

Industry

NAVIGATOR

SUSTAINABLE DEVELOPMENT
STRATEGIES FOR T&D

CONFERENCE 2025

A strategic approach to sustainability

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KONČAR
D&ST

Topics

- About us
- Industry and regulatory framework
- Reporting on sustainability
- Communication
- Data as the driver
- Sustainability strategy
- Priority areas
- E – Environment
- S – Social
- G – Governance
- Future outlook



About us

- Established in 1991 as a joint-stock company and part of the KONČAR Group
- Transformers delivered in more than 100 countries
- Export: 95 %
- Turnover in 2024: EUR 404 mil*
- Employees: 793 (as of 31 December 2024)
- 100 % owner of Power Engineering Transformatory Sp. z o.o. (PET) in Poland and 51 % stake in FEROKOTAO d.o.o. in Croatia

Medium power transformers
up to 160 MVA and 170 kV



Distribution transformers
up to 8 MVA and 36 kV

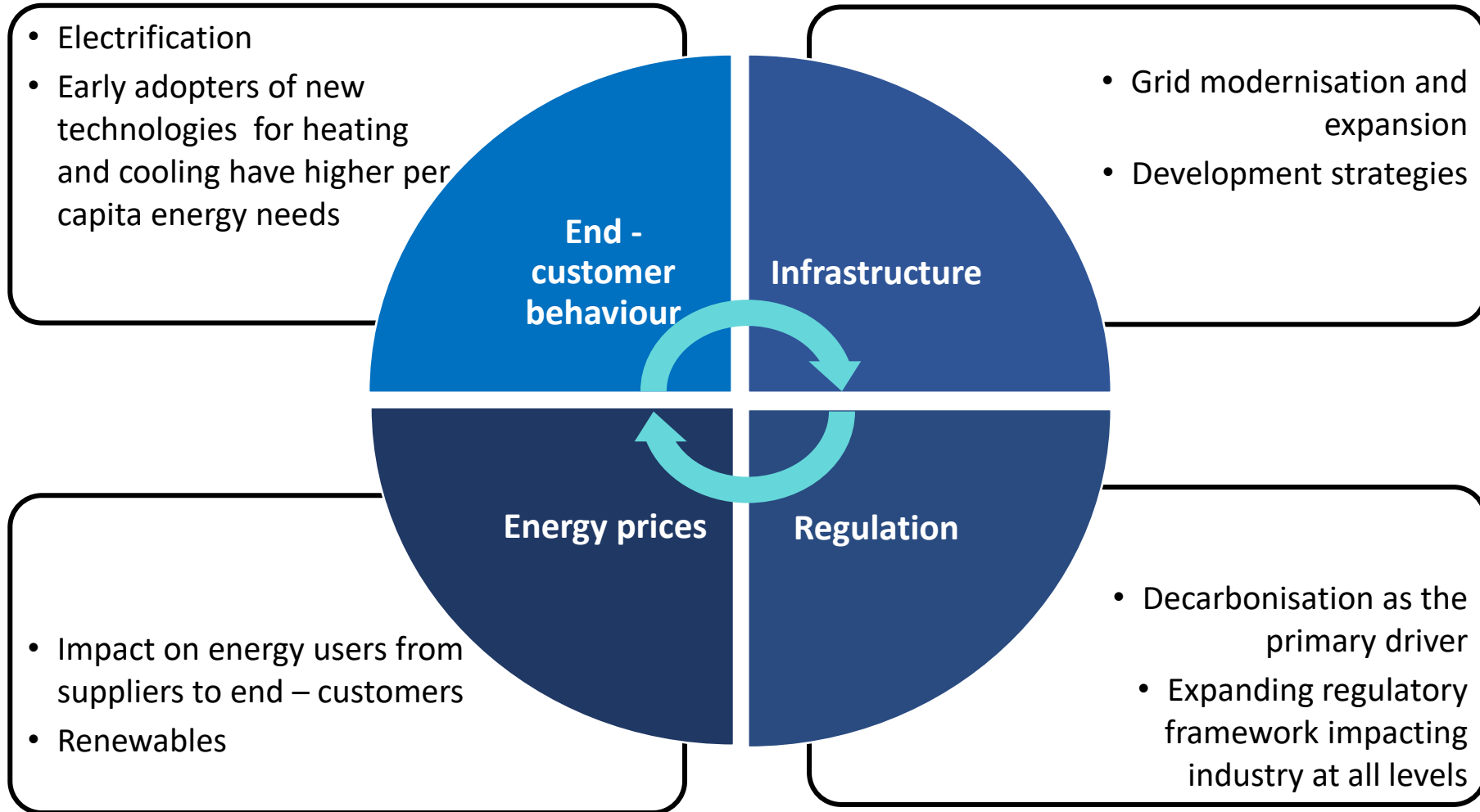


Special transformers
(earthing, traction, converter)



*unaudited financial figure





EU Taxonomy

- Classification system for environmentally sustainable economic activities
- Aims to prevent greenwashing

CBAM

- Reporting on imported goods
- Aims to put a price on imported carbon from emission intensive industries

CSRD

- Corporate sustainability reporting
- Aims to enhance transparency on sustainability topics in companies

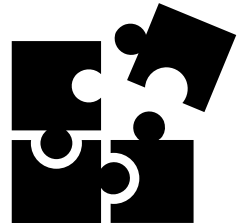
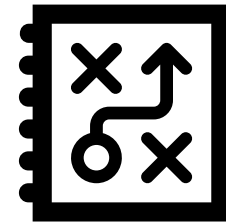
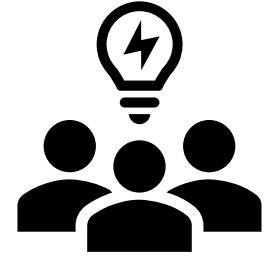
CS3D

- Due diligence in global value chains
- Aims to ensure responsible corporate behaviour through activity reporting



Communication

- Sustainability requires a company-wide effort
- Data owners should be involved in interpretation and planning
- Decentralisation enhances governance of the topic
- Enhancing transparency on the topic ensures better stakeholder alignment
- Education and knowledge-sharing are key factors in successful management



Data as the driver

- Repurposing existing data to support a new strategy
- The need for a due diligence approach
- Infrastructure for data collection and processing
- Resource allocation
- What, Where, Why, When



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**Sustainability
strategy
2024 - 2026**

summary



Priority areas

- **ENVIRONMENT (E)**
 - A net-zero emissions future
 - Circular economy
- **SOCIETY (S)**
 - Health and safety
 - Employee development and satisfaction
 - Youth engagement
 - Strong communities
- **GOVERNANCE (G)**
 - Responsible and transparent governance
 - Responsibility in the supply chain



E - Environment

PRIORITY AREA

AN EMISSION-FREE FUTURE

STRATEGIC GOAL

1

Reducing emissions from scopes 1 and 2, and start of the net-zero transition



PRIORITY AREA

CIRCULAR ECONOMY

STRATEGIC GOAL

2

Reduce waste and ensure responsible use of resources in production



SUBGOAL	1.1.	1.2.	1.3.	1.4.	1.5.
	Reduced emissions from Scopes 1 and 2 by 35% in relation to 2021 by 2030*	Increasing energy efficiency in production by 35% by 2026	Secure 100% electricity from renewable sources at the annual level	Production of 40% of electricity from own solar plants by 2026	Develop the climate transition plan by 2026

SUBGOAL	2.1.	2.2.	2.3.	2.4.
	Retain a high rate of waste sorting (80%)	Increased use of sustainably grown wood by 2026	Increase the reuse of packaging	Replace single-use plastic packaging in cooperation with suppliers



S - Social

PRIORITY AREA

EMPLOYEE DEVELOPMENT AND SATISFACTION

STRATEGIC GOAL

3

Maintain a healthy and safe working environment for all employees



SUBGOAL

SUBGOAL	3.1.	3.2.	3.3.
	Reduce workplace injuries (LTIFR<10)	Provide supplemental and additional health insurance for 100% of employees	100% of employees included in stress prevention education and promoting the importance of mental health

PRIORITY AREA

EMPLOYEE DEVELOPMENT AND SATISFACTION

STRATEGIC GOAL

4

Promoting inclusion, diversity and equal opportunities



SUBGOAL

SUBGOAL	4.1.	4.2.	4.3.
	20% female representation in management and expert positions	Salary equality between men and women (pay gap <5%)	Provide support to parents after completion of the maternity/parental leave



S - Social

PRIORITY AREA

EMPLOYEE DEVELOPMENT AND SATISFACTION

STRATEGIC GOAL

5

Ongoing investments into employee professional growth and development



SUBGOAL

SUBGOAL	5.1.	5.2.	5.3.
	Increase the average number of education hours per employee	100% of managers included in education to develop leadership skills and competencies	Stimulate an innovation culture and cooperation culture

PRIORITY AREA

FOCUS ON YOUTH

STRATEGIC GOAL

6

Attracting youth and stimulating cooperation with education institutions



SUBGOAL

SUBGOAL	6.1.	6.2.	6.3.
	Provide student and pupil practical training	Ongoing cooperation with technical faculties	Provide stipends for excellent students

PRIORITY AREA

STRENGTHENING COMMUNITIES

STRATEGIC GOAL

7

Stimulating development of the local community



SUBGOAL

SUBGOAL	7.1.	7.2.
	Strengthen corporate volunteering	Systematise the sponsorship and donations programme



G - Governance

PRIORITY AREA

RESPONSIBLE AND TRANSPARENT GOVERNANCE

STRATEGIC GOAL

8

Ensuring responsible and ethical governance, and integrating sustainability into operations



PRIORITY AREA

RESPONSIBILITY IN THE SUPPLY CHAIN

STRATEGIC GOAL

9

Ensure responsibility in the supply chain and actions in line with the KONČAR - D&ST values



SUBGOAL

9.1.

100% strategic suppliers verified for ESG risks

9.2.

100% suppliers familiar with the Suppliers Code of Conduct

SUBGOAL

8.1.

Integrate ESG criteria into risk assessments and risk management plans by 2025

8.2.

Strengthen the ESG management structure

8.3.

Integrate ESG criteria into managerial KPIs

8.4.

Compulsory ongoing education of management on ESG topics

8.5.

Provide ESG education for all employees

8.6.

Zero-tolerance for bribes and corruption

8.7.

Improve information security

8.8.

Participate in global sustainability initiatives and continuous improvement of the ESG rating



Future outlook

- Continuously monitor current sustainability efforts and develop new strategies
- Follow sustainability trends in both industry and regulation
- Minimise carbon footprint across the entire value chain
- Drive innovation in sustainable products



Contacts



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<https://www.koncar.hr/en/dst>



KONČAR – Distribution and Special Transformers

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Thank you!

