

PLASTA GROUP ESG POLICY

1. GENERAL PROVISIONS

- 1.1. Plasta Holdings UAB (the Company) together with its subsidiaries (the Group, Group companies), being responsible for the impact of its activities on the environment and society, applies the ESG Policy (the Policy) in its operations.
- 1.2. The purpose of this Policy is to define the general principles and provide a framework for the PLASTA Group's corporate culture and practices, its approach to corporate responsibility in the areas of environmental, social and governance (ESG), and to set out the goals for sustainable performance management in all business decisions and in the implementation of the PLASTA Group's ESG strategy.
- 1.3. The Policy applies to and covers the Group's business activities in all countries in which the PLASTA Group operates and applies to all members of the Group's Board, heads of Companies, employees and other persons acting on behalf of the Group ("employee"). The Policy also applies to all partners, customers and other stakeholders who have a relationship with the Group.
- 1.4. The implementation of ESG criteria is the responsibility of each PLASTA Group company and its business units according to their specific functions.
- 1.5. The following terms may be used in the Policy and in the additional documents:
 - 1.5.1. **Employee** means a person who has an employment relationship with the PLASTA Group, including managers, senior managers, and members of the Board, and other persons acting on behalf of the Group.
 - 1.5.2. **ESG** (Environment, Social, Governance) refers to environmental protection, social responsibility and governance. ESG indicators aim to help businesses better understand and measure their responsibilities to the environment, employees, customers, suppliers, investors and society:
 - Environmental factors - factors related to the natural world. This includes the use of and interaction with renewable and non-renewable resources (e.g. water, minerals, ecosystems, biodiversity).
 - Social factor - the factors that affect people's lives. This includes the management of human capital, local communities and customers.
 - Governance factor - factors that indicate the rules and procedures for countries and corporations, and allow stakeholders (including investors) to screen for appropriate governance practices as they would for environmental and social factors. A corporation's purpose, the role and makeup of boards of directors, shareholder rights and how corporate performance is measured are core elements of corporate governance structures. Four key factors can be identified: structure and oversight, code and values, transparency and reporting, and cyber risk and systems.
 - 1.5.3. **ESG strategy** is a set of concrete objectives and priority actions agreed on in key environmental, social and governance areas.
 - 1.5.4. **European Green Deal** is an action plan presented by the European Commission on 11 December 2019 to make Europe the first climate-neutral continent by 2050, boosting the economy, improving people's health and quality of life, caring for nature, and leaving no one behind.
 - 1.5.5. **Group, PLASTA Group** means the Parent Company and its subsidiaries, as well as subsidiaries whose headquarters are located in foreign countries and where it directly and/or indirectly holds a majority of votes or can directly or indirectly exercise a dominant influence.

1.5.6. **The Paris Agreement** is an agreement between countries to strengthen the global response to the threats posed by climate change. It aims to limit the increase in the Earth's average temperature to 2 °C above pre-industrial levels and to continue to keep the increase in the Earth's average temperature to no more than 1.5 °C.

1.5.7. **Parent company** is Plasta Holdings UAB (legal entity code 305660999).

1.5.8. **Sustainable Development Goals (SDGs)** are the 2015 agreement reached by all United Nations members on a shared global development agenda for 2030. It is based on 17 Sustainable Development Goals (SDGs), which aim to achieve peace, prosperity and the common good of humanity and the planet now and in the future, and to foster partnerships for achieving these goals.

2. FOCUS AREAS AND GOALS

2.1. The PLASTA Group defines its impact on sustainability by focusing on four main strategic areas:

2.1.1. **Environmentally friendly & innovative production.** Manage the entire production processes to constantly innovate and meet particular environmental standards while also focusing on reducing our carbon footprint.

2.1.2. **Recycled product material and circularity.** Produce products using post-consumer recycled materials and focus on improving the circularity of products.

2.1.3. **Employee safety & wellbeing.** Focus on good employment practices and ensure a workplace where trust, cooperation, safety, support are encouraged.

2.1.4. **Good governance practices.** Promote ethical and transparent behaviour in management and governance practices, policies, procedures (incl. sustainability governance practices).

2.2. The Group focuses on the following SDGs in its activities and in the implementation of the Sustainable Development Commitment:



3 - good health and well-being **7** - affordable and clean energy **8** - decent work and economic growth

9 - industry, innovation and infrastructure

12 – responsible consumption and production

13 - climate action

16 - Peace, justice and strong institutions

2.3. The Group is committed to protecting the environment, people and society through responsible management of its operations, compliance with its environmental and social obligations and active work in the areas covered by this document.

3. ESG RISK MANAGEMENT

3.1. In line with the principles of this Policy, important environmental, social and governance topics are identified, ESG objectives are set and targets are formulated, which are automatically integrated into the PLASTA Group's overall business plans. Results are monitored periodically and process audits are carried out to assess performance against internal and external standards.

3.2. Sustainability risks must be managed on a day-to-day basis in all areas of the business where they may arise, and by those whose competences and responsibilities best enable them to do so.

3.3. The process of managing sustainability risks includes the following steps:

3.3.1. Identification;

- 3.3.2. Measurement and evaluation;
 - 3.3.3. Monitoring and control;
 - 3.3.4. Reporting;
 - 3.3.5. Management actions.
- 3.4. ESG risk monitoring is a regular process and every year by 30 of June the Group reviews the environmental, social and governance (ESG) impacts and priorities of its activities (assessment of significance), taking into account stakeholder expectations and the latest available scientific information, and updating its ESG focus areas and goals.
 - 3.5. Information on the achievement of ESG goals is provided in the Group's annual Sustainability Report, which is published on Group's website www.plastagroup.com for public review.
 - 3.6. All decisions in the Group are made in accordance with the law, the Group's procedures, policies and codes of ethics, and the application of control procedures in key processes.

4. ENVIRONMENTAL CRITERIA AND STRATEGIC GOALS



- 4.1. Environmentally friendly and innovative production:
 - 4.1.1. In Plasta AB and Rullpack AB - to reduce CO₂ emissions by 5% annually per each tonne of product.
 - 4.1.2. From 2024 in Plasta AB to reduce the amount of plastic waste sent to landfill or incineration plants (in metric tonnes) by 25% per year.
 - 4.1.3. Rullpack AB - to reprocess 100% of plastic waste internally.
 - 4.1.4. Plasta AB to obtain ISO 14001.
 - 4.1.5. Plasta AB - to reduce the usage of municipal water consumption per 1 tonne of produced granulate by 10% per year.
 - 4.1.6. Allow no more than 520 mg/l of hard particles in Plasta AB discharged water.
- 4.2. Recycled product material and circularity:
 - 4.2.1. Reach 100% of post-consumer plastic material in all products of Plasta AB.
 - 4.2.2. Rullpack AB - to reduce virgin content in mix of products sold by 5% / year.
 - 4.2.3. Rullpack AB - to obtain Recyclacert certification.

5. SOCIAL CRITERIA AND STRATEGIC GOALS



- 5.1. Good working conditions and employment practices (including fair remuneration):

- 5.1.1. Ensure trust & cooperation is always a key priority by focusing on transparent communication and mutual feedback.
- 5.1.2. Ensure equal pay for women and men of similar or same position and work performance.
- 5.1.3. Invest and continuously improve working environment to ensure employee wellbeing and safety.
- 5.2. Health and safety:
 - 5.2.1. Zero major injuries and work-related accidents.

6. GOVERNANCE CRITERIA AND STRATEGIC GOALS



- 6.1. Environmentally friendly and innovative production:
 - 6.1.1. Ensure that 30% of the total Group's investments are dedicated for innovative solutions to achieve sustainability goals.
 - 6.1.2. Achieve 5% growth per year in innovative products sales value.
- 6.2. Good governance practices:
 - 6.2.1. Ensure zero (significant) cases of non-compliance with laws and regulations.
 - 6.2.2. Ensure that 100% of employees are trained on ethics, compliance and anti-corruption.
 - 6.2.3. Continue setting the highest standards and active implementation for corporate governance practices and procedures.
 - 6.2.4. Obtain ECOVADIS certificate.

7. FINAL PROVISIONS

- 7.1. The Policy is approved and amended by CEO of the Company.
- 7.2. ESG goals have been set and ESG strategy has been prepared for the period 2023-2025, therefore both the ESG Policy and the ESG Strategy are reviewed annually and, if necessary, updated. The Company's CEO is responsible for managing this process.
- 7.3. Every employee of the PLASTA Group should become familiar with this Policy and apply the ESG Principles in their work.
- 7.4. Information on the Group's ESG strategy, goals and implementation is available on the Group's website www.plastagroup.com.
- 7.5. The Policy shall apply to the extent that it does not conflict with EU legislation and/or other applicable legislation of the Republic of Lithuania.