

The background is an aerial photograph of a lush green forest with a winding river. A white graphic outline, consisting of a curved line at the top and a line that turns 90 degrees to become horizontal at the bottom, frames the central text.

Sustainability (ESG) Strategy

2023-2025

Letter from CEO

I am delighted to announce Plasta Group's new Sustainability Strategy. It represents a significant milestone in strengthening our commitment to sustainability and highlighting our dedication to creating a positive impact on the environment, society, and the long-term success of our business. As one of the largest European plastic recycling and manufacturing groups, we recognize the crucial role we play in shaping a more sustainable future while promoting eco-conscious plastic production and increasing circularity in all our business activities.

Plasta Group has always been at the forefront of the Low-Density Polyethylene (LDPE) recycling industry in Europe, introducing sustainable products in the market ahead of their time. Being in a leading position also means that we want to set a positive direction for others. Therefore, we constantly aspire for innovative solutions to reduce the Group's environmental impact, and achieve fully climate-neutral business activities.

In order to reach these goals, we have identified four main focus areas in the group, where we could have the greatest impact. These areas are: environmentally friendly & innovative production, recycled product material & circularity, employee safety & wellbeing, and good governance practices. Within these areas, we have identified strategic goals to be achieved by the end of 2025, which include but are not limited to tracking and lowering our CO2 emissions, implementing energy-saving measures, developing innovative products, and improving our employees' wellbeing.

The strategic goals that we have set for ourselves also support the global framework for sustainable development goals (UN SDGs), demonstrating our commitment to contributing towards a sustainable future. At Plasta Group, we walk the talk. We have already launched certain initiatives, which include new certifications, workplace improvements, and production facility upgrades, which ensure tangible progress towards reaching our strategic goals. We will review our strategic goals, initiatives and progress later in this document.



At Plasta Group, we understand our impact on the environmental, social and economic activities of our company, and are committed to minimize global plastic waste by developing plastic recycling solutions and designing innovative products from recycled or renewable materials. We will continue developing technologies to improve sustainable plastic production, with an aim to reach zero-waste production and circularity, and will continue setting ourselves ambitious goals for sustainable development.



Maciej Plamieniak
CEO, Plasta Group

About Plasta



Plasta Group is one of the leading flexible plastics recyclers, producers, and suppliers in Europe, developing innovative recycling solutions and accelerating a shift to circularity. We focus on recycling the most complex types of plastic waste, to continuously replace virgin polyethylene with recycled alternatives and to turn post-consumer polyethylene waste into a valuable resource for making new products such as garbage bags, plastic film and other products, geared toward household and professional sectors as well as the public and cleaning sectors.

Plasta Group consists of multiple companies across Europe, specializing in polyethylene recycling, production of sustainable plastic products, as well as recycling and extrusion engineering. Headquartered in Vilnius, Lithuania, Plasta Group runs a polyethylene recycling center on-site, operates two modern manufacturing plants (Plasta in Lithuania and Rullpack in Sweden), and has three representative offices, one in each manufacturing country, as well as one in Germany.

Having over 60 years of experience in the market, and recycling over 35 000 tons of post consumer waste plastic annually, we focus on ensuring high-quality standards, and compliance with quality, environmental, safety, and sustainability standards. For this reason, we have acquired ISO 9001 & 14001, Blue Angel, EuCertPlast, Nordic Swan Ecolabel and Normpack certificates (which ensure the quality management of our products and processes).

As one of the leading plastic recycling and manufacturing companies in Europe, we aim to ensure responsible plastic production, minimizing plastic waste worldwide and increasing circularity.



Sustainability management

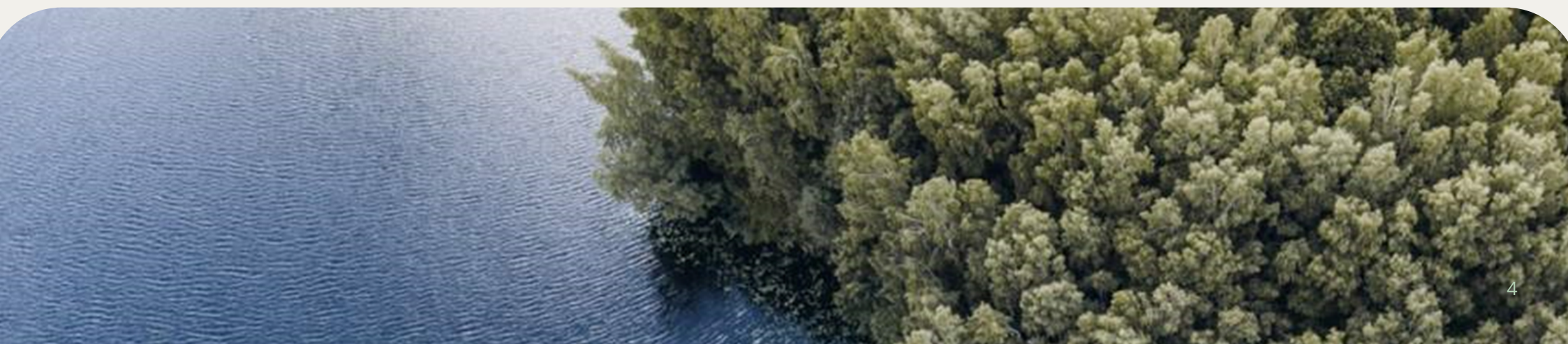
With over 500 employees in the group, manufacturing plants spanning across multiple geographical locations, and a 60 million euro annual turnover, our business activities make a considerable impact across a wide variety of stakeholders and geographical locations. Therefore, we take a proactive approach to sustainability management and aim to accelerate the shift towards a circular economy.

Although The Corporate Sustainability Reporting Directive (CSRD), introduced by the EU Commissions in 2021, will only become mandatory for Plasta Group from 2025, we are already putting processes and goals in place to take a leading position towards accuracy and transparency of the Environmental, Social and Governance (ESG) aspects of reporting, alongside existing certifications that ensure management of our product quality and its processes as well as sustainability compliance.

We have introduced the role of ESG officer whose primary responsibilities are:

- **Monitoring best practices and legislations in the context of ESG.**
- **Coordinating gathering of data and information necessary for ESG reporting.**
- **Advising organization on the impacts that our commercial and operational activities have on the environment.**
- **Providing semiannual reports to the board about the progress we make in achieving the set goals and KPIs.**

We believe that the role of an ESG officer, amongst other initiatives that we have already adopted in Plasta Group, will help oversee and manage our group's ESG initiatives, compliance with sustainability strategy, policies, and reporting standards, as well as ensure that the organization operates in a sustainable manner.



Sustainability directions

We have set our four key sustainability directions as a basis of our environmental, social and governance (ESG) strategy during the years 2023-2025 (until the beginning of 2026). These directions incorporate seven most relevant Sustainable Development Goals (SDG's)* for plastics recyclers, producers, and suppliers industry, in our group's strategy and approach to sustainability.

* SDG's set by the United Nations (UN) is a collection of 17 universal aspirations for achieving global economic, social and environmental development until 2030.



Recycled product material & circularity

Target 12.5
By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse

Producing products using post consumer recycled materials and improving product circularity.

Employee safety & wellbeing

Ensuring our good employment practices and workplace where trust, cooperation, safety, support are encouraged.



Target 8.5
By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, as well as equal pay for work of equal value



Environmentally friendly & innovative production

Target 7.2
By 2030, increase substantially the share of renewable energy in the global energy mix

Target 7.3
By 2030, double the global rate of improvement in energy efficiency

Target 13.1
Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

Managing our entire production processes to constantly innovate and meet particular environmental standards while also reducing our carbon footprint.

Good governance practices

Promoting ethical and transparent behavior in management and governance practices, policies, and procedures (incl. sustainability governance practices).



Target 9.4
By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

Target 16.5
Substantially reduce corruption and bribery in all their forms

Materiality assessment

In 2022, we conducted our first materiality assessment following the methodology by GRI standards. The analysis was performed through workshops within our sustainability group, composed of the members of top management, as well as employees responsible for specific ESG topics. We have also consulted with external sustainability experts and performed a stakeholder survey. The results of the assessment will serve as a backbone for compiling Plasta Group's sustainability strategy and reporting.

The materiality assessment was performed in the following steps:

1

Sector analysis

We overviewed the most pressing sustainability topics for market players in our sector and compiled a list of environmental, social and governance (ESG) topics potentially relevant to our company. We analysed and included topics recommended by widely used international standards and guidelines for the sector, namely Sustainability Accounting Standards Board (SASB), Global Reporting Initiative (GRI), and Nasdaq.

2

Stakeholder engagement

As a second step, we identified Plasta Group's key stakeholders and conducted a survey to find out the most important aspects of sustainability to them. Our stakeholders are described as those individuals or organizations that have a significant impact on our activities and those who can significantly influence the implementation of our strategy. The main stakeholders at Plasta Group were identified as: **shareholders, clients, employees, regulators, suppliers, and financial institutions**. Each stakeholder group has different concerns and expectations on Plasta Group, which have been taken into account respectively.



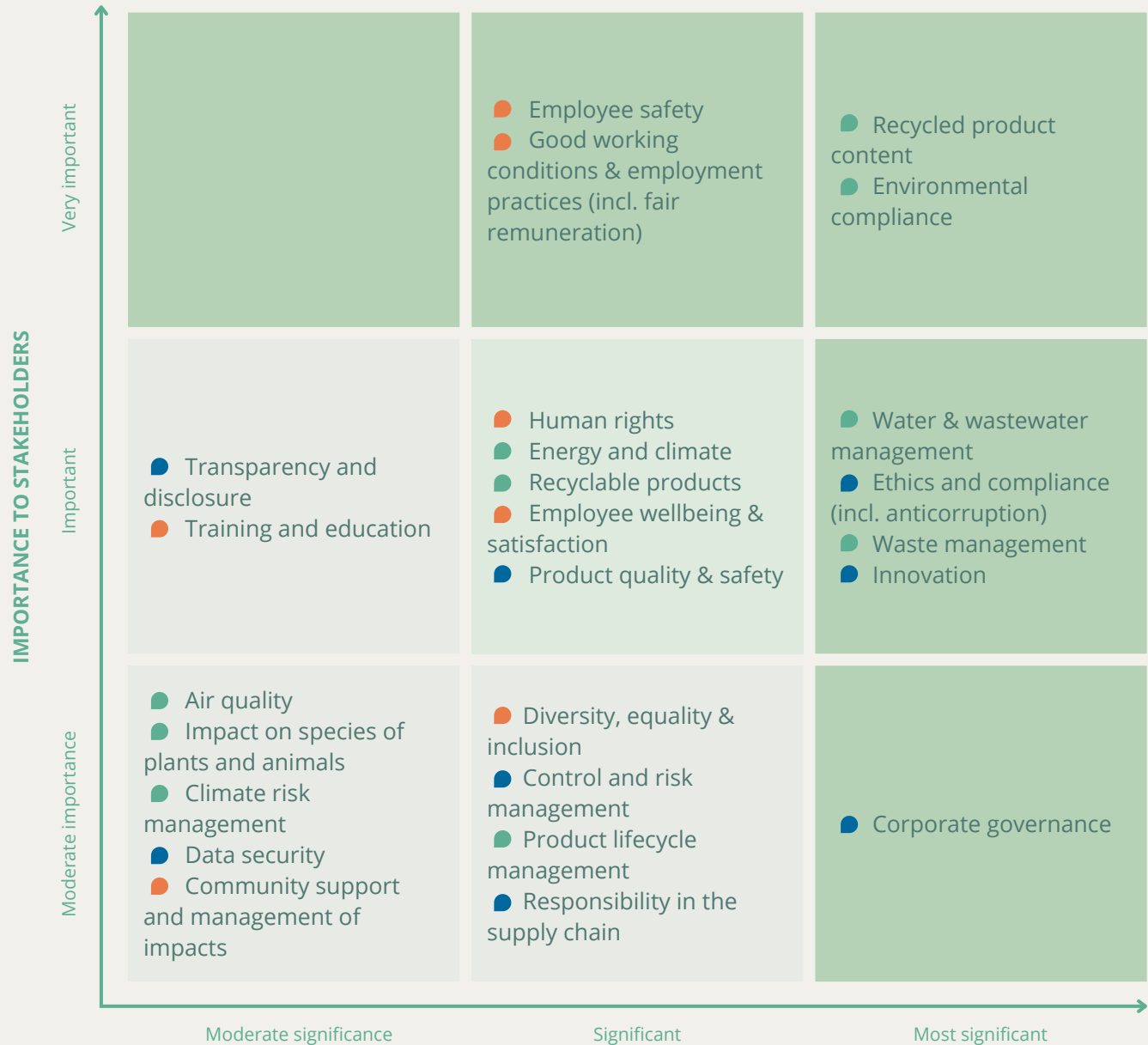
3

Impact and risk assessment

Each sustainability topic has been assessed in terms of its potential impact on the environment and society, as well as its impact on the group's performance. At this stage, the group also discussed the main risks and opportunities related to sustainability. The final result is a materiality matrix presented further.

Materiality matrix

The matrix organizes the most relevant aspects of sustainability for the group, which represent the greatest positive impact on both the company and its stakeholders. The vertical axis of the matrix shows stakeholders' views on the importance of different ESG aspects for the company. The horizontal axis indicates the ESG aspects in terms of their relative impact and relevance to our main strategic objectives. The insights from materiality matrix have been further used to identify strategic priorities for the Plasta Group's sustainability.



The main strategic goals

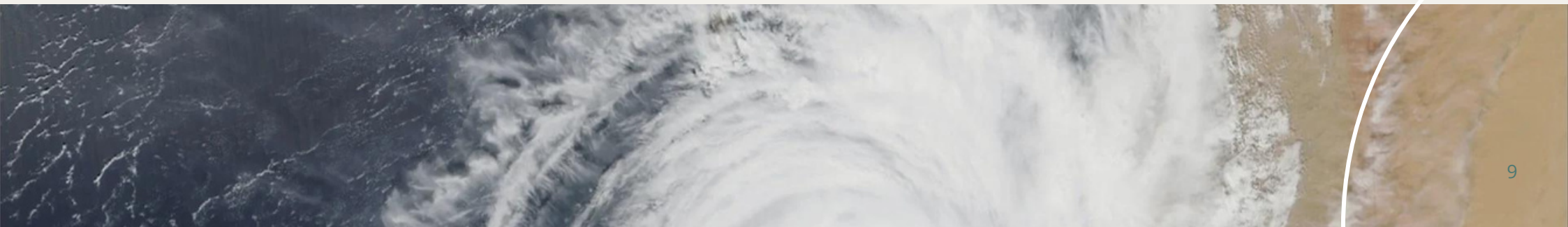
Based on the results of the materiality assessment, we have taken a look at our sustainability goals, reinforcing commitment to sustainability and ensuring that our business priorities are aligned with the objectives and stakeholder expectations.

This helped us identify key sustainability focus areas, along with priority topics, supported by strategic goals to be achieved in Plasta and Rullpack manufacturing plants accordingly

during the years 2023-2025. We also ensured that the targets we set up, were aligned with our company's long-term vision with sustainable development principles. The overview of Plasta Group's key strategic sustainability goals is provided in the following table, although there are many more objectives we set ourselves in our sustainability journey. Starting from 2024, we will provide results and progress on these and additional targets in our yearly sustainability reports.

Focus area	Priority topics	Group companies	Strategic goals (2023-2025)	Target until 2026
ENVIRONMENTAL				
Environmentally friendly & innovative production	Energy and climate	PLASTA & RULLPACK	Reduce CO2 emissions per each ton of product	By 5 % yearly
	Waste management	PLASTA	From 2024 reduce plastic waste sent to landfill or incineration (in metric tons)	By 25% per year
		RULLPACK	Reprocess plastic waste internally	100%
	Environmental compliance	PLASTA	Obtain ISO 14001	ISO 14001 obtained
	Water & wastewater management	PLASTA	Reduce the usage of municipal water per 1 t. of granules	By 10% per year
			Keep hard particles in discharged water below limit	No more than 520 mg/l
Recycled product material & circularity	Recycled product content	PLASTA	Part of post consumer plastic material in all products	100%
		RULLPACK	Reduce virgin material content in mix of products sold	By 5% per year
			Obtain Recyclclass certification	Recyclclass certification obtained

Focus area	Priority topics	Group companies	Strategic goals (2023-2025)	Target until 2026
SOCIAL				
Employee safety & wellbeing	Good working conditions & employment practices (incl. fair remuneration)	PLASTA & RULLPACK	Ensure trust & cooperation is always a key priority by focusing on transparent communication and mutual feedback	
			Ensure equal pay for women and men for equal work position	
	Health & Safety		Invest and continuously improve working environment to ensure employee wellbeing and safety	
			Ensure zero major injuries and work-related accidents	0
GOVERNANCE				
Environmentally friendly & innovative production	Innovation		Ensure that a significant part of total Group investments are dedicated for innovative solutions to achieve sustainability goals	At least 30%
			Achieve growth in innovative products sales value	By 5% per year
Good governance practices	Ethics and compliance (incl. anticorruption)	PLASTA & RULLPACK	Ensure zero (significant) cases of non-compliance with laws and regulations	0
			Employees trained on ethics, compliance and anti-corruption	100%
	Corporate Governance		Continue setting the highest standards and active implementation for corporate governance practices and procedures	
			Obtain ECOVADIS certificate	ECOVADIS certificate obtained



ESG performance overview

In order to reach our strategic sustainability goals, we have already launched a few strategic initiatives. The following section will provide an overview of each ESG area and main initiatives along with progress up to this date.



Environmental impact



Environmentally friendly & innovative production

One of our Environmental impact focus areas is Environmentally friendly & innovative production. It includes Energy and climate, Waste management, Environmental compliance, Water & wastewater management material topics (Waste management and Water treatment initiatives are discussed in the Governance section of this document).

In order to achieve one of our strategic goals of reducing CO2 emissions by 5% yearly per each ton of product, we have initiated a few initiatives at PLASTA GROUP already.

We are using 100% green energy in all our factories.



We have performed a comprehensive GHG emissions calculation. This assessment allows us to focus our efforts on minimizing emissions in those areas where most of our emissions come from.



Our progress

In addition, when making investment decisions we are always looking for ways to minimize energy usage in our production process. In 2023, we are launching a new production department at Plasta where we will be able to produce a wide range of high quality products for our customers. We estimate that the new equipment will be 10% more efficient when it comes to energy consumption than previously operated machines.

Recycled product material & circularity

Another Environmental focus area is Recycled product material & circularity, governing Recycled product content material topic.

To improve our environmental compliance at the Plasta manufacturing unit, we have set ourselves a goal to obtain ISO 14001 and RAL certificates, whereas we focus on obtaining RecyClass certificate at Rullpack with an aim to improve recycled product content.

We are currently in the process of obtaining ISO 14001, RAL and RecyClass certificates.



Our progress

ISO 14001 is the international standard which specifies the requirements for the formulation, establishment, implementation, maintenance and improvement of an environmental

management system. The standard will help to control our environmental aspects, reduce impact and ensure legal compliance. We are currently in the starting position of obtaining the certificate at Plasta manufacturing plant, i.e. we are in the process of signing contracts and planning the agenda. As agreed with the contractors, the system will be implemented and the standardization process will take place at the end of 2023. As a result, the certificate at Plasta will be obtained.

We have successfully obtained the RAL certification in September 2023. The certificate sign, which is placed on the product label, indicates the percentage of this waste in the product. We have obtained certification of 40% for bin liners and 60% for garbage bags.

RecyClass Recyclability Certification evaluates the compatibility of plastic packaging with the entire waste management chain, which includes collection, sorting, recycling, and ability of the recycled material to be reused in its original application. The process for obtaining RecyClass at the Rullpack manufacturing unit has been initiated. We are anticipating to receive the certificate in 2023.



Another initiative at the Rullpack manufacturing facility contributes to our strategic goal of reducing virgin content in a mix of products sold by 5% per year.



Launch of EcoPlasta product line for the B2B market in Germany.



Our progress

We have formed a team of industry experts who work with our customers and suppliers to minimise the use of virgin plastics in the factory. The work is centered around developing both materials and technological solutions to process PCR and various additives to offer customers products which will fulfill the same function of virgin material products.



Our progress

EcoPlasta is the most ecological garbage bag brand for the B2B sector clients. It contains a high percentage, around 40-60%, of recycled household waste. So far, it is the most environmentally friendly product line, confirmed by Blue Angel and RAL certificates.

EcoPlasta is a niche B2B brand among PCW (without DSD) and virgin material or technological waste bags. The product has therefore a potential to be introduced in other markets, this way contributing to our strategic goal of reducing virgin content in the mix of product portfolio.



Social impact

Employee safety & wellbeing

Our main Social focus area is Employee safety & wellbeing, which includes Good working conditions & employment practices (incl. fair remuneration), and Health & Safety materiality topics. In order to achieve one of our strategic goals within this focus area, i.e. to invest in and continuously improve our working environment to ensure employee wellbeing and safety, we have launched the Plasta Facility Upgrade Program.

Plasta Facility Upgrade Program



Our progress

An overall objective of the programme is to become a more modern, attractive company for employees. The programme includes completing renovation projects, both for production and administrative purposes, as well as projects to improve infrastructure and working conditions for employees. The first steps of the programme include:

- Upgrading infrastructure (including roads and storage areas to make operations more efficient and safe for employees).
- Replacing windows in selected areas to allow more daylight in the working spaces.
- Upgrading kitchens and sanitary facilities.

We introduced a policy that whenever we install new technology, we at the same time renovate interior and exterior of production units as we strongly believe that safe and well organized

production environment plays a crucial part when it comes to satisfaction of our employees. As a part of the Plasta Facility Upgrade Program, we have also provided our employees with new Plasta work outfits and footwear.

Rullpack: At the Rullpack manufacturing facilities, we dedicate special attention to our main stakeholder - employees, and consult with representatives of our employees each time we make a major decision with regard to how the factory operates, what equipment we invest in, and alike. We believe employee engagement plays a huge role in employee wellbeing at PLASTA GROUP, and we strongly stand behind that.



Governance / Economic impact

Good governance practices

One of our Governance focus areas is Good governance practices. It includes Innovation, Ethics and compliance (incl. anticorruption), and Corporate governance materiality topics.



In terms of corporate governance, we have already established key practices at PLASTA GROUP such as:

- a position of a sustainability officer, responsible for keeping in touch with regulations, data collection and reporting,
- half-yearly board meeting
- where we report goals, KPIs, initiatives and investments into ESG areas,
- roadmap of publishing policies
- related to ESG and governance, including anti-corruption and anti bribery,
- a new product development
- team that keeps looking for environmentally friendly solutions for our customers,
- Investment policy which seeks
- to maximise the processing of most difficult waste streams.

As part of one of our strategic goals to ensure that 30% of total Group investments are dedicated to innovative solutions to achieve sustainability goals, we have invested in waste management and water treatment plants.



Our progress

Recently we have directed our focus towards recycling of plastic waste coming from households, which, if not recycled, is sent for burning or to a landfill. We have completed our investment in an automatic sorting line to process household waste. As next steps we have started working with leading technology suppliers to expand on household plastic recycling as well as develop solutions to process mixed plastic waste which is a by-product of our sorting plants.

Another investment has been made to improve and optimize the water treatment process. Due to stricter requirements for waste water discharges and changes in our internal needs to recycle more plastics from the municipal waste stream, this investment in optimizing our water treatment process was indispensable. Thus, we finished the project successfully in August 2023.

Alongside the automatic sorting and water treatment projects, a new PCR washing line was installed in 2023, ensuring the best film washing quality in the municipal stream. The project was completed by the deadline of August 2023.


Next steps

At Plasta Group, we are highly committed to sustainable business development practices and are continuously putting effort into achieving our sustainability goals. Our next steps include:

- creating a sustainability page on our company's website describing our sustainability strategy and key areas of focus,
- creating ESG policy that will demonstrate Plasta Group's position towards ESG areas,
- creating and publishing a Sustainability Report to communicate the Group's sustainability journey,
- In 2025, repeating stakeholder survey on ESG topics to reflect stakeholders' expectations/priorities.

We believe that our strong commitment to sustainability, and the company's DNA of shaping a sustainable plastics' industry, will help achieve these and many other strategic goals.



An aerial photograph of a lush green forest with a winding river. The scene is misty, with soft white vapor rising from the trees and water. A white graphic line, consisting of a large arc and a vertical segment, frames the text on the left side of the image.

**For further information regarding
Plasta Group's sustainability
strategy, please contact
esg@plasta.it**