

Location	Pilsen, Czech Republic		
Site area	117,000m <sup>2</sup>		
Established	May 2003		
Employees	2,243 (as of March 2021)		
Main products	Air conditioners		
Certified	ISO 9001	July 2006	
	ISO 14001	July 2006	
	ISO 50001	January 2015	
	OHSAS 18001	October 2009	
	Green Heart Factory	November 2012 Rank: Silver	
	Super Green Heart Factory	August 2019	

## Environment: Reducing Environmental Impacts

### ■ Plastics recycling

We pulverize defected cross flow fans without magnets and shafts into granulated material that is recycled for use in certain plastic raw materials.

This enables us to reuse 75% of waste from cross flow fans and conserve more than 51 tons of raw materials every year.



### ■ Energy efficiency testing

Kaizen activities have helped to lower average electricity usage from 92kW/hour (E/2019) to 65kW/hour (E/2020).

Reasons for improvement are:

- 1) Installation of pump inverters in test rooms and optimization of PLC: 20HP ETR A, 20HP CAP, 20HP Sound
- 2) Smart control of the miniETR test room's cooling tower
- 3) Smart fan start control (ETR 6 and 10HP CAP); and
- 4) Smart crankcase heater (20HP ETRA and CAP).

### ■ Photovoltaic power system improvement

To increase efficiency, we changed the location and installation angle of the solar panels and achieved a 60% improvement in efficiency.

In the next step, we will continue to expand photovoltaic power system with more solar panels.



### ■ Expansion of rain water collection system

We expanded our rain water collection system to include the general office building. Rain water collected from the roof is used in toilets and for watering plants. This saves around 1,600 m<sup>3</sup> of potable water per year.

We also collect wastewater from cooling towers and reuse it in our rain water collection system.



## Environment: Protecting Biodiversity

### ■ Participation in FLEETCOR Clean Advantage program

FLEETCOR Clean Advantage™ is an eco-friendly program that gives FLEETCOR Fuel Card users the advantage of offsetting the CO<sub>2</sub> emissions of their fleets and vehicles.

As part of the Clean Advantage™ Program, FLEETCOR supports a variety of initiatives, across numerous projects, that sequester CO<sub>2</sub> locally and around the world.

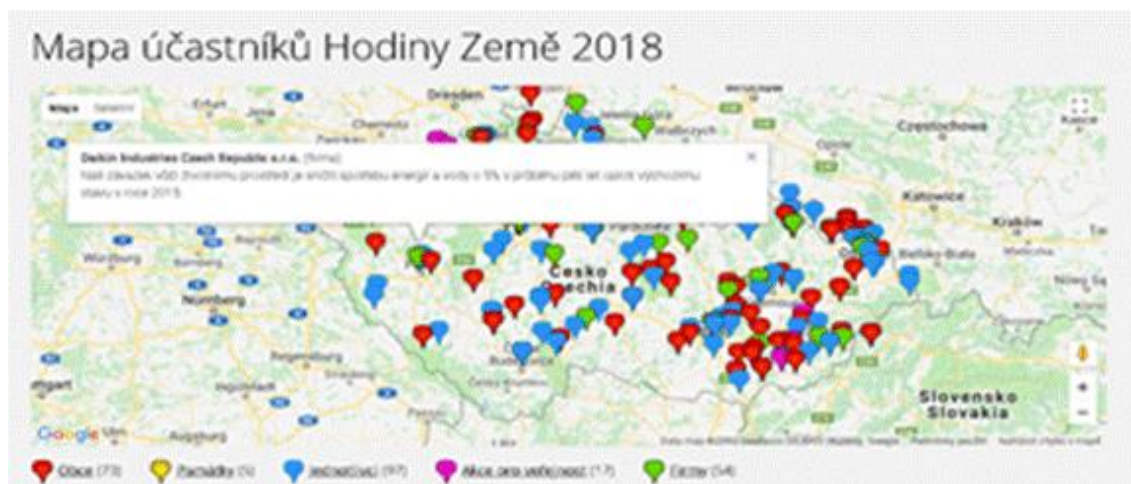


## Environment: Environmental Communication

### ■ Participation in Earth Hour

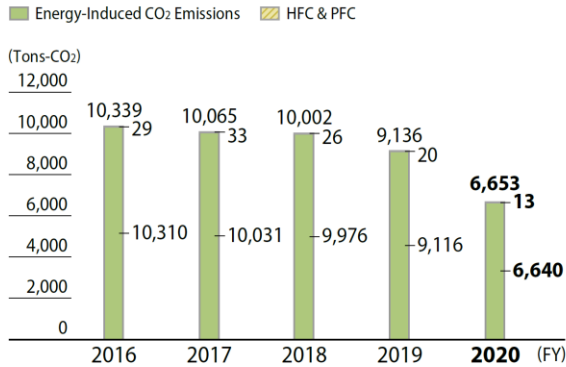
Every year, we participate in Earth Hour, a worldwide movement organized by the World Wide Fund for Nature (WWF).

The event is held annually on a specific day towards the end of March to encourage individuals, communities, and businesses to turn off non-essential lighting for one hour, from 8:30 to 9:30 p.m., as a symbol of their commitment to the environment.

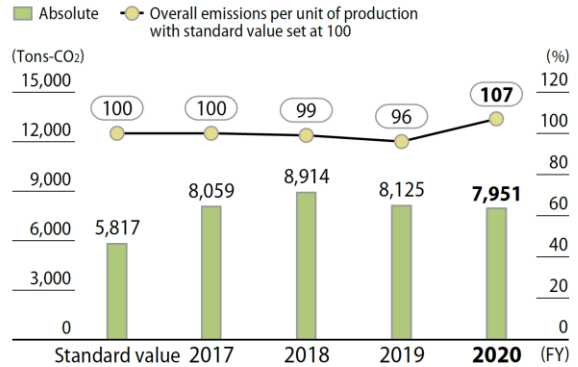


## Environment: Environmental Performance Data

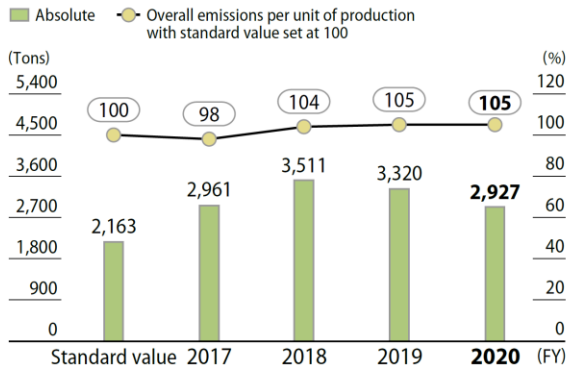
### Greenhouse gas emissions



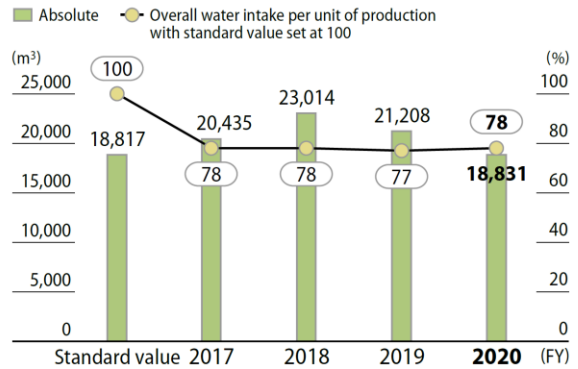
### Energy-induced CO<sub>2</sub>



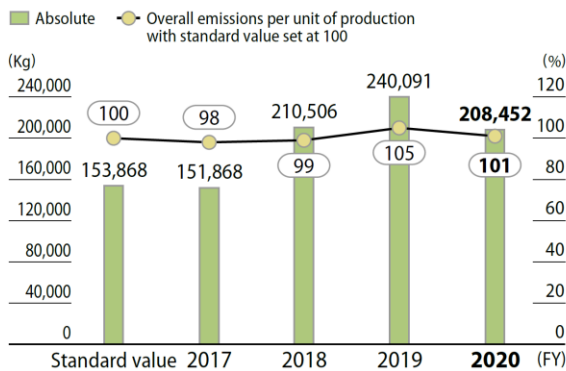
### Waste (Including valuable materials)



### Water intake



### VOC emissions

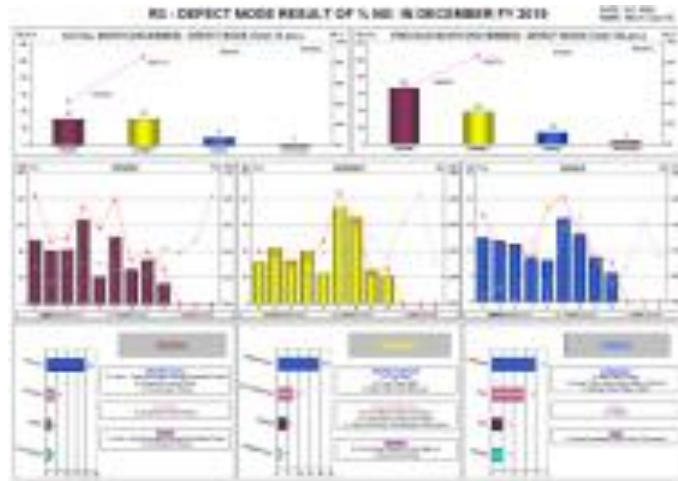


## Customer Satisfaction: Improving Product Quality

### ■ Follow up meeting on brazing defects

We hold the brazing quality analysis meeting monthly, and take concrete follow up actions.

Based on the monthly quality brazing defect analyses conducted on the production line, meetings are held between the three offices of QC, PE and Monozukuri. The goal of meetings is to reduce the occurrence of leakages during the manufacturing process of units.



### ■ GIB (Global Information Bank) follow up meeting (weekly)

The QA Section hosts weekly Global Information Bank (GIB) follow up meetings. The GIB database contains customer complaints and requests for improvement together with related details. Based on this data, we initiate discussion and Kaizen activities to satisfy customer needs.

QA acts as supervisor in directing and managing activities for improvement carried out by development or production sections.

### ■ New QC DOJO

A new QC DOJO training center was established in February 2020 and began operation in April. It provides basic quality training for new hires (quality control positions on the production line) and teaches the correct positions for internal inspections and leak tests.

Currently, the training center employs two trainers who are providing general training and making preparations for production lines F4, F5 and F6, with plans to include other lines in the future.



## Customer Satisfaction: System to Reflect Customer Needs

### ■ Monthly QA activities

Monthly QA (DICZ QC) and QAC (DENV Quality Assurance Center) meetings discuss top priority GIB customer complaints. Solutions and preventive actions are discussed and implemented.

QAC ensures communication concerning preventive and Kaizen topics for customers within the EMEA area, including direct communication with affiliates.

## Human Resources: Training for Employees

### ■ General training

Due to COVID-19, company training was very limited. In 2020, we were only able to provide courses mandated by law. These courses were essential to employee work. Where possible, some training courses were offered online.



For soft skills and computer training, we used the SEDUO portal, where employees can study different courses online. This portal features more than 250 courses divided into categories. The license is valid for one year and employees can study courses designated by their supervisor. In their free time, employees can also take courses that interest them personally.

### ■ Management DOJO

In October 2020, we held a special training session called Management DOJO IV. for managers. Due to COVID-19, the training was offered through Zoom over a shortened duration (half day).

Training focused on the following areas: how to read the 360 Feedback Report, which each manager received, and how to read reports, create one's own action plan and share it with other managers.

A total of 23 managers took part.

## Human Resources: Promoting Diversity

### ■ Workforce diversity

We employ people representing a total of more than 15 nationalities, including Czech, Slovakian, Japanese, Ukrainian, Indian, Turkish, and Bulgarian.

### ■ Employing people with disabilities

We employ eleven people with disabilities, one of whom uses a wheelchair.

### ■ Employing Ukrainians on 2-year work visas

We have employed 260 Ukrainians on 2-year work visas as brazier and production line workers.

## Human Resources: Occupational Safety and Health

### ■ First aid training

We organized a first aid training session led by a physician currently working as a paramedic. The session was held three times with 15 employees attending each time for total participation of 45.

### ■ Comprehensive OSH activities

Occupational safety and health (OSH) is a top priority at our company. Thanks to ongoing periodic safety patrols and safety checks, we have maintained our track record of no injuries in the workplace.

In addition, continuous first-aid training is open to not only managers but all employees who wish to attend.

## Communities: Environmental Protection

### ■ Support for orphanages

We donated two Daikin air purifiers to four orphanages.

We also helped to collect Christmas presents for children living in orphanages in the Pilsen region.



## Communities: Support for Education

### ■ Partnership with Pilsen University

Our partnership with the university includes an annual financial donation of CZK 200,000.

### ■ Factory tours for students attending secondary school and university



### ■ Collaboration with West Bohemia University and research centers

### ■ Technical trainee program for university students and internships for high school students





## Communities: Other Local Activities

### ■ Strom splněných přání (Tree of fulfilled wishes)

We are a partner for the project called Strom splněných přání (Tree of fulfilled wishes), providing financial support of CZK 40,000. The project is focuses on children living in orphanages.

