gorenjegroup

EMAS Environmental Statement

**for the companies Gorenje, d. d.,
and Gorenje I.P.C., d. o. o.,**

for the year 2013

Table of content

EMAS Environmental
Statement 2013

1
Statement of Authenticity of Environmental Data

The Environmental Statement for the period from January 1 to December 31, 2013 includes operations of the companies Gorenje, d.d., and Gorenje I.P.C., d.o.o. All information and facts specified in the EMAS Environmental Statement are authentic and reflect the true and actual state of the environmental management system at both companies.

In 2003, the parent company Gorenje, d.d., adapted its operations to comply with the EMAS requirements as laid out in the EU Regulation No 761/2001; in early April 2004, the audit was successfully completed. Requirements for entry into the EMAS system register were met as of May 1, 2004 when Slovenia became a member of the European Union. In 2006, the company Gorenje I.P.C., d.o.o., joined the system. In March 2013, the Slovenian Institute of Quality and Metrology (SiQ) carried out an audit of the EMAS system and found that it complies with all requirements of the EU Regulation No 1221/2009 (the EMAS Regulation).

Vilma Fece
Executive director
Environment Protection and Occupational Safety and Health

2
Company Profiles

Activities of the company Gorenje, d.d.

Name:	Gorenje, gospodinjski aparati, d.d.
Date of entry into the Court Register:	December 31, 1997
Abbreviated company name:	Gorenje, d. d.
Head office:	Velenje, Partizanska 12
Company activity	Development, manufacturing, and sales of home appliance, and information and industrial equipment
Activity code:	27.510 Production of electric home appliances

Activities of the company Gorenje I.P.C., d.o.o.

Name:	Gorenje I.P.C., Invalidsko podjetniški center, d.o.o. (social enterprise)
Date of entry into the Court Register:	June 25, 1991
Abbreviated company name:	Gorenje I.P.C., d.o.o.
Head office:	Velenje, Partizanska 12
Company activity	Development and production of electrical components, packaging and expanded polystyrene, and printed material
Activity code:	27.330 Production of power outlets, switches, and other wiring 22.220 Production of packaging made of plastics 18.120 Other printing services

3
Scope of company activities

Activities of the company Gorenje, d.d.

The EMAS system includes activities of the parent company, taking place at the following locations:

- Velenje, Partizanska 12;
- Šoštanj, Primorska cesta 6d; and
- Rogatec, Ceste 56.

Activities of Gorenje, d.d., at the Velenje location are conducted in a mixed zone indented for industrial, repair and maintenance, handicraft, and service activities; at Šoštanj and Rogatec locations, activities are performed in an industrial and handicraft/artisan zone. The EMAS system does not include Gorenje, d.d., MEKOM Program, at location Hrastje 2a, Bistrica ob Sotli, where refrigeration appliance doors are produced and where other activities not related to the company core activity are carried out.

Activities include development, production, and sale of home appliances, and information and industrial equipment. Following are the production plants within the parent company:

- Fridge Freezer and Dishwasher Program; refrigerators and combined appliances, and dishwashers
- Cooking appliance program: electric and gas cookers, ovens, cooking hobs;
- Laundry appliance program: washing machines, laundry dryers;
- MEKOM Program: metal and plastic components;
- POINT program: development, production, and sale of information technology equipment;
- Heating systems program: development and sale of heating systems.

In 2013, Gorenje, d. d., had an average of 4,170 employees of which approximately 3,800 were employed at the Velenje location, 90 worked at the Šoštanj plant, and 220 worked at the Rogatec plant.

Activities of the company Gorenje I.P.C., d.o.o.

The EMAS system includes company activities taking place at the following locations:

- Velenje, Partizanska 12;
- Šoštanj, Primorska cesta 6d.

Activities of Gorenje, I.P.C., d.o.o., at the Velenje locations are carried out in a mixed zone intended for industrial, repair and maintenance, handicraft, and service activities. In Šoštanj, Gorenje I.P.C., d.o.o., is located in an industrial zone along the Primorska cesta, intended for industry and handicrafts.

Company activities comprise the following key processes:

- development and production of electronic components;
- production of printed matter;
- production of expanded polystyrene packaging; and
- assembly of subsets for home appliances.

Production is comprised of the following programs:

- Packaging Program: production of expanded polystyrene packaging;
- Services Program: assembly of subsets for home appliances;
- Graphics program: production of instruction manuals for home appliances;
- Electrical Components Program: production of cable sets for home appliances.

In 2013, the average number of employees at Gorenje I.P.C., d.o.o., was 805. The number of employees at the Šoštanj location was 375, number of employees at Velenje location was 430.

Gorenje, d.d., is the sole shareholder of Gorenje, I.P.C., d.o.o., holding 100 percent ownership of the company. 98 percent of Gorenje IPC production output is intended for programs of Gorenje, d.d. Gorenje I.P.C., d.o.o. is connected to production processes of Gorenje, d.d., via the SAP information system. The systems of quality management, environment protection, and occupational health and safety are integrated into the said systems of Gorenje, d.d.; the same applies to maintenance, organization, and IT.

4
Environmental management system

At Gorenje, d.d., the environmental management system in compliance with the requirements of the ISO 14001 standard was certified in 2000. The company was entered into the EMAS register in 2004. In 2006, Gorenje, d.d., introduced a system of safe and healthy work in compliance with the OHSAS 18001 standard. Following the decision to implement integrated systems of environment protection and occupational safety and health, the systems were also introduced in 2006, and certified in 2007, by the company Gorenje, I.P.C., d.o.o.

Gorenje, d.d., issued the first environmental report in 2000. Environmental Report for 2003 already included a certified EMAS Environmental Statement. In compliance with the provisions of the EMAS Regulation, a complete environmental statement was also prepared for the years 2006, 2009, and 2012, with updates to the Environmental Statement being issued in the years between.

The Rules of Procedure are the fundamental document for the environmental management systems and occupational health and safety management systems. It specifies the measures for continuous monitoring and improvement of the environment and occupational health and safety at the Group companies. Environmental management of procedures is further specified at each organizational unit with internal normative acts. Implementation of programs leads to attainment of goals, which paves the way for continuous progress. Audits and inspections are carried out to control the progress of programs aimed at our goals. The reports for the public summarize and present the information on the environmental effects and the progress made in the field of environment protection. "Environment Protection and Occupational Health and Safety" department is in charge of the activities in environment protection at the parent company Gorenje, d.d. This department has a consulting, supervisory, development, and operational role both at the parent company Gorenje, d.d., and at the entire Gorenje Group. Company management reviews the efficiency of the environmental management system once per year, during the managerial review.

5 Development

A satisfied customer is the key goal in the development of our products. We strive to understand the consumers' habits and needs, and to anticipate the trends they set. In this pursuit, we are focusing on the areas that improve the competitiveness of our products and services, as follows:

- **development of technological innovation** that brings added value to the users and simplifies their lives;
- **energy efficiency** which requires permanent care because of both consumer expectations and regulations in this field. This field will continue to represent one of the key focus points for us;
- **new materials** that will improve the functionality of the products while reducing the burden to the environment;
- **simplicity of use** of our products is a field we devote a lot of effort to when designing and developing all our products;
- **platform-based thinking** and search for solutions are of key importance if we are to develop appliances for various target groups of our customers (in terms of price segments), while at the same time managing our complexity, i.e. the offer of several products within a single product category;
- **carefully thought-out and advanced design of our products** is one field we devote maximum attention to, starting in the early stages of development.

In the refrigeration appliance segment, we were focused on the development of a new platform of free standing appliances with a width of 60 centimeters. In the first stage, we developed combined fridge freezers with a height of 1.85 m. These appliances have been in the markets since the summer of 2013. In the second stage, we are developing free standing refrigerators and freezers with a height of 1.85 m and combined fridge freezers with a height of 2.00 m which are to be launched in the first half of 2014. These appliances will offer innovative solutions to maintain the quality of the stored food longer, solutions for the appliance interior that make handling more user-friendly, high energy efficiency, and modern design that matches the current trends.

The majority of development activities in cooking appliances were devoted to the development of the new platform of premium built-in ovens. Two versions, differing by height (45 and 60 cm), three levels of control interfaces, steam, microwave, and convection cooking technology, and large oven capacity are the basic characteristics of the new innovative platform. The appliances will be launched in several stages throughout the year 2014.

We also developed in 2013 a new platform for washing machines and dryers with large capacity for the household and professional market (WMD80). One special feature of these appliances is their compact design: compared to the competing products with similar load capacity, their outside dimensions are smaller. Another highly challenging project in 2013 was the development of the second generation of heat pump technology for the A+++ energy class dryers.

Our development efforts were also focused on improvements in the field of energy efficiency and on the development of a new generation of professional dishwashers. In the last quarter of 2013, we launched the development of an entirely new modular platform of dishwashers, which will be a key focus in 2014.

In heating systems, the key development challenge was energy efficiency. In 2013, we also completed the development of the new generation of medium capacity domestic hot water heat pumps.

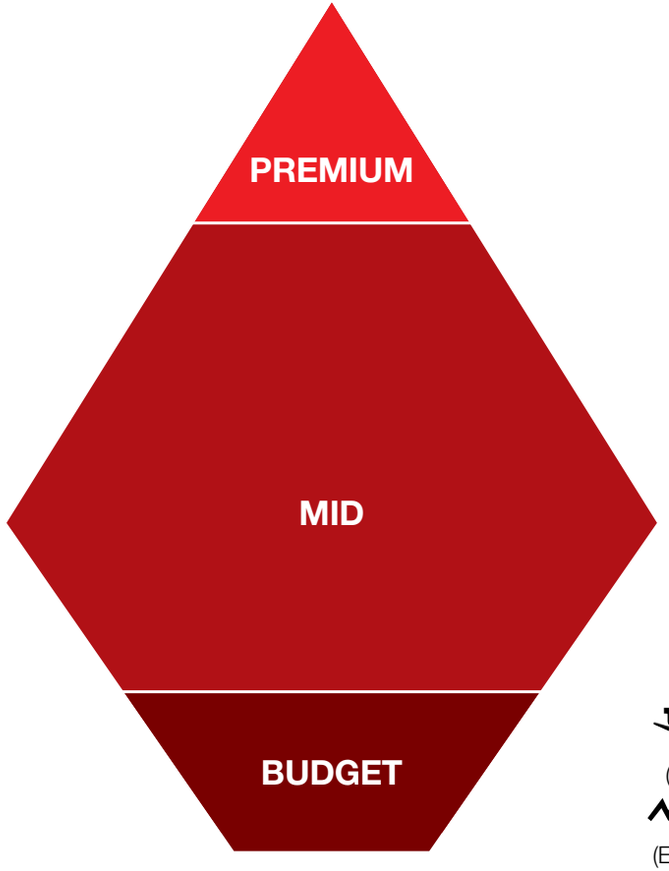
In addition to our work on the development projects, we actively managed the processes in new product development. Revision of new product development process which is to be uniform for the entire Gorenje Group will be another key focus in development for 2014.

In the market, product development is reflected in the brands of the Gorenje Group:

GLOBAL BRANDS

ASKO

gorenje



LOCAL BRANDS

ATAG
(Benelux)

Pelgrim
(Benelux)

UPO
(Nordic)

MORA
(E Europe)

ETNA
(Beneluks)

körting
(SE Europe)

6 Environmental policy

In 2007, we specified a joint environment protection and occupational health and safety policy for the companies Gorenje, d.d., Gorenje I.P.C., d.o.o., and Gorenje Orodjarna, d.o.o. In 2011, the policy was also adopted by the companies Gorenje Valjevo, d.o.o., and Gorenje GAIO, d.o.o. In 2012, the policy was adjusted to the guidelines and policies laid down in the Gorenje Group Strategic Plan for the period 2012–2015.

In 2014, the environment protection and occupational health and safety policy was updated to match the **Gorenje Group's new strategic policies for the period 2014–2018.** These are based on the following:

- new challenging business environment in which we operate,
- some new facts in the Group (e.g. reorganization, strategic combinations, completion of manufacturing operations relocation etc.); and
- investor requirements for a long-term strategic plan.

Environment protection policy and occupational safety and health policy are constituent parts of Gorenje Group's corporate governance and organizational culture. Therefore, the two key values that guide us, consistently with the new strategic policies, in our pursuit of the corporate vision and mission and in our day-to-day actions, have to be strongly embedded in the very core of the environment protection and occupational health and safety policy. These two values are **responsibility and innovation.** In environment protection and occupational health and safety, they are asserted through open-mindedness, team spirit, respect, efficiency, goal-orientation, and engagement.

Environment protection and occupational safety and health policy

Gorenje's strategic plan is based on the pursuit of the Group's vision and mission: to create original, superiorly designed products and services that afford simplicity for our users. We are focused on increasing customer satisfaction and creating value for our owners, employees and other stakeholders of the Gorenje Group companies in a socially responsible manner. Owing to its importance, the environmental protection and occupational health & safety policy is an integral part of the corporate governance policy and organisational culture of the Gorenje Group.

Environmental protection and the provision of safe working conditions are among the basic rights, obligations and responsibilities of all employees, and as such are treated as constituent parts of the Company's corporate governance.

We undertake to continue carrying out the following activities in future:

- incorporating the protection of the working and broader environment into our development strategy as well as annual and operational plans via the foreseen measures, assets, responsible persons, service provides and deadlines in order to allow our employees to fulfil their tasks in a safe and health manner, while constantly reducing the risk of injury or illness and continuously reducing negative impacts on the environment;
- monitoring and measuring indicators of the state of the working environment and environmental aspects, including appropriate response measures in case of any deviations;
- improving the condition of the working and broader environment at our company, subject to relevant regulations;
- planning and implementing new technologies and products in line with environmental protection principles, and introducing appropriate, flawless, and ergonomic working equipment while constantly seeking opportunities to improve working conditions;
- using such materials and components that will comply with the strictest domestic and foreign environmental standards;
- planning new products in compliance with the requirements of environmental design which includes the entire useful life of a product: from development, through production, to production and waste management after the expiry of its useful life;
- reducing the volume of generated waste and rationalising the use of energy resources,
- educating, training and raising awareness of employees and partners about their responsibility to the working and broader environments,
- cooperating with interested internal and general publics in order to contribute to the success of joint efforts in environmental protection and occupational health & safety,
- informing the public on our achievements in environmental protection and concern for occupational health and safety.

Franjo Bobinac
President and CEO

Velenje, 1. 3. 2014

Gorenje, d.d.
Gorenje d.o.o. Valjevo
Gorenje I.P.C., d.o.o.
Gorenje GAIO, d.o.o.
Gorenje Orodjarna, d.o.o.
Gorenje Gostinstvo, d.o.o.

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7
Identification of environmental aspects and assessment of environment impact

7.1
Gorenje's eco cycle

Environmental aspects of our operations are identified, monitored, and continuously improved throughout the entire life cycle of our products. This is referred to as the Gorenje eco cycle. Eco cycle can be roughly divided into four main stages as follows:
- input material stage,
- production stage,
- product use stage,
- recycling stage.

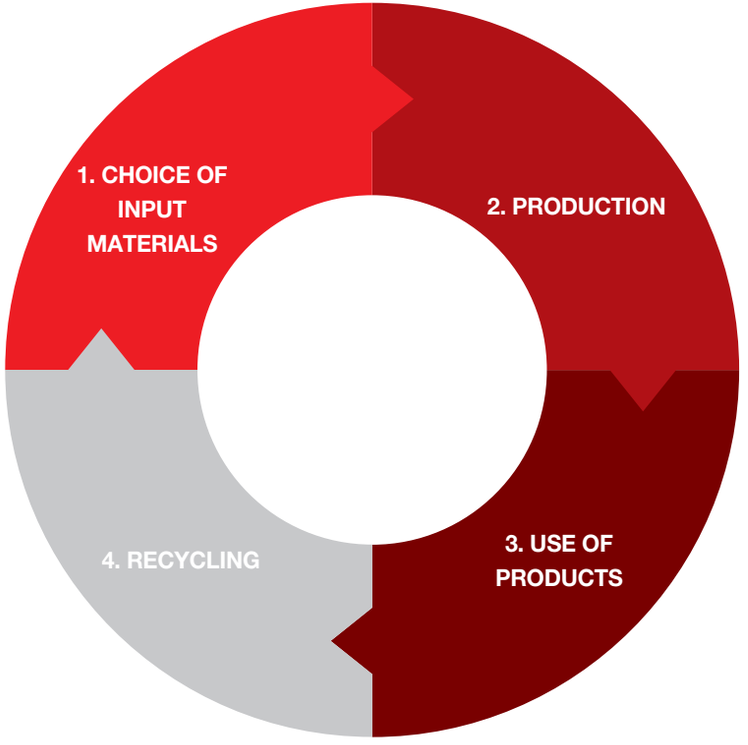


Diagram: Gorenje eco cycle – from planning to recycling

Following is a brief presentation of the importance of each of the key stages of Gorenje's eco cycle.

1. Choice of input materials:

Starting from the very beginnings, each Gorenje product is developed to comply with all legal and environmental requirements. Therefore, the product planning stage is very important as up to 80 percent of all environmental impact of a product is determined then. The composition of our products differs in terms of the materials used, depending on the type of home appliance. However, all are made of superior and environmentally sound and degradable materials, making sure they are easy to disassemble and recycle at the end of their useful life.

2. Production:

Or products are made of environmentally friendly and recyclable materials with environmentally friendly technological procedures. Investment into updates to technological processes and equipment has translated into positive environmental trends. In the period of 17 years (from 1997 to 2013), this is seen in the reduction of the following environmental impacts at the level of Gorenje, d.d., Velenje plant:

- amount of hazardous waste by 91 % per product;
- amount of disposed waste by 76 % per product;
- water consumption by 86 % per product; and
- use of natural gas by 32 % per product.

Detailed information for 2013 for the companies entered in the EMAS register is provided below.

3. Use of products:

Gorenje home appliances are designed to meet the varying needs of users with varying lifestyles. From a broader environmental aspect, these appliances have the following advantages:

- they include components that are harmless to the environment and health, which are almost completely recyclable;
- their operation requires less power, water, and detergent;
- they rank among the most economical home appliances in the market as they meet and exceed the criteria for the highest energy classes, as specified by the relevant European standards;
- noise level during operation is at the lower possible level;
- entire technological development and improvements are adapted to the requirements of environmental protection and respect for the general social interests.

Following is the general information that applies to the Gorenje Group. Detailed information for the companies entered into the EMAS register is provided below.

4. Recycling:

As early as in the stage of product planning, we consider the very last stage of its life cycle when it is no longer in use. Therefore, the very first steps in Gorenje product development also include a consideration of the requirements of product handling after the end of its useful life, when it is discarded as waste. Our products are planned and produced to allow simply disassembly and recycling in the last stage of their life cycle. We seek to incorporate in the products as few versions of the same material as possible, thus reducing the need for waste separation in the recycling process. The products are made of materials and components that are at least 80-percent recyclable.

Recycling of materials allows us to reduce the amounts of waste and the need for production of base materials (such as metals), which requires a lot of energy and results in emissions of harmful substances. Recycling procedures can reduce the use of natural resources as waste plastics and metal can be reused in a variety of production processes.

These characteristics of the eco cycle of Gorenje products also apply to the activities and products of the companies Gorenje, d.d., and Gorenje, I.P.C., d.o.o., which are entered into the EMAS register, and whose activities are presented in section 3 of this document. The environment aspects and impact identified and presented below only pertain to the said two companies which are entered into the EMAS register.

7.2 Identified environment aspects

Elements of activities, products, and services which interact with the environment are referred to as environmental aspects. The analysis of environment aspects includes all stages of the production process, products, and activities, both in normal operation and in operation under extraordinary conditions or states of emergency.

The following criteria are applied to identify a particular aspect:

- environment policy and legal requirements;
- opinion of interested parties and stakeholders;
- risk assessment;
- own assessments; and
- assessments pertaining to extraordinary conditions and states of emergency.

In assessing the environmental impacts which include every change to the environment, favourable or detrimental, resulting in part or entirely from the activities, products, and services being produced or taking place at Gorenje, d.d., and Gorenje I.P.C., d.o.o., the following has been considered:

- **direct impact,** i.e. direct results of the two companies' own activities over which the companies have direct control; and
- **indirect impact,** i.e. the effects caused directly by other parties, the occurrence, scope, and the nature of pollution of which, however, may be affected by our activities (e.g. use of our products, logistics, power production, etc.).

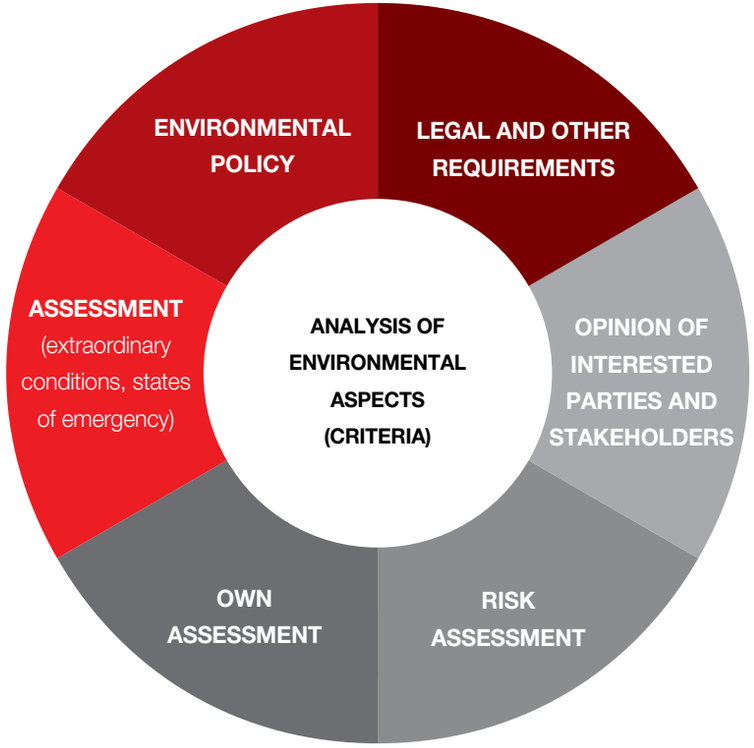


Diagram: Environmental aspect identification criteria

Framework and operative environmental targets and programs have been defined for major environmental aspects and the identified environmental aspects are being adapted in compliance with the legislation (raw materials, emissions into air, water, and ground, noise, waste etc.) and environmental policy. Gorenje, d.d., is also monitoring the use of energy resources that represent a vital part of environment protection for the holders of the Integrated Pollution Prevention and Control Permit (who are liable to comply with the relevant requirements).

In 2013, environmental aspects were fully assessed at Gorenje, d.d., and Gorenje I.P.C., d.o.o. Following the changes to the legislation and organizational changes in the company, they were reassessed; however, no changes were required to the Environmental aspects registry.

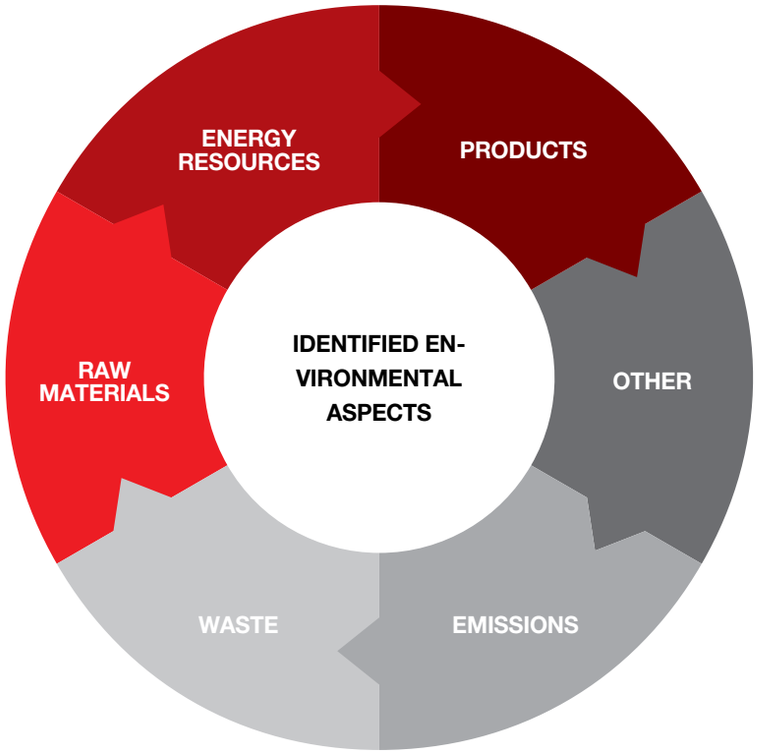


Diagram: Identified environmental aspects of the operation of the companies Gorenje, d.d., and Gorenje I.P.C., d.o.o.

Chart: Detailed overview of identified and estimated enviro-nmental aspects of the operation of the companies Gorenje, d.d., and Gorenje I.P.C., d.o.o.

IDENTIFIED ENVIRONMENT ASPECTS AT GORENJE, d.d.	IDENTIFIED ENVIRONMENT ASPECTS AT GORENJE I.P.C., d.o.o.
1. RAW MATERIALS	**1. RAW MATERIALS**
- sheet metal	
- non-metal and metal components	- non-metal and metal components
- chemicals	- chemicals
- heat and sound insulation	- heat and sound insulation
- rubber and plastic semi-products	- rubber and plastic semi-products
- packaging	- packaging
2. ENERGY RESOURCES / FUELS	**2. ENERGY RESOURCES / FUELS**
- electric power	- electric power
- thermal energy	- thermal energy
- natural gas	- natural gas
- compressed air	- compressed air
- water	- water
3. DRUGO	**3. OTHER**
- office supplies	- office supplies
- additional material	- additional material
4. EMISSIONS	**4. EMISSIONS**
- emissions into air	- emissions into air
- emissions into soil	
- noise emissions	
- emissions into water	- emissions into water
- technical wastewater	- technical wastewater
- cooling wastewater	
- utility wastewater	- utility wastewater
-sewage system	- sewage system
- light pollution	- light pollution
- odours	- odours
5. WASTE	**5. WASTE**
- hazardous waste	- hazardous waste
- waste packaging	- waste packaging
- municipal/communal waste	- municipal/communal waste
- other non-hazardous waste	- other non-hazardous waste
6. PRODUCTS	**6. PRODUCTS**
- product/service	- product/service
- own parts	- own parts

7.2.1
Assessment of the environment aspects of operation of the company Gorenje, d.d.

Based on the assessment of the environment aspects, the following two major aspects have been identified at Gorenje, d.d.:
- product/service, and
- technological wastewater in production processes.

With regard to products and technological wastewater, the emphasis is on the content of hazardous substances. A service is defined as any rendered service which has to take into account the environmental requirements (e.g. content of hazardous substances in spare parts, waste electric and electronic equipment management etc.). Technological wastewater was classified as a major environmental aspect based on an in-house assessment. Wastewater management at Gorenje, d.d., does not include only cleaning of industrial wastewater at own waste water treatment plant, but also implementation of measures for optimum consumption of water and chemicals for industrial purposes. Indirect aspects have been studied in detail through development of new products.

7.2.2
Assessment of the environment aspects of operation of the company Gorenje I.P.C., d.o.o.

As at Gorenje, d.d., product/service were defined as key aspects at Gorenje, I.P.C., d.o.o., as well.

8
Material balance

8.1
Material balance of Gorenje, d.d.

	2006		2009		2012		2013	
	(t)	%	(t)	(%)	(t)	(%)	(t)	(%)
Input raw materials	188,685.8	100	150,009.0	100	115,303.0	100	104,537.72	100
Output								
Products	171,029.1	90.6423	138,388.4	92.2534	102,635.0	89.0133	91,215.00	87.26
Metal based secondary raw materials	13,451.7	7.1291	8,272.9	5.5149	9,196.8	7.9762	9,822.40	9.40
Non-metal based secondary raw materials	2,633.1	1.3955	2,102.6	1.4017	2,454.8	2.1290	2,976.80	2.85
Waste 191212					513.5	0.4453	/	/
Waste for disposal	1027.4	0.5445	670.9	0.4472	15.3	0.0133	55.00	0.05
Non-hazardous waste	/	/	461.3	0.3075	377.7	0.3276	365.90	0.35
Hazardous waste	498.2	0.2641	101.9	0.0679	95.4	0.0827	96.92	0.09
Emissions into water	1.120	0.0006	0.170	0.0001	0.129	0.0001	0.1054	0.0001
Emissions into air	45.2	0.0235	10.9	0.0073	14.4	0.0125	5.59	0.0053

The balance for 2013 includes production of home appliances at plants located in Velenje, Šoštanj, and Rogatec. Šoštanj and Rogatec plants mostly manufacture components that are in turn installed into final products – home appliances produced at the Velenje plant. The quantities of input raw materials depend on the planned or actually produced volume of home appliances.

Basic input raw materials for home appliance production are sheet metal, plastic granulates, electrical components, chemicals, and packaging materials. Output of the material balance includes products (home appliances), waste, and emissions into water and air.

Waste is classified into secondary raw materials (metal and non-metal), hazardous waste, disposed waste, and other non-hazardous waste (waste dust, ashes, enamel, and sludge generated in the waste water treatment plant). Polymer waste is recycled within in-house processes. Hazardous waste includes waste chemicals, oil-stained cloth, and used emulsions and mineral oils.

Emissions into air include emissions from all technological processes at Gorenje, d.d., except for emission of flue gasses resulting from consumption of fuels. Emissions into water include all parameters specified by the national legislation and environmental permits, except for sulphate which is not classified as a major environment aspect of Gorenje, d.d., operations.

The share of products in the composition of the balance has recently decreased as a result of a rising share of production of advanced and larger home appliances in total production.

8.2
Material balance of Gorenje I.P.C., d.o.o.

	2006		2009		2012		2013	
	(t)	%	(t)	(%)	(t)	(%)	(t)	(%)
Input raw materials	4.374,7	100	3.549,9	100	2.966,4	100	2.659,47	100
Output								
Products	4,103.9	93.8103	3,279.0	92.3699	2,760.9	93.0708	2,435.91	91.59
Metal secondary raw materials	10.9	0.2480	10.8	0.3032	16.4	0.5522	32.02	1.20
Non-metal secondary raw materials	143.5	3.802	194.4	5.4773	153.6	5.1772	189.61	7.13
Disposed waste	115.0	2.6288	64.3	1.8099	35.5	1.1964	1.85	0.07
Hazardous waste	1.3	0.0297	1.2	0.0338	-	-	-	-
Emissions into water	–	-	0.005	0.0001	0.012	0.0004	0.0102	0.0001
Emissions into air	0.1	0.0030	0.2	0.0058	0.09	0.0030	0.07	0.0027

The balance for 2013 includes production at Velenje and Šoštanj plants. Basic input raw materials are paper used at the Graphics program and expanded polystyrene which is the basic raw material for packaging. Materials used at the Services Program and Electro Components Program are the property of Gorenje, d.d.; the company Gorenje, I.P.C., d.o.o., only provides the services.

The output side of the material balance includes products (printed material, packaging), waste, and emissions into water and air. Emissions into water and air are generated at the Packaging Program. Metal secondary raw materials include waste wire, while non-metal secondary raw materials include waste paper from the print shop and waste packaging. Hazardous waste includes oil from the machinery used in the Packaging Program, and a small amount of waste printing dyes / inks is also generated. No hazardous waste was generated at Gorenje I.P.C., d.o.o., in 2013.

9
Environmental targets and efficiency of environmental management

Based on the identified and assessed environmental aspects of our operations, the Gorenje Group lays down outline and operating environment protection targets. Following is a specification of the key outline targets and attainment of operating targets at the companies Gorenje, d.d., and Gorenje I.P.C., d.o.o., which are entered into the EMAS register.

9.1
Environmental objectives

9.1.1
Objectives at Gorenje, d.d.

Environmental management objectives for the period from 2010 to 2013 at Gorenje, d.d., include the following:

- implementation of requirements related to hazardous substances in products;
- decomposition of waste electrical and electronic equipment;
- reducing the quantity of produces waste;
- rational use of energy resources.

9.1.2
Objectives at Gorenje I.P.C., d.o.o.

Environmental management objectives for the period from 2010 to 2013 at Gorenje I.P.C., d.o.o., include the following:

Aspect	Unit	Objective 2013
Reducing the quantity of:		
- waste 19 12 12	kg	38,000
Effective use of energy resources:		
- water consumption	l/€ NR	2.000
- electric power consumption	kWh/€ NR	0.150
- compressed air consumption	m^3/€ NR	0.150
- natural gas consumption	Nm^3/€ NR	0.200

9.1.3
Objectives from 2014 to 2018

New objectives were specified at Gorenje, d.d., and Gorenje I.P.C, d.o.o., for the period from 2014 to 2018, in the following fields:

- implementation of requirements related to hazardous substances in products;
- reducing the amount of waste generated; and
- rational use of energy.

9.2
Meeting implementation targets and targets for 2014 at Gorenje, d.d.

The regulation (EC) No. 1221/2009 specifies reporting on environmental performance of organizations. Such reporting must be based on general performance indicators specific to a particular industry, which allow comparison of environment performance in various periods of reporting and among different organizations. Accordingly, Gorenje, d.d., and Gorenje, I.P.C., d.o.o., specified their respective environmental goals, or targets, pursuant to the new EMAS Regulation. At Gorenje, d.d., the targets for 2010 are stated in measurement units relevant to each environmental aspect per gross weight of appliances produced; at Gorenje, I.P.C., d.o.o., the indicators are given in measurement units relevant for a particular aspect per euro of net revenue.

9.2.1
Location Velenje

Aspect	Unit	2010	2011	2012	Target 2013	Actual result 2013	Deviation (%)	Target 2014
rational use of energy resources:								
- water	m^3/unit	0.11	0.10	0.085	0.08	0.079	-1.25	0.078
	m^3/t*	2.13	2.00	1.74	1.64	1.68	+2.4	1.64
- electric power	kWh/unit	24.88	25.25	24.98	24.00	24.03	+0.1	24.00
	kWh/t*	481.8	496.6	511.7	491.3	508.8	+3.6	491.3
- compressed air	m^3/unit	15.05	12.88	14.03	13.8	13.67	-1.0	13.50
	m^3/t*	291.4	253.3	287.4	282.5	289.5	+2.4	282.5
- natural gas	Sm^3/unit	1.30	1.33	1.28	1.26	1.32	+4.8	1.40
	Sm^3/t*	25.3	26.3	26.25	25.8	27.9	+8.1	25.8

* Measurement unit relevant to a particular aspect per gross weight of appliance produced

Our targets regarding rational use in of fuels in 2013 were met, in terms of both the number and weight of appliances produced. Specific consumption of natural gas increased. However, all discrepancies were below the allowed limit of 15 percent; therefore, no corrective measures were required.

9.2.2
Location Rogatec

Aspect	Unit	2010	2011	2012	Target 2013	Actual result 2013	Deviation (%)	Target 2014
Reducing the quantity of:								
- hazardous waste	t	8.4	7.12	5.19	4.8	5.0	+4.2	4.8
- waste to be disposed	t	16.2	13.64	12.69	10.0	3.9	-61.0	4.1

Comparison of the amount of hazardous waste points to an increase over the year before, which is 4.2 percent above the target. Total amount of disposed waste was reduced considerably, to 61 percent below the target. The amount of disposed waste was reduced for two reasons:

- more consistent waste separation to particular fractions at the source in production; and
- lower production volume.

No corrective measures have been adopted due to the considerable decrease in the amount of waste to be disposed and the resulting deviation from the target.

9.2.3
Location Šoštanj

Aspect	Unit	2010	2011	2012	Target 2013	Actual result 2013	Deviation (%)	Target 2014
Reducing the quantity of:								
- hazardous waste	t	5.3	0.485	0.97	0.90	0.92	+2.2	0.9
- waste to be disposed	t	18.6	9.736	8.99				
Rational use of energy resources:								
- water	m^3	3,283	1,099	1,158	1,100	1,124	+2.1	1,100
- power	kWh	2,898,123	1,520,768	1,508,487	1,500,000	1,421,395	-4.6	1,450,000

In 2013, the amounts of waste and water and power consumption were within the allowed deviations.

Water consumption exceeded the target by 2.1 percent; the amount of hazardous waste exceeded it by 2.2 percent. Use of electric energy was 4.6 percent lower than the specified target.

No corrective measures were adopted as a result of these deviations.

9.3
Meeting implementation targets and targets for 2014 at Gorenje I.P.C., d.o.o.

Targets for the entire Gorenje I.P.C., d.o.o.

Aspect	Unit	2010	2011	2012	Target 2013	Actual result 2013	Target 2014
Rational use of energy resources:							
- water	l/€ NR*	1.942	1.696	1.463	1.460	1.423	1.420
- electric power	kWh/€NR*	0.148	0.152	0.148	0.148	0.138	0.133
- compressed air	m^3/€ NR*	0.166	0.155	0.152	0.152	0.169	0.152
- natural gas	Sm^3/€ NR*	0.214	0.199	0.182	0.180	0.191	0.180

* measurement unit for the aspect per EUR of net revenue

9.3.1
Location Velenje

Aspect	Unit	2010	2011	2012	Target 2013	Actual result 2013	Target 2014
Rational use of energy resources:							
- water	l/€ NR*	3.864	3.112	2.718	2.710	2.952	2.710
- electric power	kWh/€ NR*	0.137	0.140	0.135	0.135	0.140	0.135
- compressed air	m^3/€ NR*	0.166	0.155	0.152	0.152	0.169	0.152
- natural gas	Sm^3/€ NR*	0.214	0.199	0.182	0.180	0.191	0.180

* measurement unit for the aspect per EUR of net revenue

In terms of rational use of energy, the specified targets were not met at the Velenje plant, mostly as a result of the following:

- higher number of employees, and
- launch of new production of washing machines, dryers, and dishwashers of the Asko brand.

At the Velenje plant, the trend over the last four years points to a decrease in the use of the following sources of energy or resources:

- electric energy,
- water, and
- natural gas.

The highest growth to date was seen in use of compressed air in 2013, which is a result of the launch of production of Asko appliances.

9.3.2 Location Šoštanj

Aspect	Unit	2010	2011	2012	Target 2013	Actual result 2013	Target 2014
Rational use of energy resources:							
- water	l/€ NR*	0.308	0.205	0.185	0.185	0.243	0.236
- electric power	kWh/€ NR*	0.164	0.170	0.158	0.155	0.135	0.131

* measurement unit for the aspect per EUR of net revenue

At the Šoštanj plant, the target was reached in terms of power consumption, but not in terms of water consumption. The reason is higher number of employees at the PEK Program.

9.4
Wastewater

All industrial wastewater generated at Gorenje, d.d., at the Velenje plant in the processes of pre-treatment before enamel coating, lacquer coating, and galvanization, are treated in the in-house mechanical and chemical wastewater treatment plant.

The treated wastewater is then discharged into the Paka River. Different methods are employed within particular technological procedures to decrease the amount of wastewater and wastewater load at the source, e.g. cascade rinsing, oil separators, filter presses, cation selective exchangers, electrolysis cells etc.

At the Rogatec plant, wastewater is generated in the pre-treatment processes before lacquer coating. It is treated in the in-house mechanical and chemical wastewater treatment plant. Wastewater from the Rogatec Mekom wastewater treatment plant is discharged to the treatment plant collector, which is connected to the public wastewater treatment plant managed by the OKP Rogaška Slatina.

At Gorenje I.P.C., d.o.o., industrial wastewater is generated in the boiler room which is a part of the technological process of polystyrene packaging production unit. Wastewater is discharged into the public sewage system into a collector which takes the wastewater to the municipal wastewater treatment plant of the Šalek Valley.

At all plants, the quality of the discharged wastewater complies with the relevant legal requirements.

9.5
Emissions into air

In 2013, partial reconstruction of the existing emissions into air was carried out at Gorenje, d.d., as a result of relocation of technology at the Velenje plant; this included removal of 11 exhaust points.

Pursuant to the provisions of the environmental permit, measurements of emissions into air are conducted at the Velenje plant of Gorenje, d.d., every third year. Currently, measurements are taken on 64 exhaust points. At the Rogatec plant, measurements of emissions into air are conducted on 13 exhaust points; at Gorenje I.P.C., d.o.o., measurements are conducted on one exhaust point at the Velenje plant. The measured values did not exceed, on any exhaust point, the critical values as specified in the environmental permit or the maximum values specified by the relevant law.

Both companies also use immobile/static equipment for cooling and air conditioning which contains refrigerant made of ozone depleting substances and refrigerants including some fluorinated greenhouse gases. This equipment, too, is managed in compliance with the provisions of the environmental permit.

10
Information on emergency situations

At Gorenje, regular preventive activities are carried out to prevent extraordinary environmental events.

Our employees are continuously trained for safe work and for conduct in case of extraordinary events. We do regular evacuation drills and practical fire extinguishing tests. We also conduct regular control of technological procedures and we regularly monitor the effects on the environment.

In 2013, the Professional Fire Brigade intervened twenty-eight times in cases of extraordinary environmental events at Gorenje, d.d. At Gorenje I.P.C., d.o.o., no interventions were required in 2013.

The most frequent emergency event was spill of hydraulic oil from forklift trucks, oil spills resulting from failure of equipment, and fuel spills resulting from failures on freight vehicles of third-party service providers. All events were minor and did not require further measures. There were no negative effects on the environment resulting from the extraordinary events at Gorenje, d.d., and Gorenje I.P.C., d.o.o. in 2013.

In October, Gorenje professional fire brigade worked with the volunteer fire brigades of the Šalek Valley Firefighting Association to hold a firefighting and evacuation drill at the Gorenje office building.

11
Communication with the stakeholders

11.1
Specifying the stakeholders

Corporate Governance Policy of Gorenje, d.d., which pertains to both the said company and its subsidiaries which, along with their parent company, comprise the Gorenje Group, also specifies the groups of stakeholders and the strategy of communication and cooperation with them.

Pursuant to the Corporate Governance Policy, the stakeholders (key interest groups) of the company and the Gorenje Group are presented in the chart below. Definition of stakeholders and the fundamental policies of communications and cooperation with them also apply to the companies Gorenje, d.d., and Gorenje I.P.C., d.o.o., which are entered into the EMAS register.

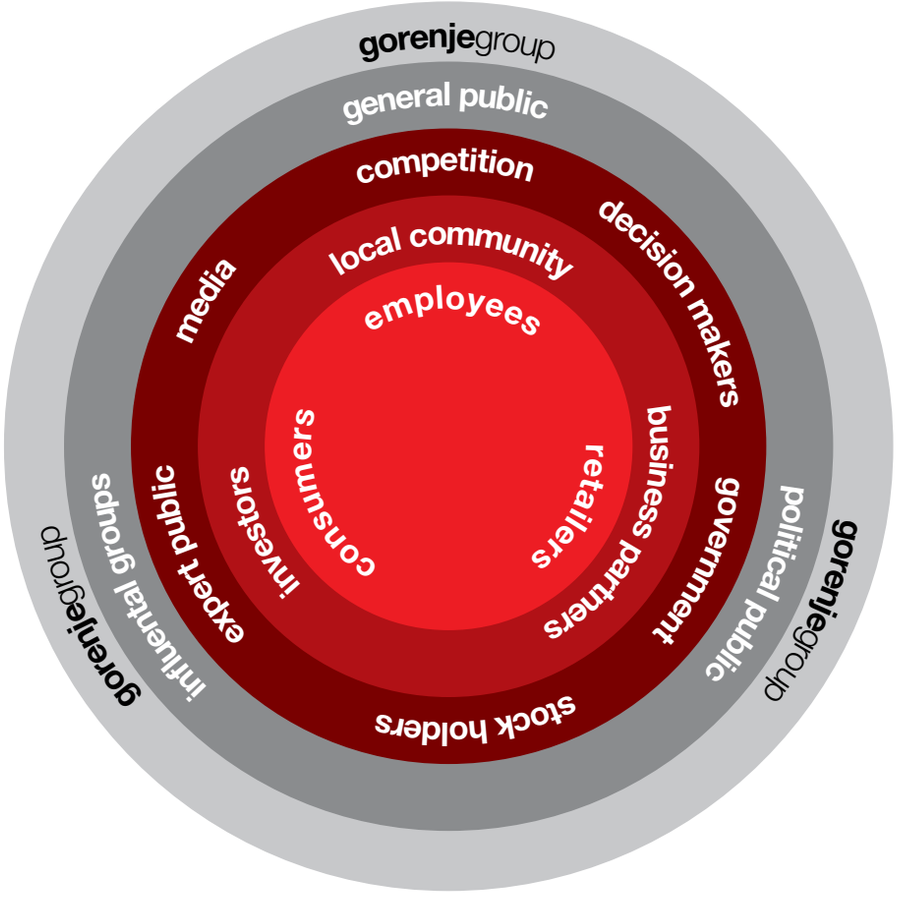


Diagram: Key interest groups or stakeholders of the company Gorenje, d.d., and the Gorenje Group

11.2
Policies regarding the inclusion of environmental information into communication with the stakeholders

Environment protection and occupational health and safety are constituent parts of Gorenje Group's corporate governance policy and organizational culture. Therefore, all strategic guidelines and policies in communications and cooperation with the stakeholders also pertain to environmental issues and issues related to occupational health and safety.
Following are the key policies for communication and cooperation with particular groups of stakeholders, with emphasis on environmental communication.

Shareholders

Creating value for the shareholders is a fundamental goal of operation and management of any public limited company. Successful performance and strategic growth generate long-term value of the shareholders' investment. We are looking to consolidate shareholder confidence by regularly reporting on the events at the company and anything related to it, including the relevant environmental issues.

Customers

Customers (both direct, i.e. distributors and wholesalers, and end users) are the key to company operations; without increasing sales of our products, the pursuit of other goals of our operations is threatened. Education and awareness are two major values in our relationship with the customers.

A variety of promotional materials with information about our products is prepared to facilitate communication with our customers. One important aspect of these materials is information on our efforts in environment protection throughout the life cycle of our products: from planning, through production and use, to handling after their useful life.

Employees

We are aware that motivated employees are the key to Gorenje's success. Together, we are building a culture of mutual trust, respect, continuous learning, and responsible and efficient work. Employees with relevant knowledge and experience are motivated as they see the opportunities for their personal and professional development within the Gorenje Group. This is one of our most important advantages relative to our competitors in the industry.

One important purpose of communication with the employees is to inform them about the vision, values, and strategy of the company, as well as about the environment protection and occupational health and safety policies, to include the employees into such policies, and to implement these policies. Environmental communication is an important component of internal communication at the Gorenje Group.

Key communication channels, activities, and internal environmental communication projects at Gorenje include the following:

- system for submission of and rewarding beneficial proposals called Iskrice (Sparks);
- 20 keys system;
- communication through in-house newsletters (weekly newsletter Info.G and the Pika na G newsletter) which inform the employees about the events and policies in environment protection and occupational health and safety;
- communication through coordinators for environment protection and occupational safety and health;
- online internal communication via Intranet, particularly the Environment Protection Portal and the Occupational Health and Safety Portal.

Regular and periodical training and education are also an important part of communication and cooperation between the employees in the field of environment protection and occupational health and safety; in 2013, it was in progress consistently with the annual plans.

Suppliers

We seek to establish long-term partnerships with our suppliers, based on the principle of continuous revision of their competitive advantages. In a dynamic procurement environment, this allows us to secure safe and reliable sources, reasonable price of the products supplied and services rendered, and effect on the supplier's quality. Key criteria for the selection of our suppliers already include some criteria regarding their environmental performance; this aspect will be developed further in the future.

Financial analysts and pundits

Opinions of financial analysts affect other stakeholders, either directly or through the media. Occasionally, key information communicated to

the financial analysts may also include important information on the environmental aspects of our operations.

Local communities

Corporate social responsibility is a key pillar of Gorenje's responsible conduct and it coincides to a great extent with the efforts to protect the environment, both in production processes and in our broad operations at the local, regional, national, and international level.

Our attitude towards the important of environmental protection also affects the strategic choice of projects and organizations supported with donations and sponsorships.

The media

The media is a key link between Gorenje and the general public. Therefore, we manage proactively our relations with both Slovenian and international media outlets in order to provide timely and quality information, to respond to the needs of the environment for communication, and to establish and maintain successful relations with the media and, through the media, with other groups of stakeholders. We choose and shape with care the topics to be relayed to the media, thus co-creating the media stories of which the environmental aspects of our operations are an important component.

11.3 Media reports on environmental aspects of Gorenje operations in 2013

In 2013, Slovenian printed and electronic media ran 1,050 reports regarding the environmental issues related to the Gorenje Group. The increase in the number of reports relative to 2012 when 305 reports were ran in the media, is mostly a result of exceptional interest of the media for the fire that took place during the summer at the Maribor plant of Gorenje's subsidiary Gorenje Surovina.

We responded quickly and proactively regarding the event, and provided regular information on the progress of events during the fire. As a result of regular and proactive communication by Gorenje, media reports on this unfortunate event were mostly unbiased and balanced.

Key positive reports on Gorenje Group companies in 2013 include especially the contributions on the activities of the company Zeos in the field of waste electric and electronic equipment.

In 2013, there were not any notable positive or negative media reports regarding the companies Gorenje, d.d., and Gorenje, I.P.C., d.o.o., which are entered into the EMAS register.

11.4
Inspections in 2013

11.4.1
Inspections at the company Gorenje, d.d.

In 2013, the Environment and Nature Inspection Service, regional unit Celje, conducted three inspections at Gorenje, d.d. In the **first inspection,** the inspector reviewed the following aspects of operations of Gorenje, d.d., MEKOM Program, location Rogatec:

- emissions into air (from the white and black lacquer coating chamber);
- ozone-depleting substances;
- wastewater; and
- waste management.

In the **second inspection,** the inspector reviewed the manager regarding compliance with the provisions of the environmental permit No. 35407-91/2006-13 dated August 29, 2008. The inspector reviewed the compliance with the environmental requirements for the following:

- emissions of substances into air,
- immobile cooling and air conditioning equipment,
- emissions of substances and heat into water,
- waste,
- waste electric and electronic equipment,
- noise emissions,
- electromagnetic radiation,
- efficient use of water and energy,
- measures for maximum overall environment protection, and
- reduction of risks in cases of accidents, and management of extraordinary conditions.

In the **third inspection**, the inspector reviewed the following:

- management of immobile cooling and air conditioning equipment,
- compliance with environmental requirements regarding emissions of substances and heat into water, and
- compliance with requirements regarding noise emissions into the environment.

No irregularities were found.

11.4.2
Inspections at the company Gorenje I.P.C., d.o.o.

In 2013, the Environment and Nature Inspection Service, regional unit Celje, conducted two inspections at Gorenje I.P.C., d.o.o. In the **first inspection,** the inspector reviewed company operations with regard to the following aspects:

- emissions into air,
- emissions of noise into the environment, and
- waste management.

In the **second inspection,** the inspector reviewed company operations with regard to the following aspects:

- water consumption,
- management of equipment containing ozone-depleting substances and fluorinated greenhouse gases, and
- emissions of noise into the environment.

No irregularities were found.

11.5
Stakeholder inquiries for environmental information

In 2013, nine (9) groups or individuals contacted Gorenje, d.d., for more information on environmental management or for response to questionnaires or surveys dealing with the environmental aspects of our operations.

Gorenje, d.d., and Gorenje I.P.C., d.o.o., did not receive any complaints from the public.

12
Compliance with legislation and other requirements

Based on continuous monitoring of legal (in the field of emissions into water, emissions into air/atmosphere, waste, noise, packaging, chemicals, energy resources, building construction and protection against natural and other disasters) and other requirements related to environment protection, environmental due diligence audits, results of environmental monitoring (wastewater operational monitoring report, annual report on waste generation in manufacturing and service activities, annual report on emissions of substances into the atmosphere, annual report on capture of ozone-depleting substances or fluorinated greenhouse gasses), and results of inspection reviews, we find that operations of the companies Gorenje, d.d., and Gorenje I.P.C., d.o.o., are in compliance with legal and other requirements specified by the requirements of the ISO 14001 standard and the EMAS Regulation.

The company meets legally provided limit values with regard to wastewater, emissions into air/atmosphere, and noise released into the environment, specifically defined for its activity. For other areas referred to above, no limit values are provided by currently effective legislation.

The companies Gorenje, d.d., and Gorenje I.P.C., d.o.o., have obtained all required environmental permits. Gorenje, d.d., obtained the Integrated Environmental Permit No. 35407-91/2006-13 for its Velenje plant, for the following:

- operation of equipment that may cause major pollution, activity 2.6; and for
- operation of equipment for surface treatment of metals using electrolysis and chemical procedures, with a total tub volume of 215.4 m^3.

The permit is valid through September 2018.

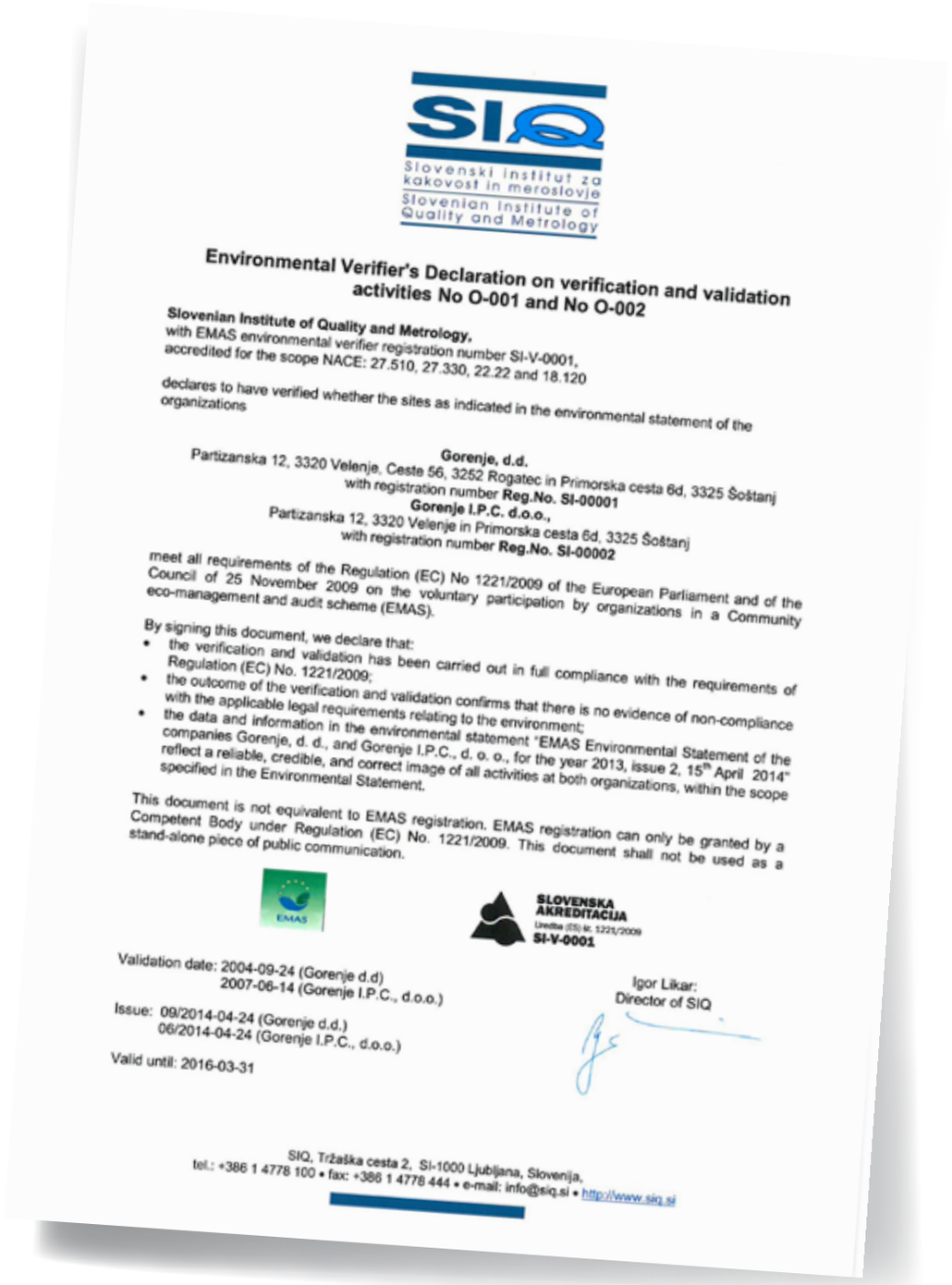
As a result of anticipated changes in the technological procedures at Gorenje, d.d., minor change to the environmental permit will be required; this, in turn, requires a study of the changes in the environmental impact. In October 2013, the study "Expert Assessment of the Environmental Impact of the Change in the Operation of Equipment at Gorenje, d.d.," was conducted.

The Rogatec plant obtained the environmental permit No. 35441-44/2010-3 for the emission/discharge of industrial wastewater, which is valid until October 7, 2015; black lacquer coating chamber with consecutive number 2 is registered in the record of equipment using organic solvents (decision No. 35413-22/2011-4, valid until October 28, 2016).

Gorenje I.P.C., d.o.o., Velenje site, obtained the environmental permit no. 35411-81/2009-5 for release of industrial wastewater into the sewage system. The permit is valid through October 15, 2014.

Gorenje, d.d., and Gorenje I.P.C., d.o.o., report regularly each year to the Environmental Agency of the Republic of Slovenia on their entire environmental impact.

Environmental Verifier's Declaration



SIQ
Slovenski institut za kakovost in merjenje
Slovenian Institute of Quality and Metrology

Environmental Verifier's Declaration on verification and validation activities No O-001 and No O-002

Slovenian Institute of Quality and Metrology,
with EMAS environmental verifier registration number SI-V-0001,
accredited for the scope NACE: 27.510, 27.330, 22.22 and 18.120

declares to have verified whether the sites as indicated in the environmental statement of the organizations

Gorenje, d.d.
Partizanska 12, 3320 Velenje, Ceste 56, 3252 Rogatec in Primorska cesta 6d, 3325 Šoštanj
with registration number **Reg.No. SI-00001**
Gorenje I.P.C. d.o.o.,
Partizanska 12, 3320 Velenje in Primorska cesta 6d, 3325 Šoštanj
with registration number **Reg.No. SI-00002**

meet all requirements of the Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organizations in a Community eco-management and audit scheme (EMAS).

By signing this document, we declare that:

- the verification and validation has been carried out in full compliance with the requirements of Regulation (EC) No. 1221/2009;
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with the applicable legal requirements relating to the environment;
- the data and information in the environmental statement "EMAS Environmental Statement of the companies Gorenje, d. d., and Gorenje I.P.C., d. o. o., for the year 2013, issue 2, 15th April 2014" reflect a reliable, credible, and correct image of all activities at both organizations, within the scope specified in the Environmental Statement.

This document is not equivalent to EMAS registration. EMAS registration can only be granted by a Competent Body under Regulation (EC) No. 1221/2009. This document shall not be used as a stand-alone piece of public communication.

EMAS

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Igor Likar:
Director of SIQ

SIQ, Tržaška cesta 2, SI-1000 Ljubljana, Slovenija,
tel.: +386 1 4778 100 • fax: +386 1 4778 444 • e-mail: info@siq.si • http://www.siq.si

design MARINŠEK & MARINŠEK