

CORPORATE SOCIAL RESPONSIBILITY REPORT 2023

fatra
PLASTICS FOR LIFE



CONTENT

A word of introduction	3
Who are we?	4
Vision and mission	5
Our company's values	6
Sustainability and Fatra	7
Fatra's goal for sustainability	8
We bring quality	10
Management system	10
Products for a better life	12
Respect for nature	14
We save natural resources	16
Energy measures	16
Protection of water resources and air	17
Recycling	18
Other environmental initiatives	20
Memberships	22
We support our surroundings	24
Cultural / social events	24
Sports events	24
Social support	25
Support for education	25
Our people – our success	28
Safety and fairness first	29
Satisfied employees – our responsibility	30
Award of fatra as an employer	32
We join the objectives of the UN in the Czech Republic	33

A WORD OF INTRODUCTION

2023 was a difficult year for our company. Inflation remained at a high level, the geopolitical situation was and continues to be very unstable. Demand on the market stayed at a low level as a result of these circumstances and uncertainty in the business environment. Even in this challenging environment we were able to stabilize cash flow and that primarily thanks to low controlled supplies in the warehouse, lower investment activity and realized cost savings. We believe that 2024 will be more stable without dramatic fluctuations in energy prices, raw materials, services and there will also be a gradual reduction of financial costs in the form of interest. Currently we are planning on increasing production volumes and strengthening the level of sales compared to the previous period.

Our long term goal is sustainable development and sustainable business. It forms part of our medium-term strategy where, as part of sustainability and circular economy measures, we focus on reducing the impact of production on the environment, maximum use of secondary raw materials, ecodesign of products and reduction of CO₂ emissions.

At the same time, we also respect and adhere to high internal company standards and standards guaranteeing protection of human rights, eliminate any form of discrimination and ensure a safe working space for everyone of our workers. We want to be a good neighbor and support activity in the region and respect the ethical code of dealings with all concerned parties.

In the social responsibility report for 2023 (CSR report), we will introduce you to the important activities of our company in the field of sustainable development. We thank you for your interest in our company and for supporting our efforts to achieve sustainable and socially responsible business.

Ing. Pavel Čechmánek
CEO
Fatra, a. s.



WHO ARE WE?

We are a manufacturing and trading company that has long been one of the most important plastics processors in the Czech Republic.

- Our roots go back to as far as **1935**
- We are growing – sales in 2023 amounted to **CZK 3.6 billion**
- Investments – **CZK 117.7 million**
- Strong company – more than **1,000** employees
- **Two** production plants – Napajedla and Chropyně
- International office for the **Middle East Asia region**
- Fatra is a member of the **AGROFERT Group**.

Fatra is a stable company with a long tradition. It has developed a sufficiently diversified product portfolio to ensure its solid economic position.

VISION

We will be our customers' first choice

A state-of-the-art, open, responsible, and trustworthy company that fulfils its obligations towards employees, customers, suppliers and its region.

MISSION

Plastics for a better life

Production of sustainable plastic products that bring benefits around the world and help to create conditions for a better life.

Everything we do is done with respect for our past and tradition, which dates as far back as 1935.

OUR COMPANY'S VALUES

Social responsibility starts with us!



We do our job to the fullest



We act with the care of a diligent manager



We pull together



We develop ourselves as well as the company



We care about the world around us

SUSTAINABILITY

AND FATRA

Sustainability is not just a word for us; it is an everyday part of our business. We see it as a long-term commitment to be better at everything we do.

WE BRING QUALITY

Unique products with a long service life.

RESPECT FOR NATURE

We implement waste-free production methods and processes.

OUR PEOPLE – OUR SUCCESS

Equal rights and obligations policy.
Decent and safe working conditions.

WE SUPPORT OUR SURROUNDINGS

We cooperate in the economic, cultural, social and sporting development of regions.

FATRA'S GOAL FOR SUSTAINABILITY

Fatra has set voluntary goals that it wants to achieve in the field of sustainability. The goals reflect responsibility towards the environment and show active efforts to protect our planet. Our goals include reducing CO₂ emissions, optimizing drinking water consumption, minimizing waste, and innovating the packaging of floor coverings. The goals are set until 2025 for comparison with 2020.

AIR PROTECTION

We reduce CO₂ emissions to preserve the planet. We invest in recycling, innovate in technology and spread awareness about the sustainable use of plastics. We significantly reduce emissions of volatile organic substances into the air.



-30 %

Reducing emissions CO₂

WATER RESOURCES

By modernizing the B0 PET film cooling technology and replacing the cooling in the production of shaped products, we achieve a reduction in the consumption of valuable drinking water. These measures contribute to the sustainable management of water resources.



-50 %

Saving drinking water

RECYCLING

We use secondary raw materials, reduce the consumption of primary resources and produce from recycled materials. We have been recycling polyolefin waste since 2015. In 2022, we launched a regranulation line for unprocessable PVC/PES waste.



-150 t

Reduction of landfilling of PVC/PES waste

FLOOR PACKAGING

We are actively replacing the packaging of FATRAFLOOR vinyl floors with an ecological variant. The new cardboard packaging in a natural color with a single color print will be a sustainable packaging that is really kind to nature.



eko packaging

Sustainable flooring packaging

WE BRING QUALITY

MANAGEMENT SYSTEM

- Quality management system in conformity with ISO 9001:2015
- Environmental management system in conformity with ISO 14001:2015
- AEO Security Certification
- Products externally assessed by professional institutions in the Czech Republic and abroad
- When developing products, we conduct life cycle assessments (LCA) of their environmental impact
- Raw materials are used 100% in compliance with the REACH chemical legislation



ISO 14001 and ISO 9001 certificates

Bureau Veritas – Environmental protection has long been a major focus of our attention. We have a certified quality system according to ČSN EN ISO 9001:2016* and an environmental management system according to ČSN EN ISO 14001:2016*.



Responsible Care

We follow the principles of the programme. Thanks to our long-term compliance with these criteria, we have been granted the prestigious “Sustainable Development Award”.



EPD

We have prepared Environmental Product Declarations**, which are independently verified and registered documents that declare the environmental impact of products throughout their life cycle.



REACH

All raw materials used by us are in compliance with the REACH chemical legislation.



AEO

The AEO is confirmation that our internal processes meet the strict criteria set by the European Union and the Customs Administration of the Czech Republic.

* Fatra, a.s. has held ISO 9001 system certification since 1994 and ISO 14001 since 2000.

** Applies to floor coverings and waterproofing membranes.

PRODUCTS FOR A BETTER LIFE

Of the wide range of products that make life easier and more enjoyable for customers and end consumers, some have a direct link to sustainability principles in practice:

Insulation membranes

- Insulating membranes for cool roof systems – the white upper layer of the foil **reflects more sunlight**, which helps to decrease the roof temperature and prevent excessive heating of buildings. These roofs reduce the need to air-condition indoor areas, thereby **reducing energy consumption**.
- Waterproofing membranes for green roofs. Green roofs soak up and evaporate a large amount of rainwater back into the air, thus significantly contributing to **cooling buildings, humidifying the air, and reducing dust**.
- Pond liners for water retention in the landscape - lakes, ponds, biotopes and reservoirs help to **alleviate drought and improve the microclimate**.
- Insulating ground membranes for the protection of buildings against water, ground moisture or radon - insulation of houses and industrial buildings and tunnels ensures their functionality and **prolongs their service life**.

Floor coverings

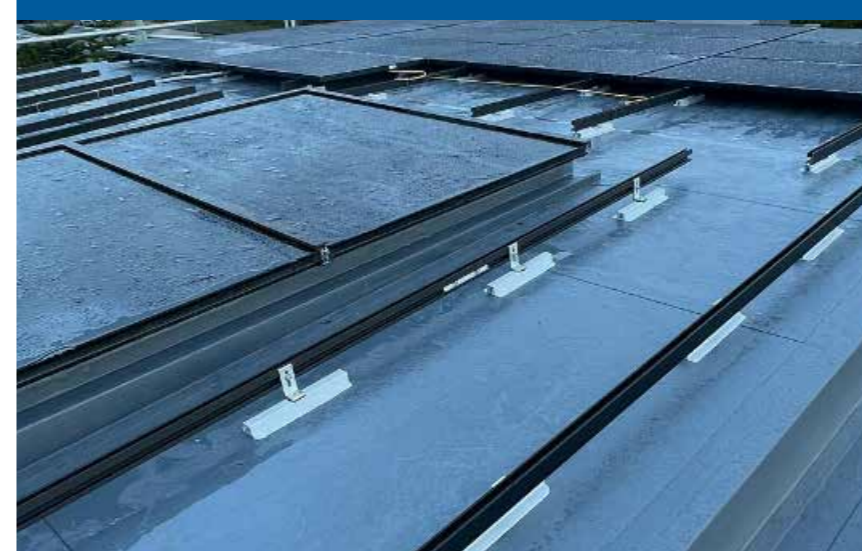
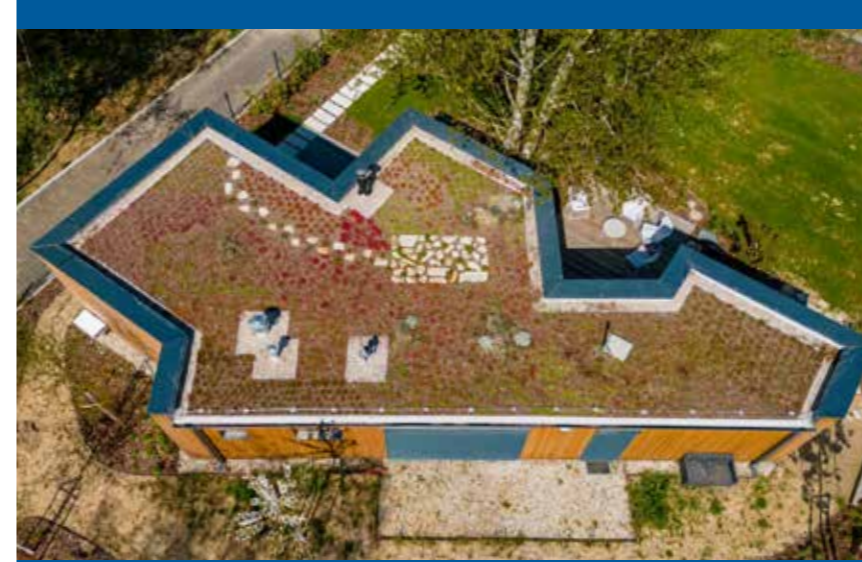
- The bottom layer of floor coverings contains up to 80 % of regranulates generated from reworking internal technological remainders, which helps to **close the material cycle** of these products.

Welded products

- Irrigation bags for sufficient watering of new plantings of trees and shrubs - the bags will ensure **a higher chance of trees taking root** in periods of heat and drought.

Plastic profiles

- Profile with aluminum reinforcement for the installation of photovoltaic panels on roofs and terraces - the profile enables easy installation of panels for the use of **renewable energy sources**.



Fatra pays deserved attention to environmental protection. Environmental investments are being made in a wide range of areas.

RESPECT FOR NATURE

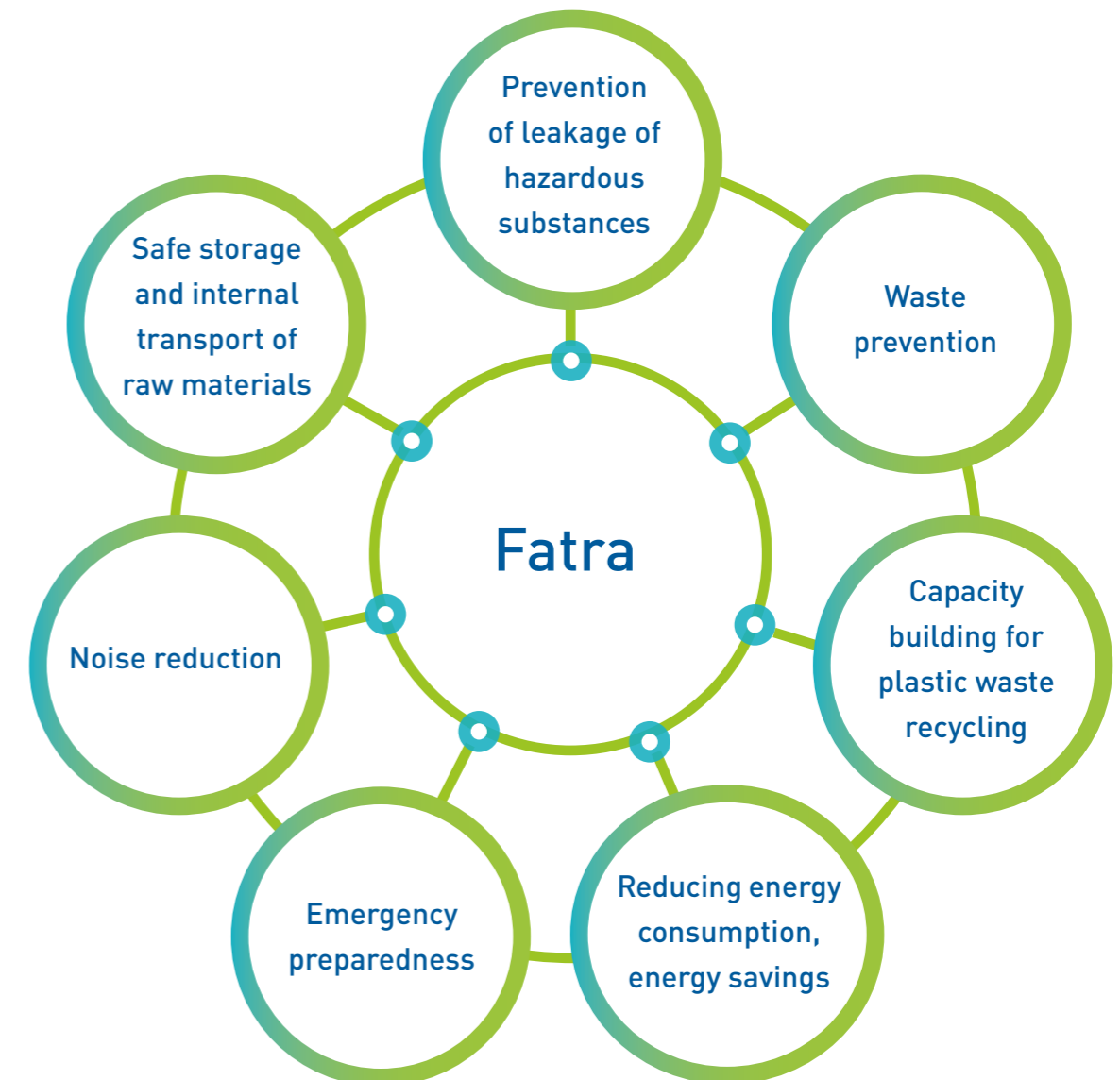
We handle raw materials and energy resources responsibly and efficiently. We use system solutions and innovations to reduce energy consumption. Our goal is to minimize the generation of waste and recycle raw materials internally. We invest in air protection, energy saving, water and soil protection, as well as waste management.

We use secondary energy sources.

INVEST IN PROTECTIVE MEASURES IN 2023

CZK 18.3 million

Air, water and soil protection, energy saving, waste management



WE SAVE NATURAL RESOURCES

Environmental protection is a priority for us, as we are fully aware of its importance for our health and well-being and the future of our planet. We strive to reduce our ecological footprint in the fields of energy, air, water and waste production.

- We have introduced energy-saving technologies, which reduces energy consumption.
- We buy certified electricity (from renewable sources).
- We are reducing the amount of water consumed and emissions.
- We handle chemicals responsibly.
- We support the circular economy and production from recycled materials.

ENERGY-SAVING MEASURES

Among the implemented measures and investments in 2023 leading to savings include:

- Purchase of photovoltaic panels for building 33.
- Controlled heating by the IRC system of buildings 26 and 300.
- Insulation of part of the building envelope 23.
- Replacement of 560 light fixtures with more energy-efficient lights with LED technology.

CZK 620 thousand
Total cost of energy measures

366 t
Reduction of CO₂ emissions
Summary of energy measures in 2023

PROTECTION OF WATER RESOURCES, AIR AND SOIL

Air pollution sources are operated in Fatra in conformity with the binding conditions of the operating permit and with the applicable legislation. The air pollution sources are periodically monitored and comply with the established emission limits.

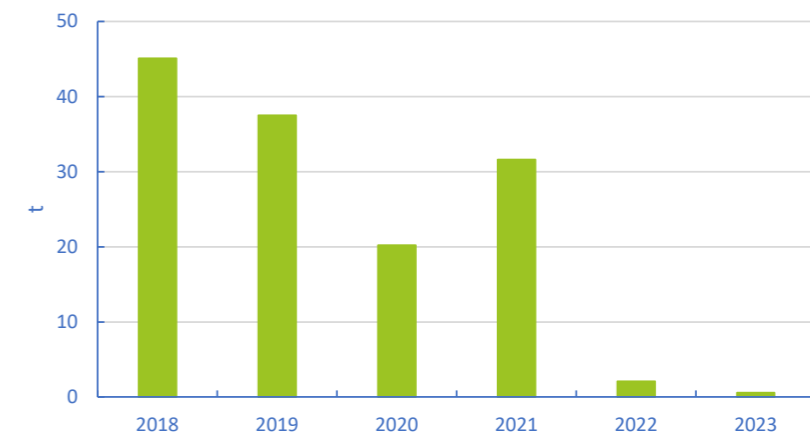
According to the monitoring of the quality of underground water and soil, there is no leakage of harmful substances from the operated facilities.

In 2022, emissions of volatile organic compounds (VOCs) have decreased significantly due to the abolition of printing technologies.

Investments made in 2023 leading to savings include:

- Cooling and temperature units.
- Strengthening of air conditioning on the Olbrich line.
- Strengthening of air conditioning on the Comerio IV line.
- Grind transport fan on the Comerio I line.

Total costs of protecting water resources, air and soil

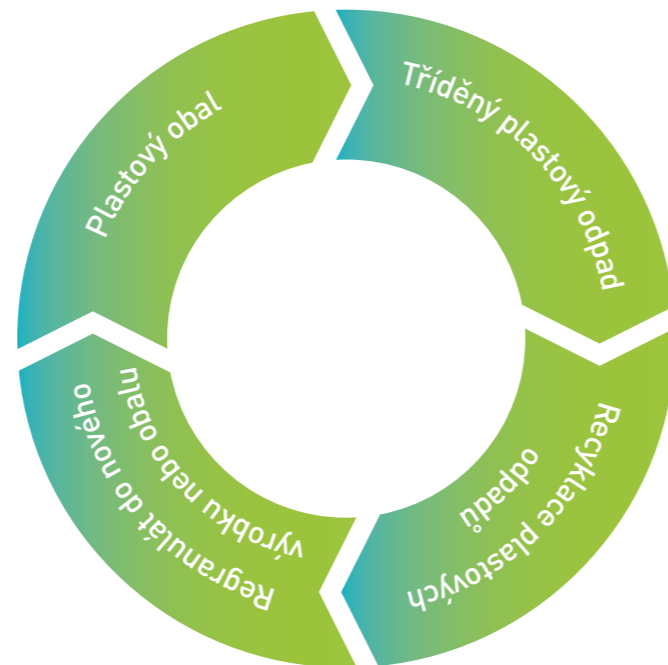


CZK17.46 million
Total costs of protecting water resources, air and soil

RECYCLING

In our products, we use both in-house technological waste and external materials and waste to the maximum extent, thus significantly reducing the consumption of primary raw materials. To utilise in-house technological waste, we use our own processing facilities (crushing, separation, regranulation), which we are constantly expanding.

In 2022, we put into operation the MAS granulation line for the treatment of PVC/PES waste. This line processes technological waste from the production of waterproofing films, in 2023 it processed **144 tons**.



We also offer our customers the option of taking back scraps and unused residues from the installation of waterproofing membranes and floor coverings. Using our technology, we modify the material taken back in this way for reuse in new products.

For the year 2023, we bought 1,957 tons of plastic waste and materials suitable for recycling on the line in Chropyn. The produced regranulate was sold or internally processed.

In 2023, we managed to reduce the amount of hazardous waste to 64 tons. Compared to 2022, the amount decreased by almost 24%.

Investments made in 2023 leading to savings include:

- Mixing node on the Comerio I line.
- MAS granulation line for PVC/PES waste treatment, additional investment.

CZK 1 million

Investing in savings in waste management

Circular pallet recycling system

We have been awarded the PRS Green Label 2023 certificate for our contribution to improving the environment through a pallet reuse system. We are thus part of a network of ecologically responsible manufacturers, warehouses and distributors, thanks to which we managed to save almost 450,000 trees last year.



Take-back of electrical equipment and batteries

We cooperate with the ASEKOL collective system when recycling old electrical equipment.

In 2023, we handed over 5,448 kg of discarded electrical equipment and non-functioning batteries that were created as part of our company's operations.



OTHER ENVIRONMENTAL INITIATIVES

To connect sustainability activities with our employees, we **planted trees in Chropyně** in 2023. Specifically, it concerned oak trees for the Castle grounds and fruit trees for the children's playground. All staff were welcome which attracted a great group of people who not only enjoyed the afternoon but also contributed to a better environment.

14 new trees were planted in the Chropyně production area. Irrigation bags were also purchased and installed here to support the growth of smaller trees.

Because we also care about the animals that live around us, we decided to install **insect houses and birdhouses** in our production facilities in Napajedla and Chropyně. By doing so, we are trying to provide a habitat for small creatures and birds that contribute to the biodiversity of our surroundings.

Last year, we also provided floor covering for the cat shelter, Toulavý ráj, in Kroměříž, thereby supporting the **care of animals** and increasing their comfort.



MEMBERSHIPS



Membership of the Vinyl Foundation

The Vinyl Foundation is an association that collects funds from PVC processors, which are mainly dedicated to funding VinylPlus® recycling operations. The programme includes a significant commitment to systematic recycling.

We are a member of VinylPlus. We are making a long-term commitment to sustainability in the PVC industry. The main objective is to promote a circular economy and more efficient use of resources.



Membership of the Chemical Industry Association of the CR

A voluntary association of manufacturing, business, design, research and consulting organisations related to the chemical, pharmaceutical, petrochemical and plastics and rubber industries. The Chemical Industry Association of the Czech Republic brings together more than a hundred companies and its members represent more than 60 % of the industry's workforce and more than 70 % of the total production of the aforementioned industries.

The Chemical Industry Association of the Czech Republic fully supports the Responsible Care Programme (Responsible conduct of business in the chemical industry), which upholds the principles of environmentally friendly business in sustainable development. The involvement of member companies in this programme has garnered a positive international response.



Membership of the Plastics Cluster

The Plastics Cluster is an interest association of legal entities in the field of plastics processing. It provides support and development of the plastics industry in the region. It focuses on human resource development, research and development and presentation of the Cluster. It specialises in innovation, joint investment in equipment and facilities, joint purchase of raw materials and energy, and training.



Membership of the Association for the Development of the Zlín Region

The Association members include prominent entrepreneurs and statutory representatives of business and educational entities of the Zlín region. The aim of the association is to improve the regional transport structure, support education, business development and employment and create regional strategies.



Membership of the Flooring Guild

The Flooring Guild brings together and represents the interests of flooring companies, manufacturers, flooring schools and experts. It advocates increasing the authority and prestige of the flooring trade, participates in amending legislation, cooperates in the creation and updating of technical standards, cooperates with schools and organises presentations of innovative technologies and materials.



Membership of the Guild of Tinsmiths, Roofers and Carpenters

A voluntary association of roofers, manufacturers and experts. The guild comments on newly emerging laws and their amendments and cooperates with schools specialising in the roofer, tinsmith, and carpenter field. It informs members about new materials and trends. The guild also publishes professional industry publications.



Association of Technical Standardisation of the Rubber and Plastics Industry

This brings together Czech and Slovak companies to ensure up-to-date information in the field of legislation and standards and active participation in standardisation activities. The members of the Association obtain information on the state and direction of development in the specified areas so that they are prepared for standardisation and legislative changes in advance, thereby increasing the competitiveness of their products.

SUPPORT OUR SURROUNDINGS

We work together on the development of the region in the economic, cultural, social and sports fields. In 2023, we supported these events and organisations with CZK 4.2 million.

CULTURAL / SOCIAL EVENTS

- Zlín Film Festival
- Zlín Design Week
- Fashion Event Dotek
- Otrokovice BESEDA
- Exhibition „Jak šel kocour do světa“ in Napajedla
- Festival „Zlín žije“
- Events held in the towns of Napajedla and Chropyně

SPORTS EVENTS

- NOVESTA Zlín
- PSG Berani Zlín ice hockey club
- Rally Zlín
- Do práce na kole (To work by bike)
- XC Cup Napajedla
- Rozhýbejme Napajedla (Let Us make Napajedla move)
- Czech Dance Tour
- Ječmínek's run
- Czech TeamGym Championship and ICC 2023 in Olomouc



SOCIAL SUPPORT

- Christmas star 2022” Charity event, when the sale of 821 flowers helped to support the Department of Oncology and Haematology of the Children’s Clinic of the University Hospital in Olomouc. Fatra handed over CZK 100,000 to a non-profit organisation called “Šance Olomouc” (Olomouc Chance). Napajedla Primary School also joined the event under the banner of Fatra.
- CZK 30,000 grant for the operation of the Asylum House for women and mothers with children in Vsetín.
- In May, our employees collected an incredible CZK 46,840 as part of the „To work by bike“ event. Each kilometre ridden meant 1 CZK for charitable purposes. The non-profit organization EDUCO Zlín was selected from the nominations proposed by employees.
- In June, a collection of plush toys was held for the organization EDUCO Zlín. The event „Looking for a stuffed animal“ caused a wide interest in our employees. During 14 days, we collected more than 700 pieces of various stuffed animals for the charity events of the organization.
- During Children’s Day and Nicholas Day, we supported kindergartens in Napadlý and Chropyn with toys, tickets to the ZOO and sweets. On Earth Day, children from Napajedla also went on an excursion to our company.
- We supported several families who were socially or medically disadvantaged through the television show called “Build your dream”. Thanks to us, they have a more pleasant standard of living with new floor coverings.



SUPPORT FOR EDUCATIONION

- We cooperate with construction secondary schools throughout the country, VŠTE in České Budějovice and the Faculty of Art and Design of UJEP in Ústí nad Labem. We provide schools with up-to-date information on floor coverings and samples.
- We cooperate with construction secondary schools throughout the country, VŠTE in České Budějovice and the Faculty of Art and Design of UJEP in Ústí nad Labem. We provide schools with up-to-date information on floor coverings and samples.
- Support for competitions. We supported the regional finals of the „Young Chemist“ competition in the form of gift vouchers.



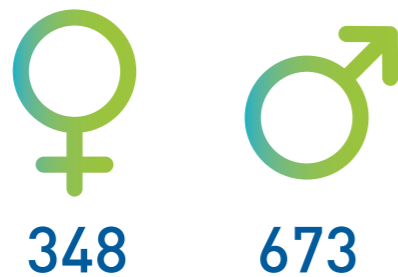
OUR PEOPLE

— OUR SUCCESS

We place great emphasis on the professional development of our employees. In addition to mandatory training related to the performance of work, we offer employees language courses and other educational activities, including through online platforms such as Seduo.cz or Onlinejazyky.cz, which develop their individual skills. In 2023, over CZK 1.,55 million was spent on these trainings.

We continuously improve working conditions and raise the level of safety at work.

We foster a team spirit and sharing of company values.



Staff status as of 31 December 2023

SAFETY AND FAIRNESS FIRST

Ten Commandments of Safety

Principles and recommendations for ensuring the safety and security of the supply chain. The safety policy is binding for all employees of the company.

Principles of Compliance

Fatra, a.s. is actively committed to compliance with legal standards, internal regulations, fair conduct towards our business partners and respect for our employees and the public, taking into account the specifics and risk analysis of the AGROFERT Group. The AGROFERT Group Compliance Policy and Code of Conduct were conceived as a set of rules and principles with regard to compliance with legal and internal regulations in accordance with the principles of responsible business conduct.

Tell Us helpline

Any employee or business partner may lodge a complaint or point out circumstances from which it may be inferred that a breach of the AGROFERT Group's ethical rules has occurred. One of the tools is the anonymous ethics helpline Tell Us.

GET REAL

Support for the GET REAL initiative – the association opposing the spread of misinformation in online advertising. GET REAL urges advertisers to protect the reputation of their brands by avoiding association with misinformation sites, which they often unwittingly fund with their advertising budgets. Fatra has thus joined the ranks of responsible advertisers who have decided to play fair in online advertising.

● SATISFIED EMPLOYEES – OUR RESPONSIBILITY

We value the work of our employees and therefore a number of benefits have been provided for them. Here is a basic taste:



5 weeks of holiday



Working week of 37.5 hours



Contribution to private pension scheme starting at CZK 700/month



Benefit Plus card with a minimum subsidy of CZK 6,500



Company catering, choice of 7 meals for a price starting at CZK 42



Time off for parents of first graders on the first day of school



Representation in the Unions in Napajedla and Chropyně



Fuel discounts at MOL and Makro filling stations



Tariffs for calling from a mobile phone starting at CZK 69



Christmas gifts for employees



Ice cream for employees



Language courses



Discounts on AGROFERT Group products



AWARD OF FATRA AS AN EMPLOYER

During 2023, we managed to win many awards in competitions where the quality of the company as an employer is evaluated.



2nd place in the Sodexo Employer of the Year 2023 competition

The company Fatra, a. s., received recognition as an employer in the Zlín region in a competition organized by the Employers' Club. The competition has been evaluating companies in the Czech Republic from the point of view of HR since 2003. Fatra came in second place in the category with up to 5,000 employees. This award confirmed our long-term work on the care and development of employees through several benefits and social activities.



1st place in the Fair Employer of the Zlín Region 2023 competition

The Fair Employer of the Zlín Region competition is organized by the Employers' Club. This competition is aimed at supporting and awarding companies that are characterized by an excellent approach to HR and care for their employees. The winner is announced by an expert jury.

Fatra is the second most sought-after employer in the region

Students of high schools and universities in the Zlín region chose Fatra, a. s., as the second most popular employer in the Zlín region. In this survey, the work of our employees, who are dedicated to working with apprentice youth or students, was used to its full advantage. And not only from the personnel department, but also colleagues from production and energy, who give them their time and attention on professional practices or excursions.

WE JOIN THE OBJECTIVES OF THE UN IN THE CZECH REPUBLIC

SUSTAINABLE DEVELOPMENT GOALS



Fatra, a.s., třída Tomáše Bati 1541,
763 61 Napajedla, Czech Republic
www.fatra.cz

fatra
PLASTICS FOR LIFE