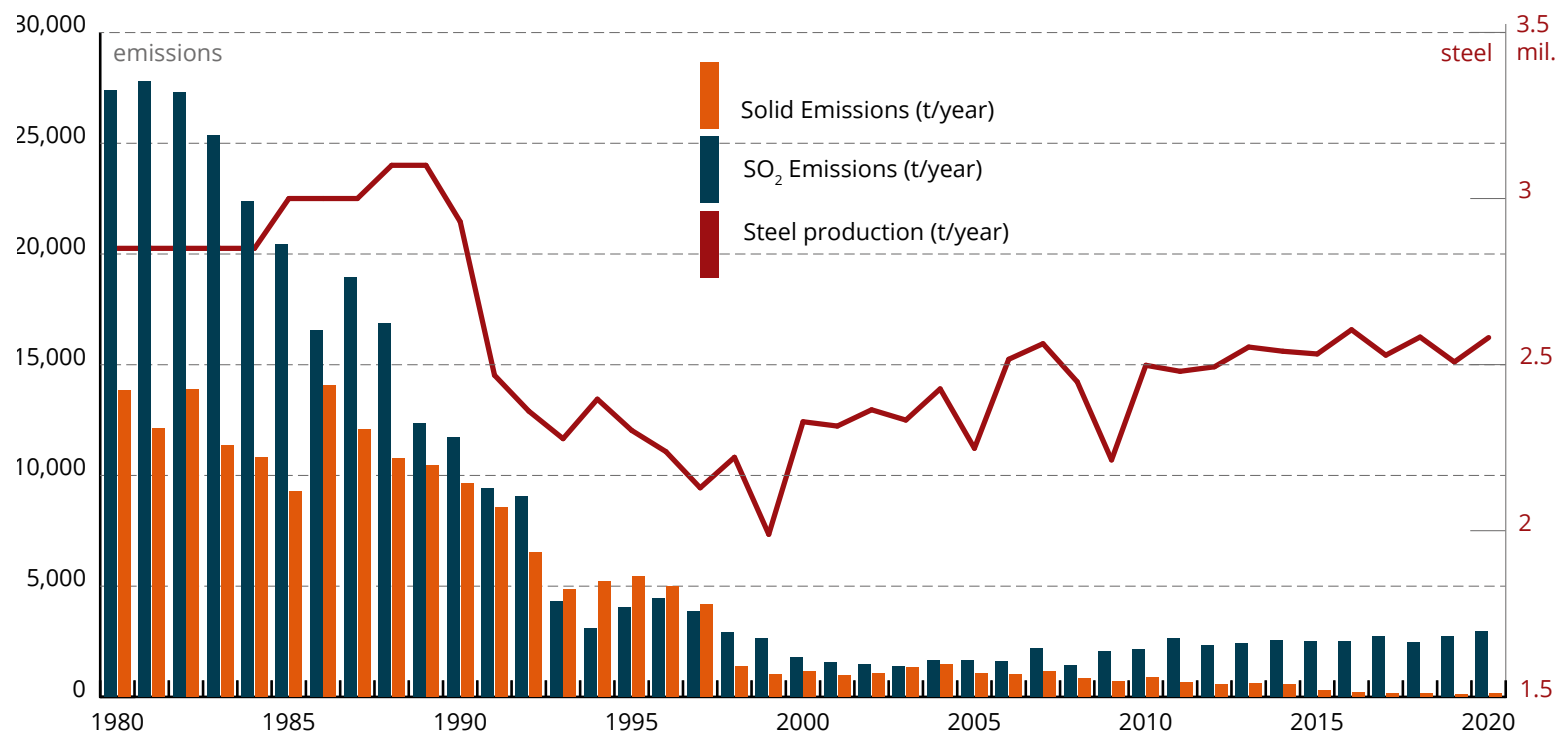
GHG emissions in the year of 2020 amounted to 2,843,953 tonnes of carbon dioxide for Třinecké železářny in Třinec and

44,289 tonnes of carbon dioxide for Billet Mill Plant in Kladno. The total greenhouse gas emissions from Třinecké železářny for 2020 are 2,888,242 tonnes of carbon dioxide, which represents a year-on-year increase due to higher year-on-year production, and especially the inability to capture converter gas during the repair of the gas tank of ENERGETIKA TŘINEC.

A great deal of attention is paid to the impact on climate change and the search and implementation of measures to reduce or capture greenhouse gases. Since 2016, an energy management system according to EN ISO 50001: 2011 has been introduced. The achieved energy savings for the period 2016–2020 represent a saving in CO<sub>2</sub> emissions of 125,837 t CO<sub>2</sub>. Other

measures to reduce greenhouse gas emissions include, for example, the annual planting of greenery and the maintenance of extensive existing greenery, in which approximately 100,000 tons of CO<sub>2</sub> are bound in the long term; as well as purchasing the “green” electricity.

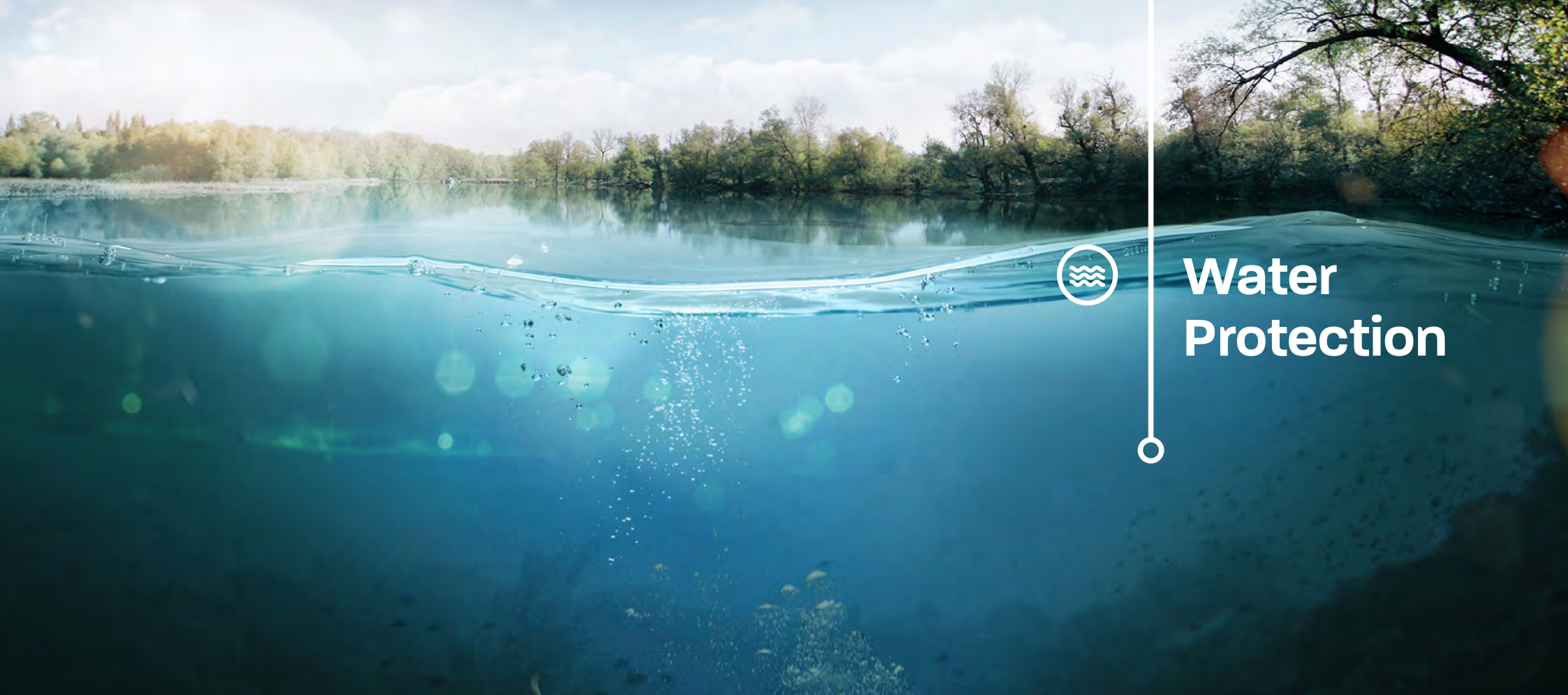



**Emissions in 2020 compared to 2019**

Year	Solid pollutants (t/year)	Sulphur dioxide (t/year)	Nitrogen oxides (t/year)	Carbon monoxide (t/year)	Carbon dioxide (t/year)
2019	128	2 753	2 067	69 367	2 694 605
2020	151	2 984	2 124	70 588	2 888 242

**Emissions per unit of production in 2020 compared to 2019**

Year	Solid pollutants (kg/t of steel/year)	Sulphur dioxide (kg/t of steel/year)	Nitrogen oxides (kg/t of steel/year)	Carbon monoxide (kg/t of steel/year)	Carbon dioxide (t/t of steel/year)
2019	0.05	1.09	0.82	27.64	1.07
2020	0.06	1.16	0.82	27.34	1.12



## Water Protection

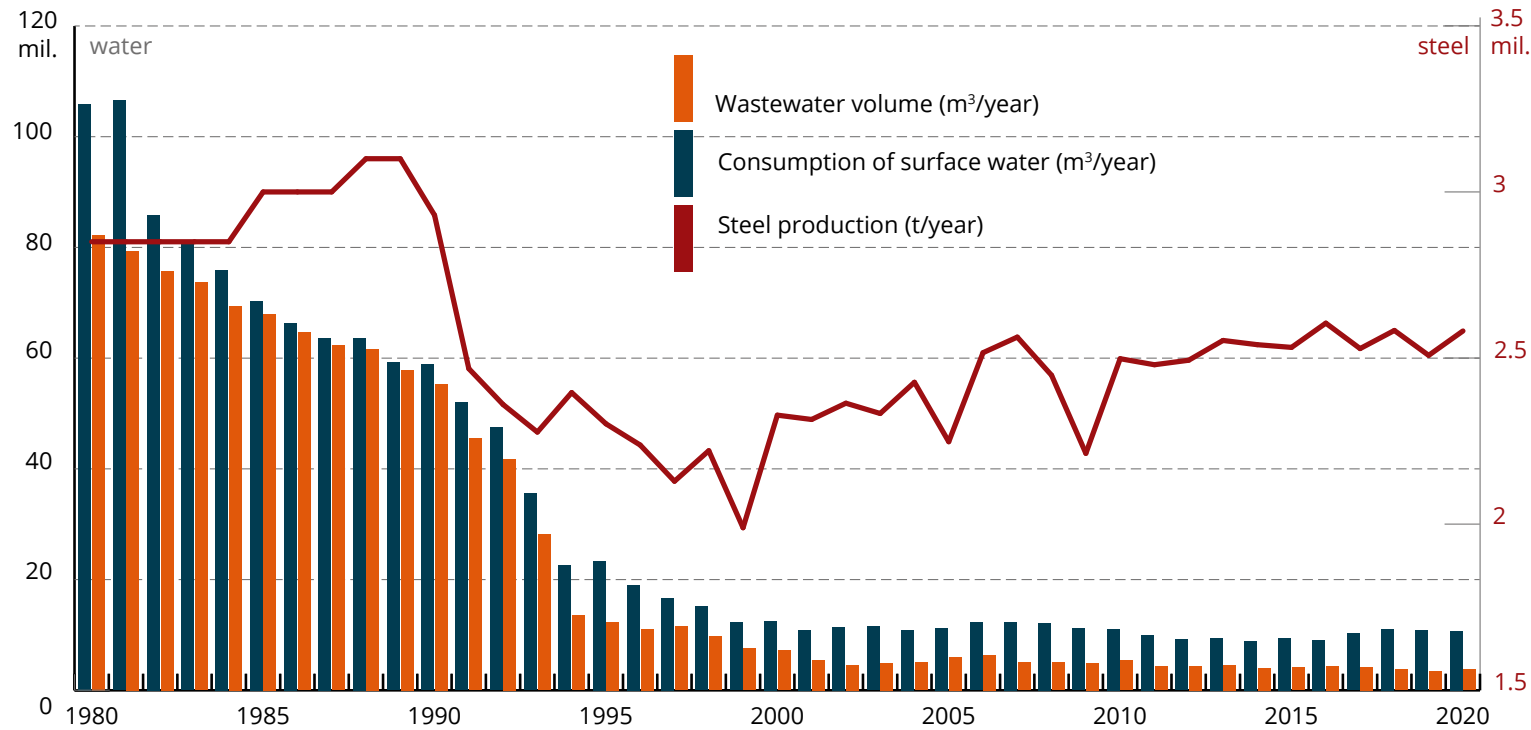
The amount of waste industrial water discharged into the Olše watercourse and its quality shows a slight increase in 2020 compared to 2019, which is caused by a higher volume of metallurgical production. In the long term, however, the state of water management in Třinecké železářny has stabilized. The le-

vel of wastewater pollution reaches a sustainable level with regard to meeting the permitted pollution limits.

There was a slight decrease in waste water production per tonne of steel produced. In 2019 wastewater production was 1.35 m<sup>3</sup> / t and in 2020 it was 1.46 m<sup>3</sup> / t.

During 2020, Třinecké železářny did not cause any emergency situation that would result in deterioration or endangerment of groundwater or surface water quality.





## Pollution discharged into water flows from 2019 to 2020

Year	Volume of wastewater (m³/year)	Undissolved substance (t/year)	C <sub>10</sub> – C <sub>40</sub> hydrocarbons (t/year)	Dissolved inorganic salts (t/year)	Chemical oxygen consumption using dichromatic method (t/year)	Total iron (t/year)
2019	3 395 754	26.2	0.24	1 831	67.2	2.7
2020	3 761 015	29.7	0.40	2 066	64.2	3.2

## Volume of wastewater on unit of production from 2019 to 2020

Year	Volume of wastewater (m³/produced steel/year)
2019	1.35
2020	1.46



## Waste management

The favourable trend of reducing the amount of waste has been visible for several years. The year of 2020 can be assessed as a record one in this respect. Compared to 2019, the production of Třinecké železářny waste was reduced by 40%, i.e. by about 40 kt. For other wastes this decrease is 44% (37 kt) and for hazardous waste it is a decrease of 18% (3 kt).

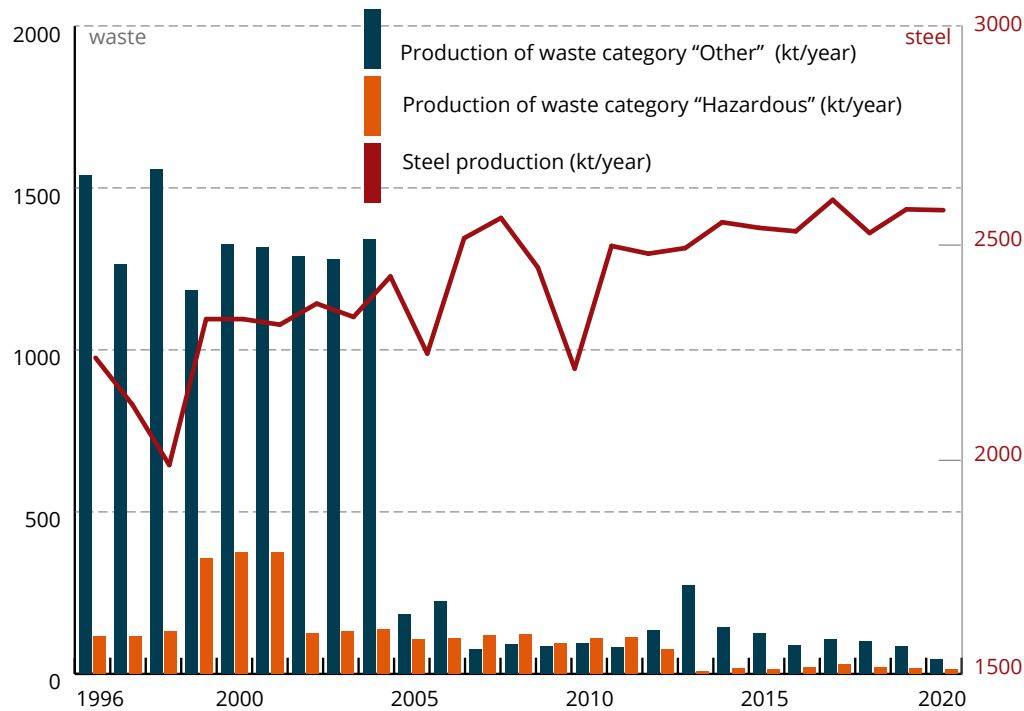
Specifically, a total of 60,739 tons of waste was generated in Třinecké železářny in the evaluated year, of which 46,448 tons of waste in the "Other" category and 14,291 tons of hazardous waste.

The lower production of waste is also related to the decrease in the amount of waste per tonne of steel produced. This indicator for 2020 has a value of 23.5 kg / t of steel.

The significant decrease in waste is related to Třinecké železářny's constant efforts to reduce the generation of waste to the maximum extent by using by-products back in the metallurgical cycle, or by processing into certified products.

The measures and consequences of the COVID-19 pandemic, such as the use of the home office or the higher absence of employees, also partially contributed to the reduction of waste production.





## Volume of waste in 2020 compared to 2019

Year	Steel production (kt/year)	Production of waste category "Other" (kt/year)	Production of waste category "Hazardous" (kt/year)
2019	2 508	84	18
2020	2 581	46	14

## Waste production per unit of production for 2020 compared to 2019

Year	Steel production (kt/year)	Waste production per ton of produced steel (kt/year)	
		category "Other"	category "Hazardous"
2019	2 508	0.033	0.007
2020	2 581	0.018	0.006



## PACKAGING

In 2020, Třinecké železárny also ensured the take-back and utilization of packaging waste products, which they place on the market through the authorized packaging company EKO-KOM, a.s.

The amount of packaging that Třinecké železárny uses to package its products is constantly dependent on the range of products sold, customer requirements and sales volume. The year 2020 is no exception. Compared to the previous year, due to a slight decrease in sales, there was less production of all packaging, regardless of the packaging material used.

### Packaging put on the market in 2020 compared to 2019

Year	Material of package (t/year)				Total
	Metal Fe	Plastic	Wood	Others	
2019	3 443	38	7 941	206	11 628
2020	3 372	31	7 455	201	11 059





## CARE FOR NATURE AND LANDSCAPE

The development and maintenance of greenery has always been a priority for Třinecké železářny. The amount of CZK 3.84 million, which was spent in this area in 2020, is a proof of this. Green maintenance was carried out on TŽ's land inside as well as outside the company's premises.

In March 2020, the Olše River, which flows through the company's premises for

approximately 6 km, was cleaned. Due to the exceptional situation associated with the COVID-19 pandemic, the cleaning was carried out without the traditional participation of students of the TŽ Secondary School. In total, about 2 tons of mixed waste was collected and handed over to an external specialist company for disposal.

In November 2020, with the help of our company's fire brigade, the annual nesting boxes for various species of birds were cleaned, which have been located in the area since 2014.

In 2020, three hives for the honey bee were added to the nesting boxes. One beehive is located in the greenery directly in front of the company's headquarters,

two beehives are located in the reclaimed part of the Neboranka landfill. A flowery meadow with 28 species of perennial herbs was also established in this locality for bees and other insects, and lacy phacelia was sown in a part of the reclaimed landfill so that the bees would have enough nectar for their successful development during the season.



*Production Director Česlav Marek working with beehives at reclaimed landfill*





*Joint project of city and iron-works – landscaping of the Frýdecká street*

## OLD ENVIRONMENTAL BURDENS

The redevelopment work at contaminated locations in the Třinecké železářny has been underway since 2003. Out of total 24 redevelopment projects just one locality is going to be finished. In accordance with so called environmental contract No. 185/97 concluded with the Czech Ministry of Finance and according to the Třinec-TŽ-Sa-

nitiation Project, the contractor – company UNIGEO, a. s., Ostrava – expended about 99.6% of resources from the project budget by the end of 2020.

The remediation works, which were solved on the basis of the implementation project "Třinec – TŽ – Sanitation-DSP", were completed in 2020.

A survey to verify new facts of the old ecological burden in the Olše riverbed in 2015-2016 proved the existence of groundwater pollution in the area between the underground sealing wall around the coke plant and the Olše riverbed along Závodní Street. The above-limit contamination was assessed by the CEI Ostrava as an unac-

ceptable risk for the existing ecosystem. In 2021, hydraulic groundwater remediation will begin. In the following years, the riverbed of the brook of Líštnice, which is a tributary of the Olše River, should be remediated too.





## MANAGEMENT OF CHEMICAL SUBSTANCES AND MIXTURES, REACH

The handling of chemical substances and mixtures in Třinecké železářny operations is monitored and evaluated in the framework of regular internal controls, which again proved compliance with the relevant legislation regarding chemical as well as OSH requirements.

As a manufacturer of steel and production-related substances, we have fulfilled

our obligations under Regulation (EC) No. 1907/2006 of the European Parliament and European Council on the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). One of the main obligations is the communication within the supply-customer chain, where information on substances of very high concern (SVHC), substances banned in articles, registra-

tion dossier numbers, etc. is provided at the request of customers. In 2020, ongoing updating of registry documents within membership in individual consortia and updating of related Třinecké železářny documentation took place, including safety data sheets of substances manufactured in Třinecké železářny.





# ENERGY MANAGEMENT



The effort to continually reduce energy consumption is an integral part of the policy of Třinecké železářny, which is manifested in practice by the gradual replacement of obsolete production facilities with modern ones with lower energy intensity and maximum energy utilization of the by-products of the steelworks.

In Třinecké železářny, we have implemented and use the energy management system according to EN ISO 50001, which was subject to certification in 2016. In 2020, a re-certification audit to the EN ISO 50001 – 2019 was carried out not only in Třinec, but also in detached workplaces (Tube Rolling Mill, Steel Drawing Mill, Billet Rolling

Mill) that were extended in 2017. In 2021, a control audit of this system according to the EN ISO 50001 – 2019 standard is ahead of us.

Metallurgical gases generated in the process of production of coke, pig iron and steel in 2020 were used for energy purposes in average level of 91.2%.

The specific electricity consumption in 2020 was 283.2 kWh per tonne of steel produced.

The actual technological energy intensity in 2020 amounted to 19,963.6 MJ per tonne of steel produced.



THE FOLLOWING ENVIRONMENTAL INVESTMENT PROJECTS WERE LAUNCHED AND CONTINUED IN 2020:

- **De-dusting of equipment for transport and feedback of charge for the steel plant sinter production (Production of iron and steel)**  
Planned costs: CZK 353 mil.  
Environmental benefit: decreasing the dust fugitive emissions
- **Modernization of the Hot Blast Stove #61 (Production of iron and steel)**  
Planned costs: CZK 269 mil.  
Environmental benefit: decrease of CO emissions and higher efficiency of heating
- **Ladle Furnace noise control measures (Production of iron and steel)**  
Planned costs: CZK 2.8 mil.  
Environmental benefit: decrease of noise level
- **Sinter Plant #1 noise control measures – stage II (Production of iron and steel)**  
Planned costs: CZK 2.6 mil.  
Environmental benefit: decrease of noise level



IN 2020, THE IMPLEMENTATION OF THE FOLLOWING ECOLOGICAL INVESTMENT PROJECTS CONTINUED:

- **De-dusting of equipment of collection and processing the mixture for the blast furnace sinter production (Production of iron and steel)**  
Planned costs: CZK 376 mil.  
Environmental benefit: decreasing the dust fugitive emissions
- **Modernization of the Hot Blast Stove #62 (Production of iron and steel)**  
Planned costs: CZK 290 mil.  
Environmental benefit: decrease of CO emissions and higher efficiency of heating

## ENVIRONMENTAL PROJECTS

*The total costs of completed and ongoing environmental investment projects in 2020 amounted to CZK 425 million.*

AS A PART OF INVESTMENT PROJECTS, THE FOLLOWING ENVIRONMENTAL PROJECTS ARE PLANNED TO BE LAUNCHED IN 2021:

- **Modernization of media pre-heating (Production of iron and steel)**  
Planned costs: CZK 87 mil.  
Environmental benefit: decrease of noise level, decrease of coke consumption
- **Light section mill desorber (Production of wire rod and light section)**  
Planned costs: CZK 6 mil.  
Environmental benefit: decrease of energy consumption

# CONCLUDING WORD



IVO ŽIŽKA

Member of the Board of Directors  
and the CSR Representative

Dear friends,  
you could get acquainted with the activities of our company and thus with our daily efforts to apply the principles of socially responsible behaviour on the previous pages. As the biggest steel company in the Czech Republic, we respect the commitment to meet the goals of sustainable development in the social, economic and environmental fields.

Třinecké železářny has long devoted considerable efforts to improving the state of the environment not only in its immediate vicinity, as well as the care for employees and large-scale development investment

projects. Everything to fulfil the mission "Together for the Generations to Come". At a time when we have all been hit hard by the effects of the global coronavirus pandemic and have changed our view of established social and economic models, this premise is doubly true.

I believe that you will find interesting information and perhaps also inspiration for your own CSR initiatives in this report, and you will also be convinced that we are obliged by social responsibility and we take it very seriously.

A handwritten signature in dark ink, appearing to read 'I. Žižka'.





TŘINECKÉ ŽELEZÁRNY, a. s.  
Průmyslová 1000, Staré Město  
739 61 Třinec  
Czech Republic

ID: 18050646  
VAT ID: CZ 699 00 2812  
Entered into Commercial Register kept  
by the Regional Court in Ostrava,  
Section B, Insert 146

Phone: +420 558 531 111  
Fax: +420 558 331 831  
web: [www.trz.cz](http://www.trz.cz)  
e-mail: [info@trz.cz](mailto:info@trz.cz)

