

CORPORATE SOCIAL RESPONSIBILITY REPORT 2024

fatra
PLASTICS FOR LIFE



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A WORD OF INTRODUCTION

2024 was a successful year for our company, the plan was fulfilled. The results we have achieved are significantly improved compared to the previous two years, but we are still not on track to achieve the performance of the pre-Covid years. The main reasons for the success of 2024 were increased production and sales volumes in substantially all segments, relatively stable raw material and energy prices, and the cost-saving measures taken in previous years, which significantly boosted the efficiency of individual operations. The main objective of increasing production on new technologies was achieved by increasing the shift rate.

In spite of the continuing global uncertainty caused by the ongoing conflicts in Ukraine and the Middle East, weak growth in the European economies, low demand and Asian competition, we plan for 2025 to increase or at least maintain production volumes in almost all segments compared to last year.

Sustainable development and responsible business conduct are among our long-term priorities. They are a firm part of our medium-term strategy, in which we are focusing on concrete steps to promote the principles of sustainability and the circular economy. We strive to reduce our environmental impact, maximise the use of secondary raw materials, design our products in an environmentally friendly way and reduce CO₂ emissions.

Equally important to us is social responsibility. We respect high internal standards in the areas of protecting human rights, preventing discrimination and ensuring a safe and fair working environment for all our employees.

We take care to be a good neighbour - we support community initiatives and honour ethical principles in our dealings with all stakeholders. In our 2024 Corporate Social Responsibility Report (CSR Report), we will present the key sustainability activities we have undertaken. We thank you for your trust, support and interest in our efforts to be a responsible corporate and environmental citizen.

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 3.7 billion
- Investments – CZK 148 million
- Strong company – more than 1,000 employees
- Production plants – Napajedla and Chropyně
- 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
- EcoVadis Corporate Social Responsibility Certification
- 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.



EcoVadis

The international agency EcoVadis awarded us a bronze medal for responsible business. This is in recognition of the way we integrate environmental and social principles into our business and management system.

* 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 regrates 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

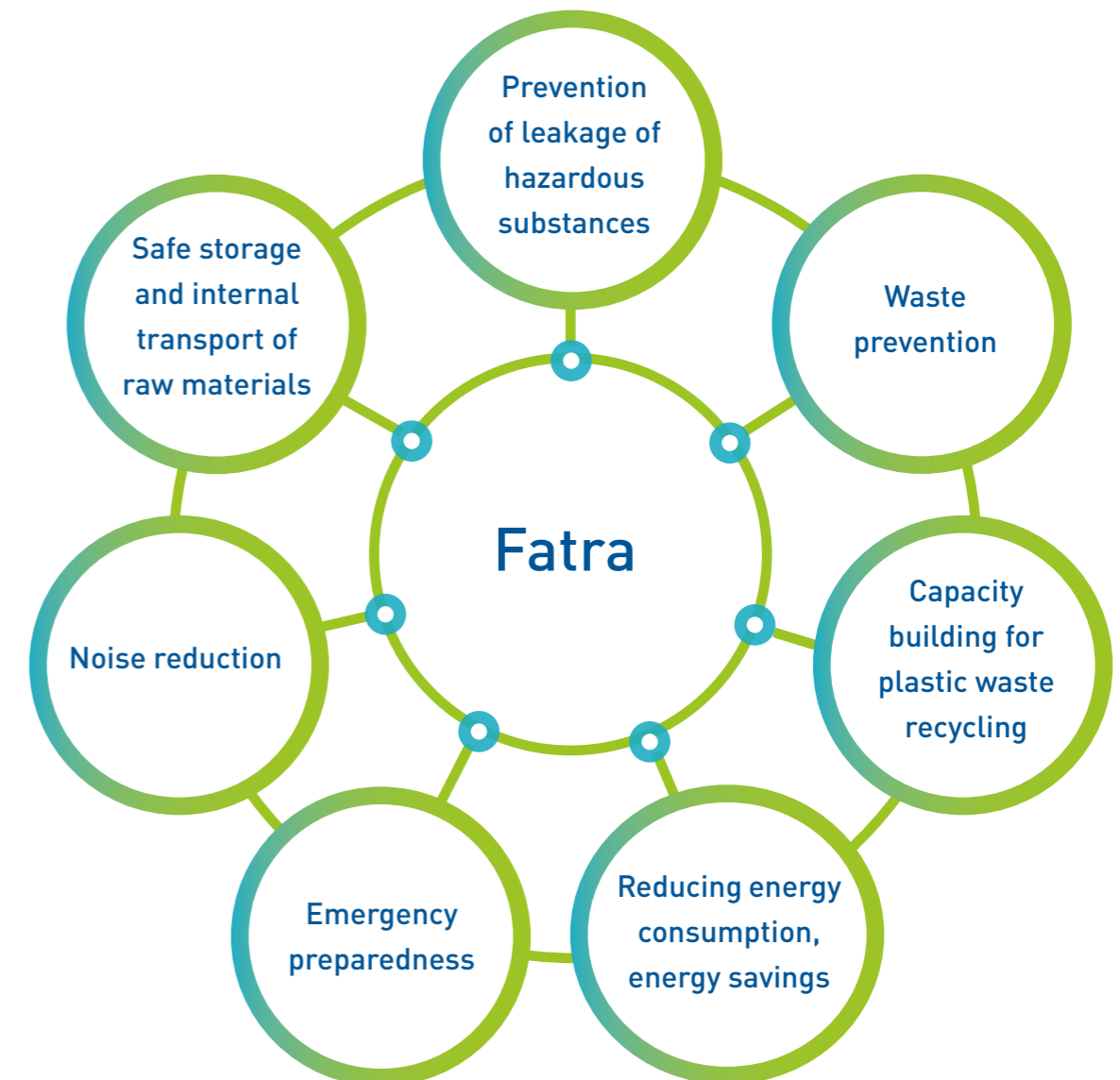
We handle raw materials and energy resources responsibly and efficiently. We use system solutions and innovations to reduce energy consumption. Our goal is to minimize the generation of waste and recycle raw materials internally. We invest in air protection, energy saving, water and soil protection,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

We use secondary energy sources.

INVEST IN PROTECTIVE MEASURES IN 2024

CZK 78.4 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 2024 leading to savings include:
- Hot water boiler house and modernisation of central heat distribution systems.
- Control system for photovoltaic control in the local distribution network.
- Replacement of lighting columns for installation of LED luminaires.
- Replacement of 319 luminaires with more energy efficient luminaires with LED technology.
- Heat pump installation. - Photovoltaic power plant on the roof.

CZK 62 million

Total cost of energy measures

1,628 t

Reduction of CO₂ emissions

Summary of energy measures in 2024

PROTECTION OF WATER RESOURCES, AIR AND SOIL

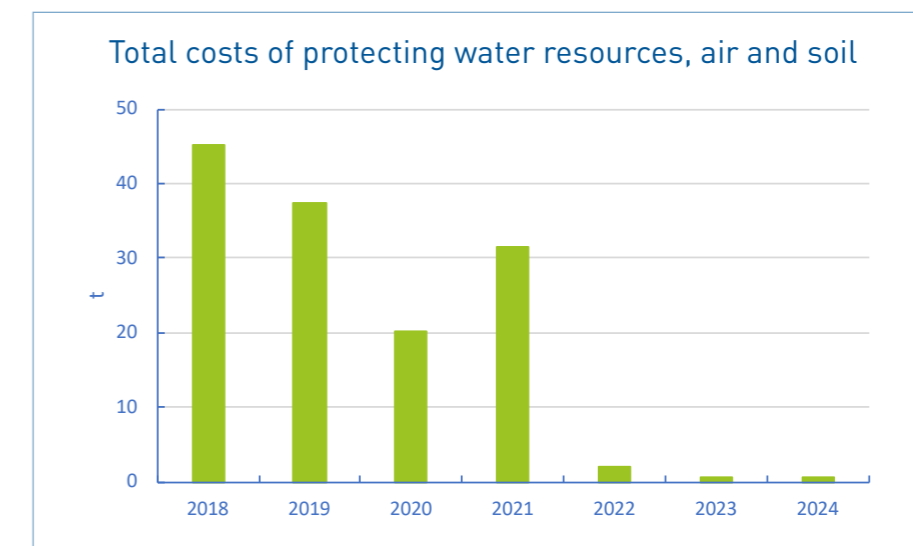
Air pollution sources are operated in Fatra in conformity with the binding conditions of the operating permit and with the applicable legislation. The air pollution sources are periodically monitored and comply with the established emission limits.

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 2024 leading to savings include:

- Second stage of the replacement of the air conditioning system in the Old Rolling Mill building.
- The second phase of the BOPET-B line HVAC upgrade.
- Installation of an electrostatic precipitator on the HIF II line.
- Reinforcement of the extraction on the lamination line in the New Mill.
- New drying station in the compressor room.



CZK15.7 million

Total costs of protecting water resources, air and soil

RETURNABLE MATERIAL AND WASTE

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 2024 it processed 195 t.

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 2024, we bought 2,257 t of plastic waste and materials suitable for recycling on the line in Chropyně. This is 15% more than in 2023. The regranulate produced was sold or processed internally.

The waste produced in the company has been reduced in the long term. In 2024, it was 1,300 t, hazardous waste 73 t. The production of both wastes has a downward trend.



In 2024, an investment was made to connect the pipeline route to the MAS line reservoir.

CZK 400 thousand

Investing in savings in waste management

Take-back of electrical appliances

We have obtained an Environmental Accounting Certificate, which quantifies the company's contribution to nature protection in 2024. It shows that thanks to the amount of electrical appliances we have handed in, we have saved 25 MWh of electricity, 1,853 l of oil, 250 m³ of water and 1.9 t of primary raw materials. In addition, we have reduced greenhouse gas emissions by 7.6 t of CO₂ eq. and the production of SO₂ eq. (which causes acidification of the environment) by 113 kg.



Battery take-back

Waste sorting, including batteries, is part of corporate social and environmental responsibility. As the number of batteries increases, the importance of taking them back after they have reached the end of their useful life increases. We cooperate with ECOBAT for recycling. In 2024, we handed over 80 kg of non-working batteries generated by our company's operations



Circular pallet recycling system

We have been awarded the PRS Green Label 2024 certificate for our contribution to improving the environment through our pallet reuse system. This makes us part of a network of environmentally responsible manufacturers, warehouses and distributors.



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 2024, we supported these events and organisations with CZK 3.5 million.

CULTURAL / SOCIAL EVENTS

- Zlín Film Festival
- Zlín Design Week
- Fashion Event Dotek
- Festival „Zlín žije“
- Exhibition in the Museum of Southeast Moravia „Svět hraček Baťa“ in Zlín
- Exhibition „Fenomén Fatra“ in Vsetín and Brno
- Events held in the towns of Napajedla and Chropyně

SPORTS EVENTS

- Volleyball 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
- SUPP STORE RUN Napajedla



SOCIAL SUPPORT

- **Christmas star 2024** Charity event, when the sale of **1,014** 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 121,680** to a non-profit organisation called "Šance Olomouc" (Olomouc Chance). Other companies, such as KovoZOO Staré Město, Napajedla Primary School and AWL Napajeda, joined the event under the Fatra.
- **CZK 30,000** grant for the operation of the Asylum House for women and mothers with children in Vsetín.
- This year, we have also joined the „Bike to Work 2024“ challenge, which motivates people to use active and environmentally friendly modes of transport. Thanks to the efforts of our employees and the mileage we have covered, we managed to collect and donate **25,000 CZK**. The non-profit organization Handicap Zlín, z. s. was chosen by employee vote.
- We took part in the charity challenge „Kilometers for Ríša and Samík“, the aim of which was to support two disadvantaged children from the Zlín Region. Fatra contributed financially to the proceeds, which totalled over **CZK 213,000**. The event was organized by PSG together with the association Heart in the Right Place.
- During **Children's Day** and **Nicholas Day**, we supported kindergartens in Napajedla and Chropyně with toys, tickets to the ZOO and sweets. On Earth Day, children from Napajedla also went on an excursion to our company.
- We joined Agrofert's action to build a chill-out zone at Mendel University. We donated a Fatraclick floor to the zone.

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.



ASSISTANCE TO FLOOD-AFFECTED AREAS

In mid-September 2024, the Czech Republic was hit by devastating floods. Heavy rains caused widespread flooding that affected almost all regions of the Czech Republic. The most serious situation was recorded in the Moravian-Silesian and Olomouc regions. Estimated damage amounts to tens of billions of crowns. We responded immediately after the event with rapid material assistance. In cooperation with the municipal authorities, we dispatched the first delivery of basic supplies to the heavily affected village of Lipová-lázně in the Jeseník region. Our employees spontaneously and within a few hours prepared a full vehicle with the necessary aid for the inhabitants of the affected area. Shortly afterwards, we provided further assistance to the village of Karlovice near Vrbno pod Pradědem. We provided 12 IBC containers and other materials to meet the actual needs of the local residents. A big thank you to all colleagues who participated in the assistance. Our support did not end there. As part of the rebuilding of public buildings, we donated vinyl flooring from our production to schools in the affected areas. We hope that this contribution has contributed to a quicker return to normal school routines for the children and has at least partly helped to get life back to normal. The aid continues in 2025. Our company continues to stand by people in difficult life situations and reaffirms its commitment to responsible and sustainable business.

Floor covering deliveries were directed to the following locations:

- Karlovice
- Lipová-Lázně
- Jeseník
- Česká Ves

1,758 m²

Quantity of donated floor coverings

The value of the donations is CZK 734 thousand



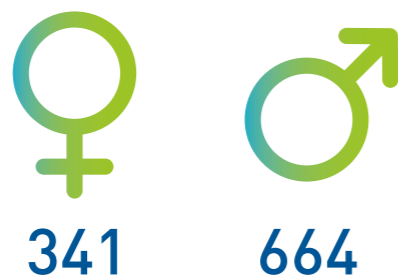
OUR PEOPLE

— 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 2 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 2024

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



Theatre performance in Zlín



AWARD OF FATRA AS AN EMPLOYER



3rd place in the Pluxee Employer of the Year 2024 competition

Fatra, a. s., was recognized 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 in terms of human resources since 2003. Fatra was ranked 3rd in the category of up to 5,000 employees. This award confirmed our long-term care for employee development through various benefits and social activities.

WE JOIN THE OBJECTIVES OF THE UN IN THE CZECH REPUBLIC

SUSTAINABLE DEVELOPMENT GOALS



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fatra
PLASTICS FOR LIFE