



fatra | PLASTICS FOR LIFE

2022
CORPORATE SOCIAL
RESPONSIBILITY REPORT

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A WORD OF INTRODUCTION

We will all remember 2022 for a long time and it will certainly become a historically significant year. In addition to all the accumulated problems with the prices and availability of raw materials, rising energy prices and growing inflation following the two-year period of Covid, Russia invaded Ukraine in February 2022 and started a military conflict quite close to our borders - something we could not even have imagined until that moment.

Unfortunately, the war continues, and the hope of its quick end is still out of sight. In combination with the sanctions imposed on the Russian Federation, this fact was also reflected in the global economy, and it particularly affected Europe, which was significantly dependent on strategic raw materials supplied from Russia, especially natural gas, and oil. The subsequent turbulent movement of prices and, in particular, the rise in the prices of energy, raw materials and other products was unprecedented. Every company had to face the resulting situation, and unfortunately there is a high probability that this non-standard and uncertain situation is going to continue next year.

Despite the unfavourable conditions, we managed to pass the year 2022 with honour, even though the values of the set economic result plan were not achieved this time. I concurrently firmly believe that we will also manage the following year 2023, in which we hope to see the end of the war conflict and the calming down of the fickle and unstable macroenvironment which has had a negative effect on companies and, of course, on all households.

Despite all these circumstances, we have not deviated from our long-term goal, which is also our mission, i.e., to produce sustainable quality plastic products. This means, above all, products with a long usable life, with a content of returnable materials and with a positive contribution to our environment. At the same time, we have set ambitious standards not only for the production processes, but also for internal company standards guaranteeing the protection of human rights, the elimination of any forms of discrimination and ensuring a safe working environment for all our employees.

Sustainability is completely natural for us. We will continue to meet the strict criteria imposed on our industry, including other voluntary commitments we set in environmental protection.

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 2021 amounted to **CZK 4.4 billion**
- Investments – **CZK 117.7 million**
- Strong company – almost **1,100** employees
- **Two** production plants – Napajedla and Chropyně
- New 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.

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. In 2021, the system was recertified by the certification company Bureau Veritas and the issued certificates are valid until 31 May 2024.

** 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% returnable in-house waste, which helps to **close the material cycle** of these products.

BO PET films

- BO PET films and laminated foils and their properties allow the use of packaging materials in demanding applications with an emphasis on extending the shelf life of food, thereby **saving food resources**.

Special products

- Warning foils for cable protection contain up to 95% regrunulate, which contributes to **the saving of primary materials**.



RESPECT FOR NATURE

We manage raw materials and energy resources responsibly and efficiently. We reduce energy consumption through system solutions and innovations.

We aim to minimise waste and recycle raw materials internally by taking back materials from our customers.

We use secondary energy sources.

INVESTING IN AUSTERITY MEASURES IN 2022:

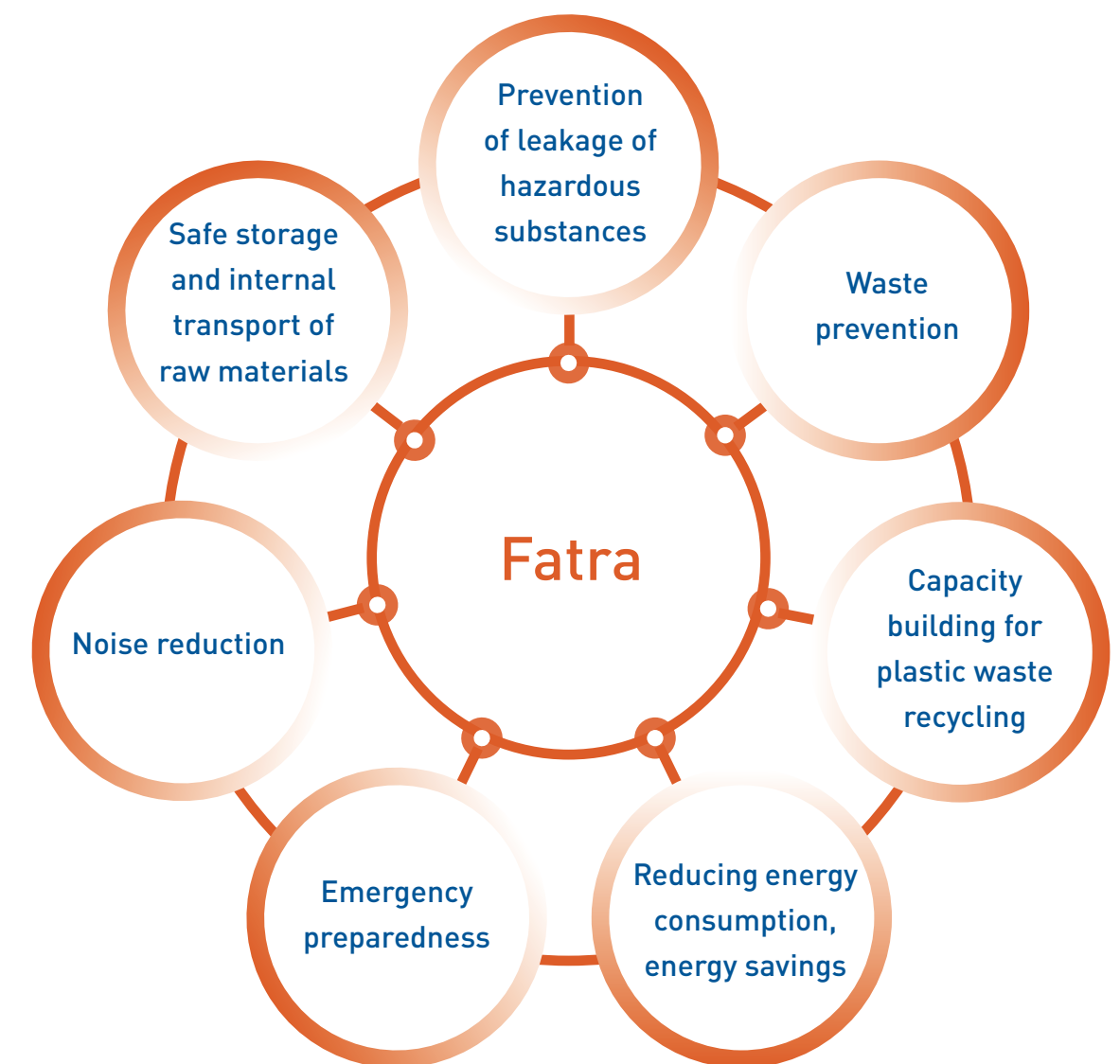
CZK 33.6 million

In energy measures

CZK 17.3 million

For environmental protection

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



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

Energy consumption is assessed together as the total of electricity consumption, consumption of heat in the form of steam and natural gas consumption per MWh.

Measures implemented in 2022 that have led to savings include:

- Construction of a steam boiler room - transition from steam to our own gas boiler room.
- Modernisation of cooling technology in BO PET production.
- Modernisation of Chropyně compressor station.

CZK 33.6 million

Total cost of energy measures

612 MWh

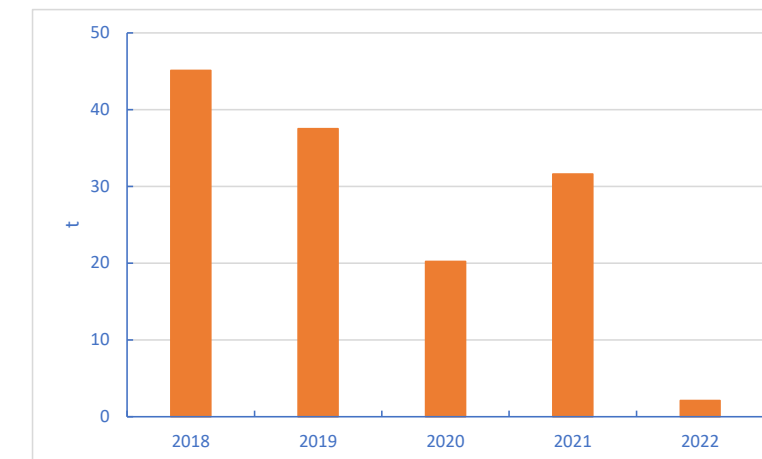
Total annual savings from these measures

PROTECTION OF WATER RESOURCES AND AIR

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.

Emissions of volatile organic compounds (VOCs) have decreased significantly due to the discontinuation of printing technologies.

Emissions of volatile organic compounds in the air



9,000 m³

Potable water saving

(Modernisation of BO PET technological cooling)

7,407 t

Reduction of CO₂

(Summary of all measures taken in 2022)

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 a granulation line for the treatment of PES lint into operation with an investment cost of **CZK 17.3 million**. This line processes technological waste from the production of waterproofing insulations. It processed **22 tons** in 2022.

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.

In 2022, we bought **1,730 tons** of plastic waste and materials suitable for recycling on the line in Chropyně. The produced regranulate was then sold or internally processed. In 2022, a total of **598 tons** of regranulate from Chropyně was sold.

From 2015 to 2022, we recycled **21,120 tons** of plastic waste and materials that were used in other products. The produced regranulate could be used to make, for example, 141 million waste bags with a volume of 60 l or 15.3 million crates.

In 2022, we managed to reduce the amount of hazardous waste to **84 tons**. This constitutes an almost 22 % reduction compared to 2021.



Take-back of electrical equipment

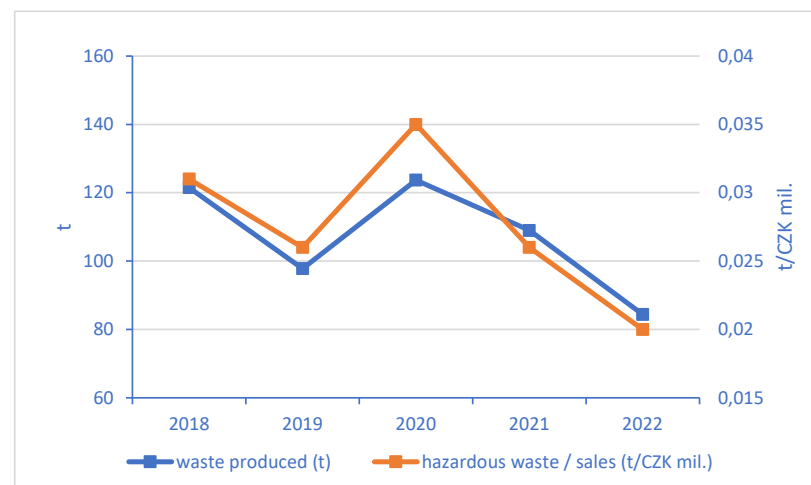
We cooperate with the ASEKOL collective system when recycling old electrical equipment. In 2022, we submitted over **3,380 kg** of discarded electrical equipment that was created during our company's operations.

Take-back of batteries

We are recycling more and more end-of-life batteries. Fatra handed over **221 kg** of waste batteries for take-back and subsequent recycling in 2022. From this amount, 166 kg of secondary raw materials, which can be used in the production of new products, were obtained through recycling.



Hazardous waste



AWARDS AND 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.

WE SUPPORT OUR SURROUNDINGS

We work together on the development of the region in the economic, cultural, social and sports fields. In 2022, we supported these events and organisations with CZK 4.4 million.

CULTURAL / SOCIAL EVENTS

- Zlín Film Festival
- Zlín Design Week
- Events held in the towns of Napajedla and Chropyně
- Otrokovická BESEDA
- "Czechoslovak BEST OF" in Hulín
- Jan Antonín Baťa endowment fund

SPORTS EVENTS

- NOVESTA Zlín
- PSG Berani Zlín ice hockey club
- Slovácko summer
- Rally Zlín
- XC Cup Napajedla
- Rozhýbejme Napajedla (Let Us make Napajedla move)
- To work by bike
- Ječmínek's run



SOCIAL SUPPORT

- Financial humanitarian aid to Ukraine in the amount of **CZK 120,000** supported by a collection of mostly chemists' goods given by our employees.
- "Christmas star 2022" Charity event, when the sale of **1,147** 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 138,000** to a non-profit organisation called "Šance Olomouc" (Olomouc Chance).
- **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 47,082** as part of the „To work by bike“ event. Each kilometre ridden meant 1 CZK for charitable purposes. The non-profit organisation, Junák-Czech Scout, the Jerry Hodný centre in Napajedla, was drawn from the nominations proposed by the employees.
- We supported **Children's Day and Nicholas Day** in Kindergartens in Napajedla and Chropyně with toys and sweets.
- **A grant to the Retirement Home** - a new floor for Napajedla and payment for bus transport to a cultural event for Otrokovice - a total of **CZK 26,500**.
- 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.
- As part of the „Helping Jesus“ event, our employees fulfilled the wishes of children who wrote to the Agrofert Foundation. These included children of single parents, children living with disabilities and children of parents living with disabilities.

SUPPORT FOR EDUCATION

- Student excursions, internships, programmes, temporary jobs. We offer internships and placements for students in our region. We cooperate with educational institutions and help to develop the projects of talented students.
- Support for competitions. Support for competitions. We supported the regional finals of the „Young Chemist“ competition with gift vouchers.



OUR PEOPLE — OUR SUCCESS

We place great emphasis on the professional development of our employees. In addition to mandatory job-related training, we offer employees first aid courses, language courses and other training to develop their individual skills. In 2022, over **CZK 1.845 mil.** was spent on this training.

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 2022

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.

Covid

Covid testing and company-wide monitoring – purchase of tests, equipment, provision of testing facilities, staff and their training, digitisation of testing.

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



Experience **First Aid** courses



Language courses



Discounts on AGROFERT Group products



WE JOIN THE OBJECTIVES OF THE **UN** IN THE CZECH REPUBLIC

SUSTAINABLE DEVELOPMENT **GOALS**

