

Environmental report 2008

Development for the future

April 2009

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1. Introduction

Environmental liability as an important part of social responsibility belongs among the important factors of quality and is becoming one of the main driving forces of social changes. In Iskra Avtoelektrika we are aware that in the increasingly stiff competition, we can succeed only with appropriate approach to the issues regarding environment, and health and safety at work that are becoming more complex and demanding with every year.

We, the employees of Iskra Avtoelektrika, are also aware that people are generators of social changes and we are trying to put the values like development for the future and respect and development of an individual to action. By vision, commitment to excellence and environmental policy, we have set the goals of environmental operations that include the entire life cycle of a product from development to manufacture, use and treatment after the expiration date. The environmental liability is increasingly establishing itself as a fundamental value, what is proved also by the voluntary approaches that we undertook in the last years.

2. Environmental Management

In Iskra Avtoelektrika d.d. we understand the environment in a broader sense as it is usually perceived, as it refers to the environment that expands from the organization inside to the world system and in addition to water, air, ground, natural resources... includes in the first place the man – employed in the company and the one that is directly affected by our products and our activities – customer, supplier, contractor, outsourcer, neighbour, member of the community, citizens, and finally every living being on this planet. Environmental management does not mean only meeting of environmental legislation in the sense of protection of the environment, but it is also a process that enables sustainable development of the company.

2.1 Vision

We wish to develop high environmental culture of the Iskra Avtoelektrika Group, which will be present in all its activities, and set up environmentally efficient operations ensuring to the coming generations at least as good quality of life as we have today.

2.2 Strategy

By proactive, preventive and systematic approach – by implementation of innovative techniques in the field of process optimisation and new BAT technologies, by designing cleaner products – Eco design, and by recycling products we improve the process efficiency, increase the efficient use of natural resources, reduce the amount of waste and emissions at the origin, create clean, healthy and safe working environment, and in this way improve the well-being, health and safety of the employees, achieve savings and increase the reputation and competitive advantages of our company.

2.3 Goals

Strategic goals that we have set for ourselves in the field of environmental management are:

- Reduce negative impacts on the environment throughout the entire life cycle of the products
- Prevent and reduce burdening of the environment at the origin and the resulting costs
- Dispense and substitute the hazardous substances
- Create clean, healthy and safe working environment
- Use energy, water and raw materials in a sustainable way
- Respect, meet and exceed the norms of environmental protection to the level that is realisable in technological and economic sense
- Establish the environmental management system ISO 14001 in all subsidiary companies
- Transfer good environmental practices to the subsidiary companies

2.4 Environmental policy

By knowing the environmental impacts of products and technologies and taking into account the environmental objectives and targets, we implement continual improvements, respect the principles of sustainable development, and are ready for the market demands requiring environment friendly products.

Due to the impacts on the environment, we continuously reduce risks and we cooperate and forward the requirements for environment protection to all that work for or on behalf of the Iskra Avtoelektrika Group.

In all our activities we follow the legal environmental and other legitimate requirements to which our customers and we ourselves are bound.

As employees we are responsible for continual environment-friendly activities in design, purchase, production and sales of our products and we wish our customers to trust in our environmental endeavours.

2.5 Voluntary approaches – Clean production, ISO 14001, OHSAS 18001

In Iskra Avtoelektrika we are aware that only systematic approach enables us to control the possible threats to the environment and risks for a man, continuously improve and adjust to new legal and other requirements. In 2001 Iskra Avtoelektrika was one of the first 13 Slovenian companies that took part in the project Clean Production. Clean Production Methodology or in other words management of material flows was in the years 2001 and 2002 successfully implemented. Based on it, we easier and faster met the requirements of the standard ISO 14001, and at the beginning of 2003 we also gained a certificate of the mentioned standard. A considerable recognition and additional stimulation for our work in the field of environment protection denoting that we are on the right way was also the award "Environment Friendly Company", which we received in 2005.

Our strategy in the field of environment protection is a proactive and preventive approach, meaning that we act at the beginning of or during a process and not based on the consequences, therefore we gained the certificate OHSAS 18001 at the beginning of 2008. Introduction of the health and safety at work management system is in our opinion the appropriate and efficient tool to increase the safety of the employees and reduce the risks for occupational injuries and diseases.

By introducing the standards we ensure ourselves more stable operations, as satisfied employees and the supporting local and wider community enable the organization easier operations and stable profit in the long run.

2.6 Environmental planning

Proactive, preventive and systematic approach in the field of environment management can, in addition to the implementation of innovative techniques in process optimization and introduction of BAT technologies, be seen especially in the field of designing cleaner products. The basic purpose of environmental planning (ECO design) is to reduce the negative impacts on the environment through the entire life cycle by improved planning.

An example are electric power-assisted steering systems (EPS), which enable better fuel efficiency, as they operate independently of the vehicle engine and are more than by half lighter than the classical steering systems.

Due to the requirements from the automotive industry, we had to, even before the Slovenian legislation came into force, eliminate four heavy metals (Pb, Cr(VI), Cd, Hg) from our products, as our customers required. In this way our products became more competitive, we relieved the environment from burdening and undoubtedly reduced the risk of occupational illnesses, as we eliminated the carcinogenic elements such as Pb and Cr(VI) from the business processes.

3. Environmental performance

The results of the eco innovations can be seen in the environment-efficient operations, which indicate implementation of the principles of sustainable development and widely used concept, as they enable the company a review of business and environmental objectives attainment. Environmental performance is an instrument that transforms the requirements regarding durability into concrete working objectives and can be seen especially in eliminating hazardous substances dangerous for the man and the environment, reducing the amount of consumed water, energy, raw materials, waste and emissions, and in increasing environmental awareness and establishing high environmental culture of the company. Environmental performance consequently increases the motivation of the employees, as it is connected with reducing the risk of occupational illnesses and injuries.

3.1 Environmental accounting

Environmental accounting is a frame for quantitative evaluation of environmental operations of the company and at the same time a method for increasing the environmental performance comprising the means intended for preventive and remedial measures for environmental protection. We are aware of the necessity of the environmental costs transparency if we wish to improve the environmental management process, integrate the cost of pollution to the price of our products, and find the reserves to make savings. We set the foundations of environmental accounting, which we try to upgrade every year. Encompassing of costs that have a direct impact on our operations, i.e. internal environmental costs (expenditure on water, energy, waste, investments...) is quite simple, while a substantial part of costs is indirect, hidden, and difficult to be indicated in numbers. Especially when establishing a system for recording and evaluating these expenditures, a large scale of innovativeness and cooperation of various experts will be required.

Expenditure on	2004	2005	2006	2007	2008
	%	%	%	%	%
Water	0.19	0.11	0.09	0.08	0.07
Energy	0.83	0.80	0.81	0.92	0.89
Waste	0.08	0.09	0.07	0.06	0.06
Environmental investments	0.42	0.25	0.02	0.10	0.53
Taxes	0.03	0.01	0.01	0.01	0.01
Monitoring and analysis costs	0.02	0.01	0.02	0.04	0.01

Table 1: Percentage of environmental costs in the sales

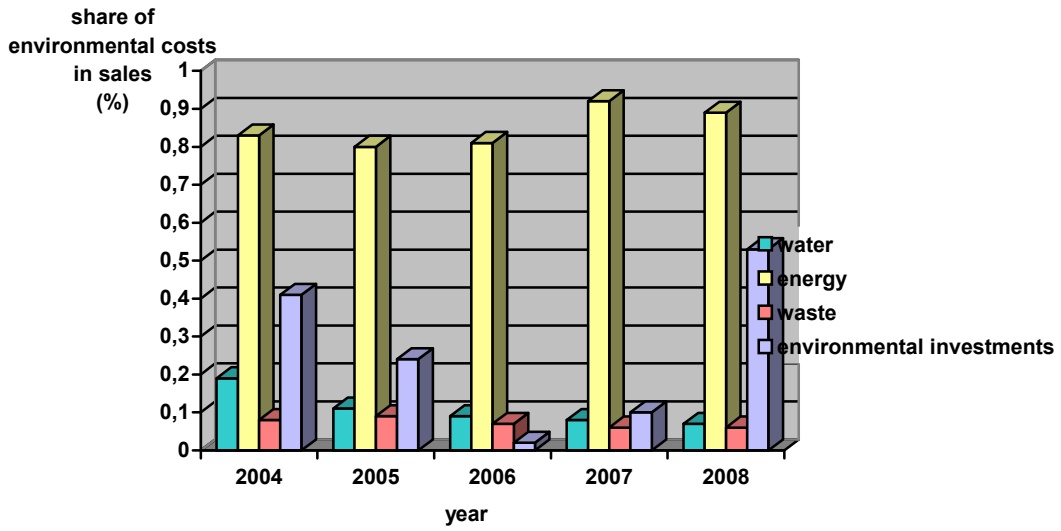


Diagram 1: Percentage of environmental costs in the sales

3.2 Environmental indicators

Environmental indicator =	Environmental aspect
	Sales value

3.2.1 Raw and accessory materials

Together with economic growth, the use of natural resources and burdening of the environment is increasing. Therefore, we placed the consumption of raw and accessory materials per sales unit among the indicators. Our goal is to reduce their consumption mostly by developing new and state-of-the-art products with bigger efficiency and bigger specific powers (electronically commutated DC motors, reduction gear starters, double internal fan alternators etc.), by reject reduction with new technological procedures and total quality control by aluminium, copper, iron etc. recycling.

Raw and accessory materials	EM	2004	2005	2006	2007	2008
Ferrous metals	t	11335	10733	13255	14978	16626
	t/mil EUR	91.04	80.7	81.9	80.1	78.6
Non-ferrous metals	t	3154	2560	3229	3706	4166
	t/mil EUR	25.33	19.2	19.9	19.8	19.7
Oils	t	72.1	53.4	63.6	42.4	61.2
	t/mil EUR	0.58	0.40	0.39	0.23	0.29
Emulsion oils	t	15.9	18.6	20.6	12.5	15.9
	t/mil EUR	0.13	0.14	0.13	0.07	0.07
Paint, varnish	t	14.7	12.9	15.2	15.0	21.4
	t/mil EUR	0.12	0.10	0.09	0.08	0.1
Impregnation resins	t	75.9	76.1	77.1	77.4	68.6
	t/mil EUR	0.61	0.57	0.48	0.41	0.32
Chlorinated solvents	t	7.0	6.6	9.3	6.6	5.6
	t/mil EUR	0.06	0.05	0.06	0.04	0.03
Other solvents and diluents	t	8.9	8.9	12.8	11.0	10.9
	t/mil EUR	0.07	0.07	0.08	0.06	0.05
Toxic chemicals	t	10.3	9.0	10.74	12.7	9,9
	t/mil EUR	0.13	0.11	0.09	0.07	0.05
Aqueous-based cleaning solutions	t	3.9	14.4	16.3	11.6	15
	t/mil EUR	0.03	0.11	0.10	0.06	0.07

Table 2: Consumption of raw and accessory materials

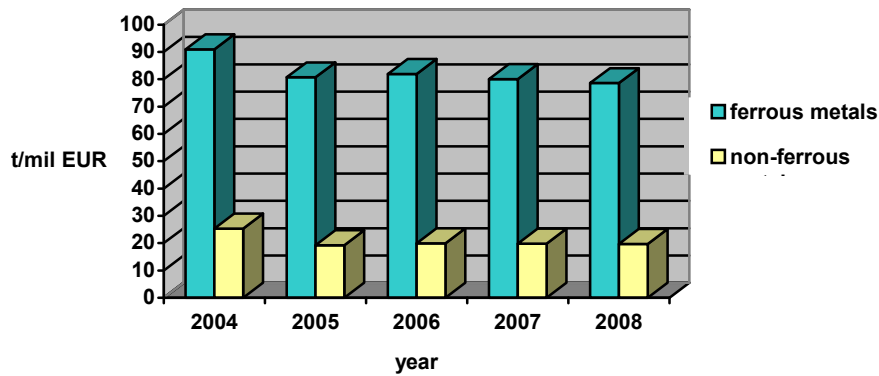


Diagram 2: Consumption of raw materials with regard to the sales

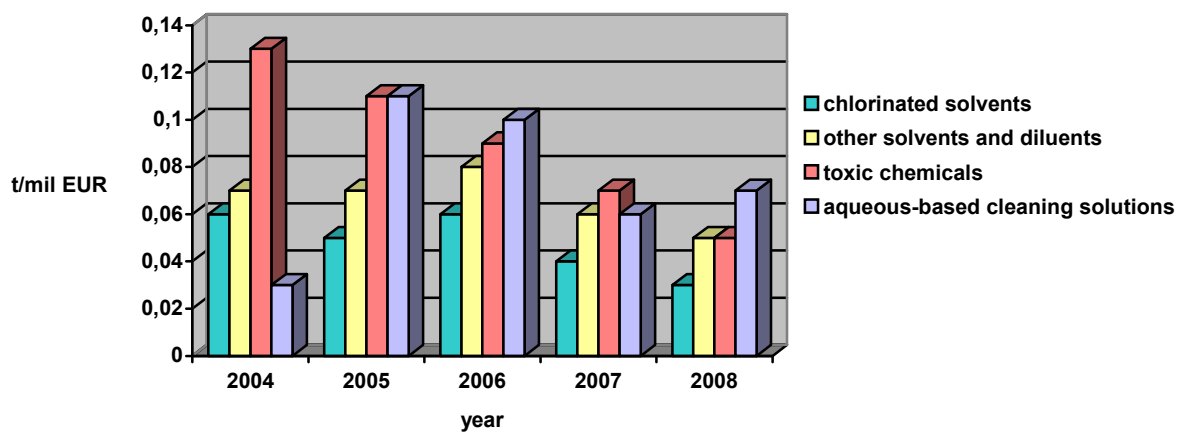


Diagram 3: Consumption of accessory materials with regard to the sales

Introduction of the state-of-the-art techniques, which are also economically justified, brings tangible results and benefits.

By replacing the old impregnating machines using trickle impregnation method with the new ones, where impregnation is carried out by dipping the products into a small amount of varnish, we substantially reduced the consumption of impregnation resins. In addition to lower material costs, higher productivity and improved process efficiency, we considerably reduced emissions of high volatile substances to air, improved working conditions of the employees and reduced the risk of occupational illnesses.

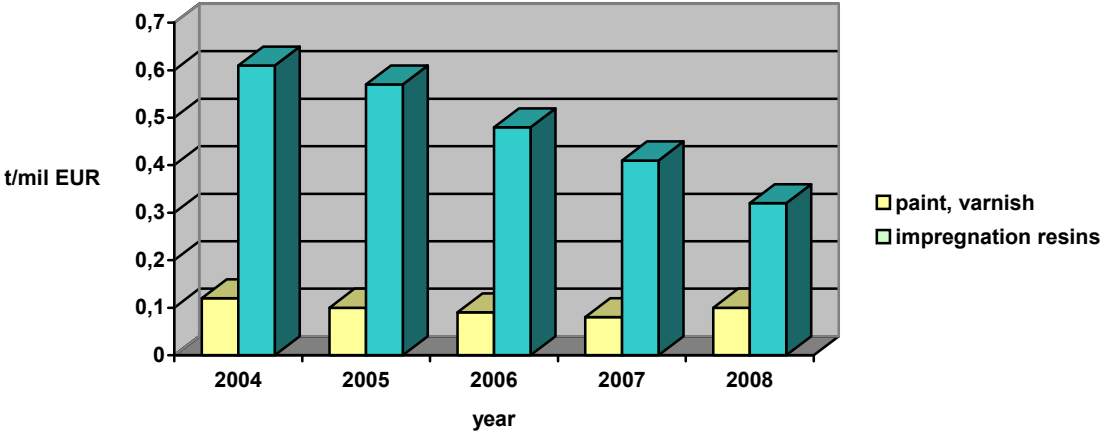


Diagram 4: Consumption of paint, varnish and impregnation resins with regard to the sales

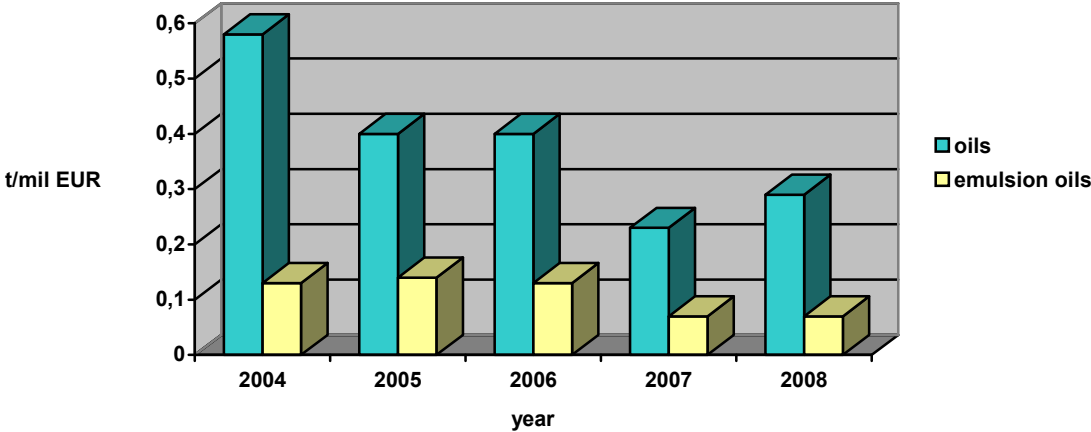


Diagram 5: Consumption of oils and emulsion oils with regard to the sales

3.2.1.1 Chlorinated solvents

In addition to introduction of BAT technologies, innovative techniques are those that help to achieve the set environmental objectives. Wherever possible we are replacing the hazardous chemicals with those that are environment friendlier. The use of chemicals that have a special effect on the health of people, i.e. carcinogenic, mutagen and reprotoxic chemicals, is in our production processes prohibited. Due to the change in technology and replacement of accessory raw materials (soldering paste) in the programme of electronics, and supply of a new washing plant that uses a biodegradable aqueous cleaning solution, we completely eliminated the use of trichloroethene years ago. In 2003, we also replaced the very dangerous solvent dichloromethane, which had been used for cleaning of the impregnating machines with a cleaning agent based on citrus oils. In this way we lowered the emissions of chlorinated high-volatile substances to air and significantly improved the working conditions of the employees.

The only chlorinated solvent that we are still using is tetrachloroethene, which is used for semi-manufactures cleaning in the washing plants with completely closed system of washing. In 2009 we are going to replace these plants with those that use detergents. In this way, we will prevent the emissions of chlorinated volatile substances at the source and importantly improve the working conditions of the employees.

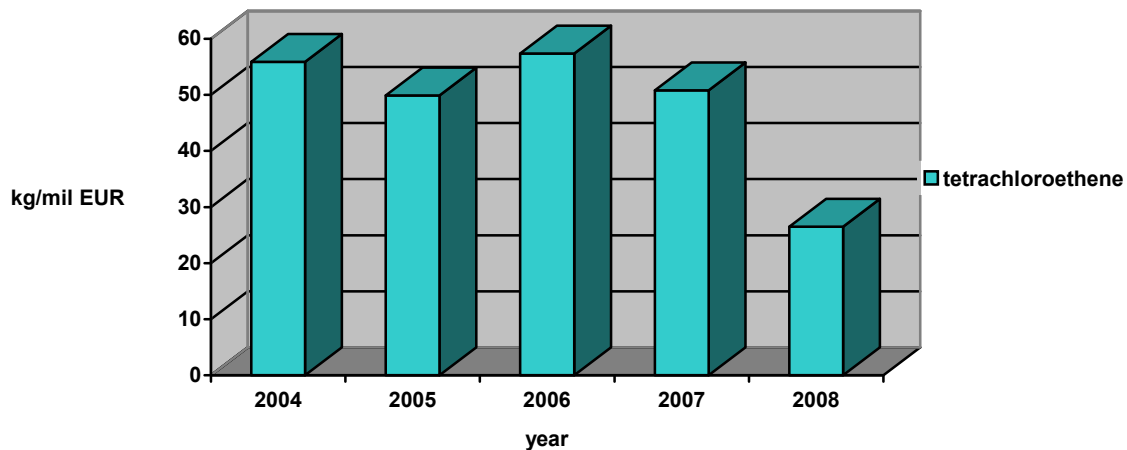


Diagram 6: Consumption of tetrachloroethene with regard to the sales

3.2.2 Water

Two preliminary conditions for natural and harmonious development and high quality of life are clean water and air. Climate changes, increasing number of inhabitants, pollution due to the wrong methods of farming and industrialization are only a few reasons causing reduction of disposable clean water from day to day. Responsibilities for such treatment cannot be shifted to the shoulders of the future generations, therefore responsible treatment is an obligation of all of us. Also in Iskra Avtoelektrika the relation towards the drinking water in the last years changed a lot, what is proven by the information in the diagram below. Implemented BAT technology in the field of surface protection (zinc coating line with cleaning unit, the new phosphating lines), replacement of the water cooled compressor with the screw compressor, placement of closed cooling systems, elimination of leakages and other organizational measures in the sense of greater control and raised awareness of the employees contributed to the reduced water consumption by **73%** per unit of sales in the last five years.

Water type	EM	2004	2005	2006	2007	2008
Process water	m3	55000	18000	20000	17000	17000
	m3/mil EUR	441.8	135.3	123,5	92.2	78.8
Cooling water	m3	*	*	*	8000	15000
	m3/mil EUR				48.2	70.9
Sanitary water	m3	23000	23000	26000	28000	30000
	m3/mil EUR	184.7	172.9	160.9	149.0	141.1
Mains water	m3	*	*	*	63000	47000
	m3/mil EUR				332.6	223.4
Total water	m3	237000	126000	116000	115000	109000
	m3/mil EUR	1903.6	947.4	716.5	613.4	514.2

* In the period from 2003 – 2006, the data on the cooling and mains water were not recorded separately.

Table 3: Water consumption

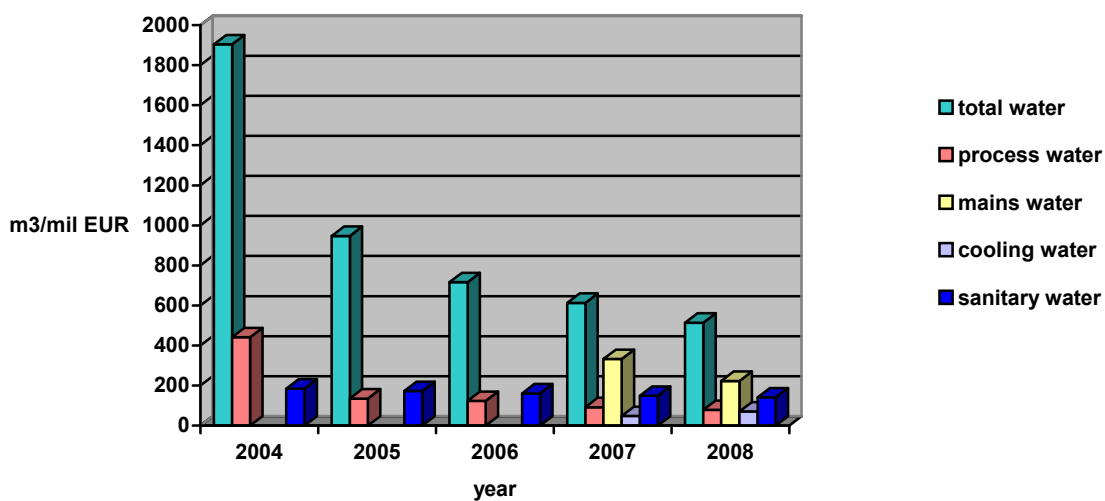


Diagram 7: Water consumption with regard to the unit of sales

3.2.3 Energy

In the last years one can notice the reduction of the specific use of energy sources with regard to the sales. This is a consequence of more rational consumption of energy and better exploitation of working means due to increase in production. Building a boiler house to heat electro-plating and phosphating baths using liquefied naphtha gas that was in 2001 replaced with natural gas greatly contributed to a considerable reduction in the consumption of electric power. In the last five years the specific use of energy sources was reduced by **37%**.

Energy products	EM	2004	2005	2006	2007	2008
Electric power	MWh	14005	14089	15070	15959	16028
	MWh/EUR mil	112	106	93	85	76
Natural gas	sm3	1372838	1453593	1418446	1402965	1342307
	MWh	12987	13751	13419	13272	12698
	MWh/ EUR mil	104	103	83	71	60
Total	MWh	26992	27840	28489	29231	28726
	MWh/mil EUR	216	209	176	156	136

Table 4: Consumption of energy products

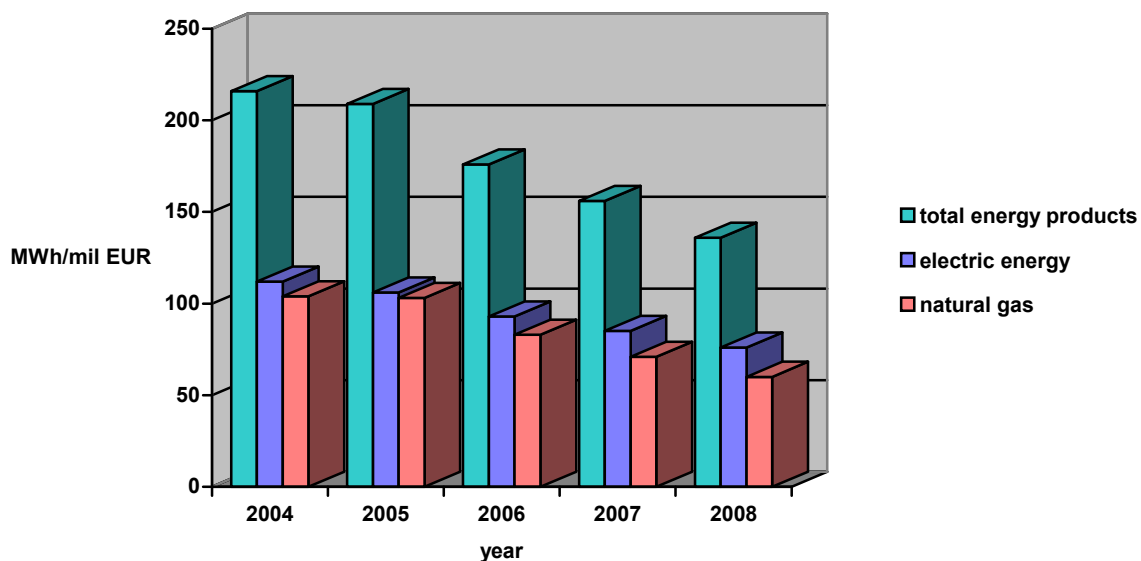


Diagram 8: Consumption of energy products with regard to the sales

3.2.4 Emissions

3.2.4.1 Emissions to air

A certain amount of pollutants, which is unavoidable by product of fossil fuels combustion, is also a cause for the climate changes that we are facing in the last years. These are mostly carbon dioxide, which is the main cause for the greenhouse effect and global warming, sulphur dioxide, which together with nitrogen oxides causes acidification of air and as a result destroys green areas, and carbon monoxide as a result of an incomplete combustion. Our company pays a lot of attention to the firing plants; we maintain them regularly. By replacing medium fuel oil with gas in the year 2001 we contributed to better quality of air, as we eliminated SO₂ emissions, reduced CO₂ emissions and got rid of the soot. The use of natural gas not only helps to reduce the emissions, but it also burdens the natural environment less, since its transport beneath the ground neither makes any noise nor burdens the road, rail or sea transport.

In Iskra Avtoelektrika we regularly control emissions that cause pollution in compliance with Slovenian legislation. Constant control is carried out by the specialized institutions that are authorized by the Ministry of Environment.

kgCO₂/mil EUR

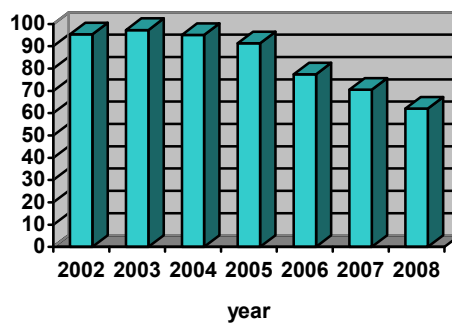


Diagram 9: Annual CO₂ emission with regard to the sales

3.2.4.2 Emissions to water

Quality of waste process water is controlled daily in our own laboratory. Monthly analyses and monitoring (3 times per year) are carried out by an external authorized organization. The renovation of the zinc coating and phosphating lines and waste water treatment plant (WWTP) in the year 2000/01 helped us to significantly improve the quality of waste process water. The average concentration of heavy metals in waste water is way below the allowed limit values (see diagrams 10 and 11).

Parameters in table 5 marked with blue are considered when calculating the units of burden (UB) and a tax is paid for them. In the year 2006 the average limit value of zinc was exceeded due to the high concentration of zinc in the third monitoring. The cause was uncontrolled batch treatment of the waste water. By introduction of colorimetric rapid tests for additional checking of zinc concentration in batch treatment the cause for nonconformities was eliminated.

Parameter	Unit	Limit value	2004	2005	2006	2007	2008
Unit of burden	No.	-	623	528	524	633	19
pH	mg/l	6.5-9.5	8.8	8.3	8.5	8.7	8.9
COR	mg/l	-	154.4	111.7	50.8	281	900
copper	mg/l	0.50	0.020	0.020	0.019	0.015	0.000
nickel	mg/l	0.50	0.020	0.064	0.038	0.033	0.030
lead	mg/l	0.50	-	-	0.006	0.005	LOD
cadmium	mg/l	0.20	-	-	-	-	LOD
chromium (VI)	mg/l	0.10	0.010	0.09	0.010	0.034	0.009
AOX	mg/l	1.00	0.035	0.299	0.177	0.07	0.04
total phosphorus	mg/l	2.00	0.7	1.2	0.4	1.4	1.0
total bonded nitrogen	mg/l	-	9.5	10.3	39.4	9.0	34.4
zinc	mg/l	2.00	0.669	1.352	3.73	1.11	0.52
HVCH	mg/l	0.10	0.020	0.428	0.142	0.02	0.00

UB.... unit of burden

COR..... chemical oxygen requirement

HVCH.... Highly volatile chlorinated hydrocarbons

AOX..... Absorbable organic hydrocarbons

-... Exempt from measuring until 31.12.2005

LOD... limit of detection

Table 5: Quality of the process waste water (average values)

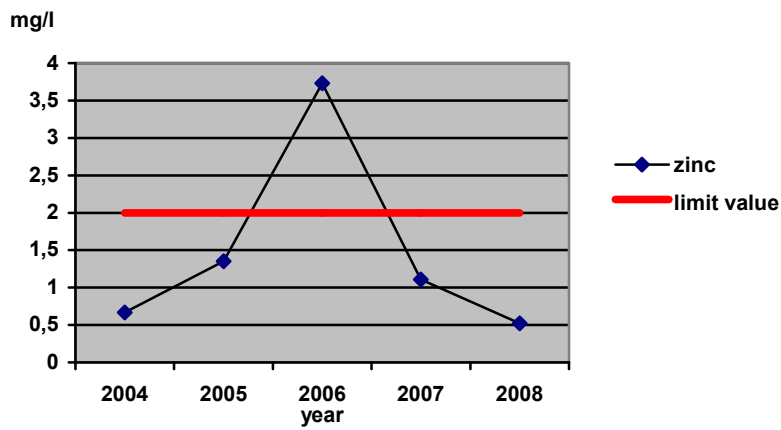


Diagram 10: Average concentration of zinc in waste water

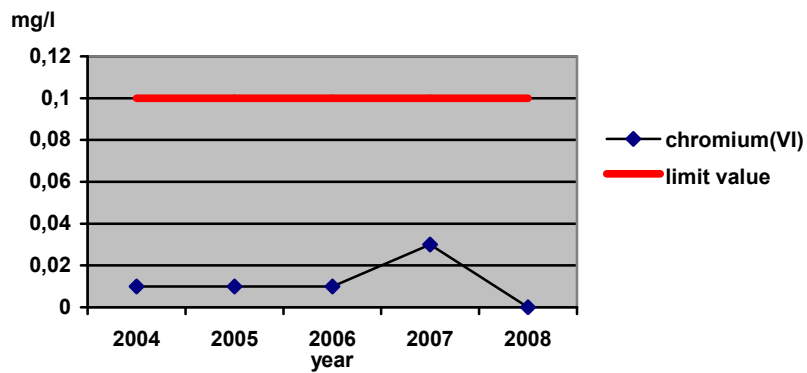


Diagram 11: Average concentration of chromium (VI) in waste water

3.2.5 Waste and waste packaging

3.2.5.1 Waste

In Iskra Avtoelektrika d.d. we are aware of the fact that in waste there are many costs hidden, so we pay a lot of attention to waste management, which comprises prevention from generation of waste, reduction of amounts, harmful impact on the environment and waste management. The proper waste management, which is limited to the processes from the generation of waste to the final waste disposal (collection, transport, temporary storage, recovery and disposal), including the inspection of these processes and environmental measures, brings direct financial benefits to the company and has at the same time decisive impact on the wider environment and future of the man and his role in it. Separate collection of waste enables the useful waste to end in the processing industry and not at the landfill sites. In this way, we return materials to the industry for production of new products, protect the valuable landfill sites, preserve natural resources, water and energy, reduce the emissions of greenhouse gases and make savings.

We divide our waste in hazardous waste (waste chemicals and packaging polluted with hazardous substances, bacteria, fluorescent lamps, electronic equipment), recyclable waste (ferrous metals, non-ferrous metals, packaging (metal, paper and cardboard, wood, plastic), cartridges and printing toners, car tyres, biodegradable kitchen and canteen waste, waste edible oils) and non-recyclable waste (mixed municipal waste, non-recyclable plastic packaging (PVC, foamed polystyrene, and others). We keep records of the sorted wastes, store them temporarily in well arranged storehouses and dispose them in cooperation with the authorized waste collectors and disposers – Saubermacher, Surovina, Ekol, Biotera, and Komunala. In 2007 we upgraded the system of separate collection of waste and in this way substantially reduced the amount of the municipal waste and consequently increased the percentage of the recyclable materials.

TYPE	AMOUNT	2004	2005	2006	2007	2008
RECYCLABLE WASTE	t	*	*	*	4222.8	4251.0
	t/EUR mil	*	*	*	22.59	20.09
NON-RECYCLABLE WASTE	t	*	*	*	208.4	185.4
	t/EUR mil	*	*	*	1.11	0.88
HAZARDOUS WASTE	t	*	*	*	267.6	303.1
	t/EUR mil	*	*	*	1.43	1.43

Table 6: Amount and type of waste

* There are no data for the past years due to the new data acquisition methodology and upgraded system of separate collection of waste system in 2007.

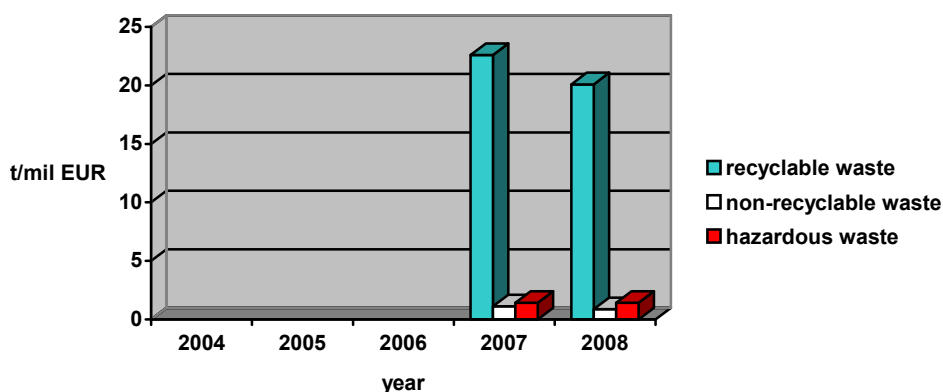


Diagram 12: Amount and type of waste with regard to the sales

vrsta odpadka	UM	2004	2005	2006	2007	2008
MIXED MUNICIPAL WASTE	t	*	331.1	265.3	205.5	178.4
	t/mil EUR	*	2.49	1.64	1.10	0.84

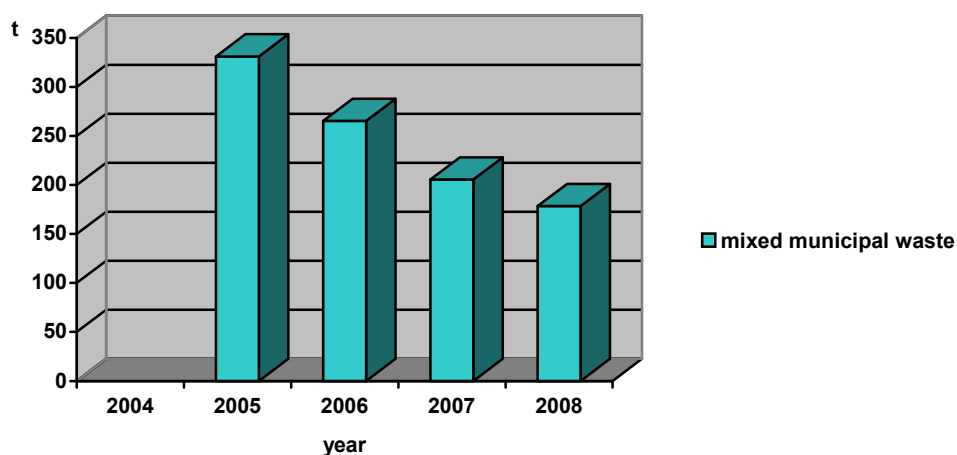


Diagram 13: Amount of mixed municipal waste by years

3.2.5.2 Waste packaging

The packaging has a great impact on the environment pollution and depleting the reserves of raw materials and energy, so we pay a lot of attention to the correct choice of type and amount of packaging and everywhere where it is possible we are establishing a returnable packaging system. The responsibilities of waste packaging treatment were communicated to SLOPAK – a company that deals with waste packaging.

3.2.6 Noise

Concern to reduce noise in the natural and living environment in the last few years can be seen in numerous activities, such as:

- building noise protection on the pump for water cooling in the hardening shop (2002)
- insulation of air-conditioning device and ventilation in the electroplating shop (2003)
- building new (closed) testing room for motors, where our products are tested for durability run (2002-2003)
- placing mufflers to the fans in the zinc line (2004)

The measurement results and noise analyses show that Iskra Avtoelektrika's operations do not burden the environment with noise more than allowed neither during the day, evening, nor at night. Also, the peak noise is within the limits.

Measuring points		2002		2005		2008	
		daily (dBA)	nightly (dBA)	daily (dBA)	nightly (dBA)	daily (dBA)	nightly (dBA)
	IV category	68	68	68	68	73	73
	Measuring point No. 1, eastern border opposite the production hall MZ (building No. 4)	51	46	49	<40		
	Measuring point No. 2, eastern border opposite the canteen (building No. 6)	48	46	41	<40		
	Measuring point No. 3, NE border opposite the tools factory (building No. 11)	55	46	42	<40		
N	Measuring point No. 4 (the new measuring point No. 1), on the border with the dwelling house, ul. A. Gabrščka 40	48	46	39	37	49	42
W	Measuring point No. 5 (the new measuring point No. 2), western border opposite the testing grounds (building No. 23), after the extension construction	70	68	63	61	69	60
SW	Measuring point No. 6, SW border corner (the new measuring point No. 3) (building No. 28)	48	46	48	<40	50	40
	Measuring point No. 7, eastern border opposite the production hall VZ (building No. 2)	51	49	53	47		
NE	Measuring point No. 8 (the new measuring point No. 4), NE border by the old reception lodge	56	42	56	40	52	43

Note: As defined by the community Šempeter-Vrtojba under No. 354-11-1/2008, dated from 04.02.2008, Iskra Avtoelektrika is within the noise protection level IV.

Table 9: Noise measurement results by years

In compliance with the regulation on first measurements and operational noise monitoring of the noise sources and conditions for their implementation (Official Gazzete of the RS 105/08) for the points that are marked in grey, there is no need for monitoring, as all noise measurements taken in 2002, 2005, and 2008 were lower than the limit values, which are defined for noise protection area IV, by more than 6dba. Although the measured noise level in measuring point No. 1 on the North side

of the company is lower than the specified limits by more than 6dbA, it remains as the measuring point also for 2011, because we wish to maintain the trust of the neighbours and the local community in our environmental operations.

3.2.7 Working environment

Caring for health of the employees and creating a healthy working environment can also be seen in the better organization of work places and working conditions. In case of emergency, we have placed liquid traps and ecological containers with absorbents to the places with greater possibility of spillage of hazardous chemicals. We have acquired fireproof cabinets to store the chemicals and additional containers to collect waste separately. In 2004 we placed to the warehouse of hazardous waste a 37m³-large container for storing hazardous liquids, and we also equipped the delivery point for chemicals with a similar 18m³-large container and in this way enabled a safe delivery of hazardous chemicals. In the case of older machines, where leakages could not be eliminated, we placed absorbers on the floor and in this way reduced the risk of pollution, and accidents and injuries of the employees.

4. Environmental investments

In the last years we have been systematically replacing the old and environment-unfriendly technology with BAT technology that reduces the consumption of energy, water, and raw materials, diminishes emissions and the amount of waste at the source, and improves the working conditions of the employees. When investing in devices and infrastructure we always consider the environmental aspects and risks of occupational injuries and illnesses. The new technology greatly contributes to streamlining of business processes and increasing of our company competence.

Implemented environmental investments (in EUR):

No.	DEVICE	purpose*	2003	2004	2005	2006	2007
1	Ecological containers	7		1464	1211		
2	Liquid traps and containers	7			625		
3	Floor renovation in plant I	7				31840	
4	Device for mechanical cleaning of emulsion	1,2,10				16000	
5	Closed cooling systems in SBU AF	1	2687			4905	
6	Device for selective painting PVA	7,9	5321				
7	Reconstruction of phosphating line	1	392000				
8	Storage containers (3)	6	16565				
9	Cooling systems SES	1	23500				
10	Mufflers in the electroplating shop	3	5405				
11	Waste containers	2	7484		6529	4603	
12	Screw compressor GA 75	1,8	23.832				
13	Improvement of water ventilation ORO	7	4000				
14	Improvement of ventilation	7	1900				
15	Renovation of heat conductor	8	9205				
16	Cleaning of heavy fuel oil tank	2	17487				
17	Spray booth	4	5697				
18	Alu booth	7	1838				
19	Air conditioning device	7	1932	8440	15697	10765	8042
20	Ventilation on the line ALT	7		3550			
21	Alu booth	7		13476			
22	Standing ashtrays	5		234			
23	Impregnating machine BOSIO	2,4,9,10		99200			
24	Device with installation for cooling of	1,10		10834			
25	Lifting and manipulating device	7		5658			
26	Reconstruction of the production hall in	5		5705			
27	Filter device for oil fog	4,7		3313			
28	Container with a trap	2		1308			
29	Air conditioning and cooling device MECH	7		103215			
30	Equipment for cleaning the premises	2,7		11759			
31	Liquid traps for tanks	2		1400			
32	Screw compressor	8,10		56659			
33	Industrial vacuum cleaners	2,4,7			544	9950	452
34	Lights in the prototype shop	7			4587		
35	Replacement of roof covering made of	4,9				37998	996849
36	Soundproof booth	7				16890	
37	Peristaltic pump	1,2				2754	
38	Suction	2,4				45136	12400
39	Sewage system arrangement	4					21022
40	Adaptation of the paint room ZAG	7,9					82240
TOTAL			518853	326215	29193	180841	1121005

Table 9: Overview of implemented environmental investments

* Review of environmental investments designations by the purpose:

- 1 waste water management
- 2 waste management
- 3 protection from noise and vibrations
- 4 protection of air and climate
- 5 protection of biological diversity and the country
- 6 protection and improvement of ground, ground water and surface water
- 7 improvement of working conditions of the employees
- 8 rational energy consumption
- 9 replacement of hazardous substances with the ones that are environment-friendlier
- 10 rational use of raw and accessory materials

5. Environmental programmes

In compliance with the requirements of the Environment Management System also for the following years, objectives and programmes are set based on the recognized environmental aspects. More rational water and energy consumption remains our priority objective also for the future. By setting up closed cooling systems in the machines, where up to now we have not managed to close the circuit, we will additionally reduce the consumption of cooling water and in this way make the best use of the available capacities.

By introduction of air remote control that will enable selective coupling of individual parts of production, which will require supply outside the working hours, we will achieve 10% reduction of the compressed air and consequently electric energy. For the year 2009 we have planned to set up a control system.

By introducing containers with a false bottom for the chips on the machine tools we will lessen the amount of the waste emulsion and reduce supply of fresh emulsion. Covering of the warehouse for waste materials will contribute to reduced amount of municipal waste and waste emulsion.

6. Environmental communication

Our goal is to achieve the objectives of sustainable development with constant improvements, the highest possible protection of environment, health and safety of people, as the results can certainly be seen in the creativity and innovativeness of the employees, and also in their skills and competence. The competent people are those that can contribute to the process of continuous improvements. We realize that we can increase the environmental responsibility, which is an obligation of every individual, only by sufficient and quality informing, educating and making all the employees, suppliers, subcontractors and also the general community aware. In addition to regular annual training and education, we inform the employees about the environmental effects and the achieved improvements with articles in the internal magazine "Zagon" and through the intranet, where we publish shorter news about the important environmental events and achievements. By using the electronic documentation system EDOS, every PC user has the access to the environmental reports, records on the environmental college, relevant environmental legislation, and lists of environmental aspects, goals and programmes. Presentation of the process "Environment management" at the traditional "Excellence Day" in March 2004 was meant mostly to raise the awareness of the managers and senior executives of the corporation and daughter companies in Šempeter pri Gorici. In December 2004 we prepared a presentation for the managers and senior executives of our daughter company Avtodeli Bovec; the presentation was about the new Slovenian and European environmental legislation. At the traditional conference "World-class production" in December 2004 we spoke about the set environmental goals, programmes and requirements of IPPC Directive. The customers, investors, local community, employees and other interested publics are increasingly interested in how successful the companies are in integrating economic, social and environmental policy, therefore we established with them a close environmental communication. By publishing the environmental policy and environmental reports on our Internet sites, we have enabled an easy and free access to information to anyone that is interested in environmental performance of our company.

We wish to be an environment-friendly company, open to a dialogue with the wider local community, therefore we have, for many years now, conducted a survey to find out what the locals think about the effects that we have on the environment. In December 2003 we organized an open door day called "Our common environment", where we openly spoke about the effects of our business on the environment, showed the progress in the field of environmental protection in the last years, and informed the public with our plans for the future. In this way we gave the public a direct opportunity to express its opinions, requirements or worries and established a two-way communication, which is undoubtedly important if we wish to be a company that acts responsible to the society. The process of raising the awareness is one of those that last the most, as it includes changing the life philosophy, system of values and consequently the way of life, what does not happen overnight.

Our suppliers and subcontractors are very important part of the process of product realization that can have a great impact on the environment, so we pay a lot of attention also to raising their awareness. At the traditional "Suppliers Day" in April 2004, we informed them about the orientations and novelties in the field of environmental protection and the requirements of the Slovenian and European legislation and European Directives. We check their environment-protective operations by a questionnaire "The Supplier's Attitude Towards the Environment" and we take the results in consideration when making an evaluation.

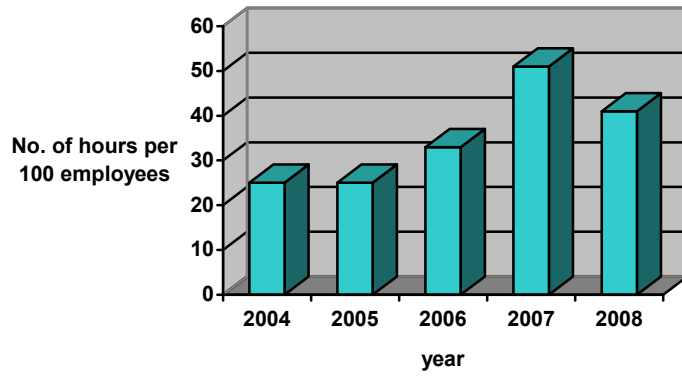


Diagram 14: Number of hours (employee) per environmental training by years

7. Conclusion

Economic growth and effective environmental management are compatible. Integration of environmental, economic and social goals is possible also in the business practice, if we only know how to gain the synergies between these fields. Iskra Avtoelektrika's Environmental Report for the year 2008 proves this, too.

Concrete examples from our business practice and the achieved results reflect innovative and responsible approaches, by which we try to combine all three dimensions of co-natural and harmonious development. We are aware that striving for headway, success and profit, we must not forget that we are part of nature, which changes faster and more harshly than we wish. Today the consequences of irresponsible human treatment can be well seen and according to the scientists we can expect even worse, if the man does not make any radical changes. We have realized that without revaluing the values, changing the way we think and act, but mostly without innovative approaches, we will not be able to reach this ambitious goal that we have set for ourselves.

So in order to adapt our material activities to the natural processes, we have to start acting better and in a completely new way.

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