



SUSTAINABILITY REPORT 2024



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STATEMENT ON SUSTAINABLE DEVELOPMENT STRATEGY >GRI 2-22

For Muraplast d.o.o. (hereinafter: the Company), 2024 was a year of stabilization after a challenging period marked by a decline in revenues in 2023, as well as a continuation of long-term investments in capacity and sustainability. Revenues increased to EUR 72.1 million, with a profit of EUR 5.5 million, confirming the resilience of Muraplast's business model.

In June 2024, the Company launched a new investment cycle worth around EUR 20 million, which by 2027 will increase plastic processing capacities by 40% and create new jobs. The first investments were already realized during 2024. At the same time, we continued diversifying our business by increasing our ownership stake in the DC North data center to 45% and entering the electricity aggregation segment with a 756 kW/1,505 kWh battery system.

Sustainability remains a strategic priority of the Company. Through the implementation of MAP 2030 – Muraplast Action Plan 2030, we have defined measurable targets in the areas of circular economy, climate action, human resources, and business practices.

The Company participated in the ESG rating of the Croatian Chamber of Economy (HGK) and was awarded the prize for the best large sustainable company in Croatia for the second year in a row.

Our commitments include reducing greenhouse gas emissions in line with the Science Based Targets initiative, increasing the share of recycled content in our products, continuously improving energy efficiency, and ensuring responsible waste management. In 2024, we continued recycling our own and collected waste and expanded our portfolio of recyclable and innovative packaging solutions.

In terms of employees, the Company employs more than 350 people and remains one of the largest employers in Međimurje Country. Our priorities continue to be workplace safety, continuous education, and providing a working environment in which employees can grow and contribute to shared goals.

Regulatory changes, particularly the Packaging and Packaging Waste Regulation (PPWR), represent a challenge for the entire industry. Muraplast has been preparing for these changes for several years – by developing new recyclable products, testing alternative materials, and working closely with customers to ensure compliance with future requirements.

Sustainable development is not only a legal obligation but also a core value of Muraplast. Our vision is to become a benchmark for packaging production in Europe – a company that combines modern technology, innovation, and responsibility toward the environment, community, and employees.

Davor Ujlaki/direktor



Statement on the use: MURAPLAST d.o.o. has reported the information cited in this GRI content index for the period from 1 January 2024 to 31 December 2024 with reference to the GRI Standards.

Used GRI 1: GRI 1: Foundation 2021

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ORGANIZATIONAL PROFILE

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The abbreviated name of the Company is MURAPLAST d.o.o.

The full name of the Company is MURAPLAST limited liability company for the production and processing of plastics.

The Company is registered in Croatia under the following numbers:

MB 070005759

PIN 16893266699

The Company is organized as a limited liability Company and is 100% privately owned. The owners and at the same time the founders of the Company are Ivan Ujlaki with a 50% share and Anđelko Trojko with a 50% share.

All activities of the Company are carried out in Croatia in Kotoriba. The Company owns 4 locations in two industrial zones (Kotoriba, Sajmišna ulica and Kotoriba, South Industrial Zone) where it performs various activities:

- Sajmišna 16, HR-40329 Kotoriba, Croatia - main location, processing of plastic products
- Sajmišna 8a, HR-40329 Kotoriba, Croatia - auxiliary warehouse
- Sajmišna 21, HR-40329 Kotoriba, Croatia - processing of plastic products, warehouse, plastic recycling
- Jug I 9, HR-40329 Kotoriba, Croatia - production of paper bags, storage of finished goods, processing of plastic products



Image: Logo on the new production hall installed in 2024

ENTITIES INCLUDED IN THE ORGANIZATION'S SUSTAINABILITY REPORTING >GRI 2-2

This Sustainability Report refers exclusively to the Company MURAPLAST d.o.o.

During 2024, the Company did not have any subsidiaries and therefore has no obligation to prepare consolidated financial statements.

The Company holds a 45% stake in the company DC North d.o.o., Varaždin, OIB: 71374231863.

According to the legal definition, DC North qualifies as a Partner Enterprise.

In 2023, DC North d.o.o. had 0 employees, total annual revenue of EUR 18,617.90, and a total annual balance sheet of EUR 17,133,122.55. In 2024, DC North d.o.o. had 1 employee, total annual revenue of EUR 358,072, and a total annual balance sheet of EUR 16,189,054.

In 2024, the Company increased its ownership share by 10%, reaching a 45% ownership stake in DC North d.o.o.

DC North d.o.o. is a data center providing server leasing services. Its location in Varaždin is strategically positioned between Zagreb and other regional data centers (Austria, Hungary, Slovenia), ensuring optimal data (fiber optic) and energy connections, and serving as an ideal backup location for critical data in Croatia. The Company's entry into DC North represents business risk diversification. The goal is not a short-term exit but rather the future development of multiple data centers.



Image: DC North, data centre, Varaždin

On September 26, 2023, the project "Construction of the DC NORTH data centre in Varaždin" was included in the List of Strategic Investment Projects of the Republic of Croatia. Strategic investment projects are allowed faster implementation with fewer required procedures.

REPORTING PERIOD, FREQUENCY AND CONTACT POINT >GRI 2-3

The Corporate Social Responsibility reporting cycle is annual, and this Report, like the Company's annual financial statements, covers the period from 1 January 1 to 31 December 2024. This is the seventh sustainability report.

The contact person for questions is Marko Kedmenec.

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This Sustainability Report was compiled according to the reference of the Global Reporting Initiative (GRI) standard (General Disclosures 2021).

This report is publicly available on the Company's website <https://muraplast.com/o-nama/>, and all interested stakeholders can obtain it on request. This report is available in Croatian and English.

For a complete report on the Company, the following are also publicly available:

- Audit report with attachments + Notes
- Yearly report
- Decision on profit distribution or loss coverage

Reports are publicly available in the Register of publicly available annual financial reports (<http://rgfi.fina.hr>) where they can be downloaded free of charge according to Article 30 of the Accounting Act.

The date of this report is 4 September 2025.

The GRI standard table of contents can be found on pages 2 and 3.

RESTATEMENTS OF INFORMATION >GRI 2-4

No restatements of previously published information were made during the reporting period.

EXTERNAL ASSURANCE >GRI 2-5

Unlike the reports available in the Register of publicly available annual financial statements, this Sustainability Report has not been externally verified for now.

The Company currently does not have a legal obligation to verify sustainability reports. The Company will be required to produce a verified sustainability report under the European Corporate Sustainability Reporting Directive (CSRD).

ACTIVITIES AND WORKERS

ACTIVITIES, VALUE CHAIN AND OTHER BUSINESS RELATIONSHIPS >GRI 2-6

With continuous organic growth, the use of state-of-the-art technologies, and an excellent workforce, the Company aims to become a benchmark for polyethylene packaging production in Europe.

Since its founding, the Company's primary activity has been the extrusion of polyethylene films in rolls, used as packaging in various industries.

The product portfolio can be divided into the paper sector and the plastic sector.

The plastic sector product portfolio consists of polyethylene films, polyethylene bags and reusable bags, and flexible packaging. Films include shrink films (heat-shrinkable) for bundling beverages and other products, industrial films, and pallet wrapping films. Bags and reusable bags include reusable carrier bags, industrial bags, and pallet covers. Flexible packaging includes single-layer and multi-layer laminated products made of polyethylene, polypropylene, and other materials used for packaging across different industries.

The paper sector product portfolio includes paper bags of various designs and, to a lesser extent, paper packaging in rolls.

The Company is also licensed for plastic waste management and engages in the recovery and recycling of plastic waste.

The Company's market covers Europe and Israel. In 2024, the most significant market was Germany, accounting for 27% of total sales, followed by Croatia, the Netherlands, Austria, the Republic of Serbia, France, Romania, the Czech Republic, Belgium, Italy, Hungary, and other countries. Outside of Europe, less than 2% of sales were recorded, mostly in Israel. Overall, approximately 81% of deliveries were made outside the Republic of Croatia. Customers are industrial manufacturers across various sectors (beverages, food, wood, chemical industry, and other industrial branches) as well as large retail chains.

The Company produces plastic carrier bags with a wall thickness below 50 micrometers, which are banned in certain EU countries (Croatia, Germany) under the SUP Directive, and sells them in EU Member States where such a ban does not apply, or where exemptions exist, such as in the medical sector.

	2021	2022	2023	2024
I. BUSINESS REVENUE, EUR	69.601.613	82.719.358	68.897.777	72.139.449
IX. TOTAL REVENUE, EUR	69.797.975	82.904.230	68.924.201	72.177.050
XIII. PROFIT OR LOSS FOR THE PERIOD, EUR	7.641.172	7.812.999	4.823.668	5.505.054
E) TOTAL ASSETS, EUR	53.316.496	66.308.862	68.710.596	65.436.471
A) CAPITAL AND RESERVES, EUR	30.965.992	37.274.798	40.216.222	44.344.254
I. SUBSCRIBED SHARE CAPITAL, EUR	4.985.679	4.985.679	4.985.660	4.985.660
C) LONG-TERM LIABILITIES, EUR	9.095.702	13.812.742	13.154.575	8.137.768
D) SHORT-TERM LIABILITIES, EUR	11.743.317	13.855.224	13.889.622	11.450.334
Polyethylene films and bags sale, t	18.100	17.757	17.892	18.957
Flexible packaging sale, t	343	332	391	356
Paper products sale, t	10.222	10.862	9.393	10.466

Table: Organization size

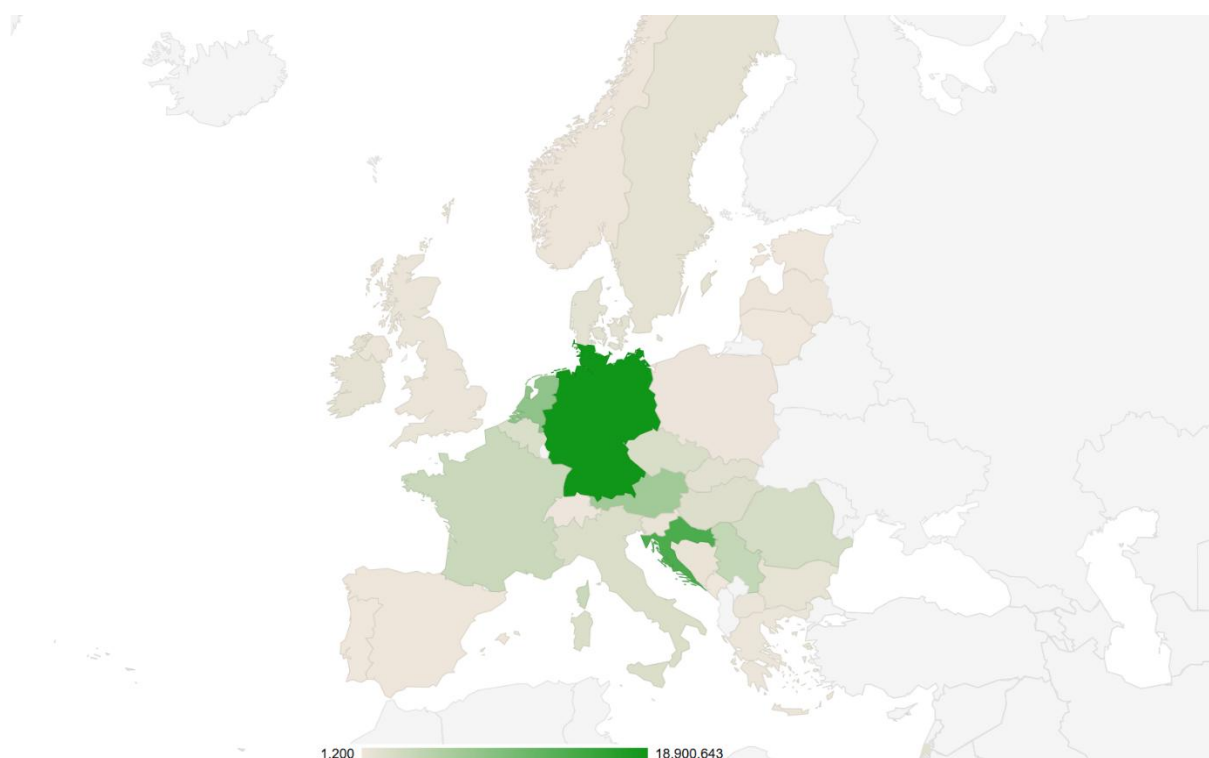


Figure: Sales revenue by country in 2024 in € (the main market was Germany)

As of January 1, 2023, according to the SME definition effective since January 1, 2005, and the Commission Recommendation 2003/361/EC, the Company qualifies as a mid-cap enterprise. Until January 1, 2023, the Company was classified as a medium-sized enterprise.

For the Company, managing supplier relationships is of strategic importance. In cooperation with our suppliers worldwide, we continuously work on building a sustainable business ecosystem, based on the philosophy of fairness, transparency, and mutual progress.

We support our suppliers in operating in compliance with global laws and standards to meet their environmental and social responsibilities. Given the specific nature of the industry, suppliers are required to meet high standards. A clearly defined procurement strategy with a strong regional and local focus, institutionalized procurement processes, and an emphasis on cooperative supplier relationships help us ensure the availability of raw materials and the achievement of a sustainable supply chain. This approach has also proven to be the most effective in mitigating current market risks.

Suppliers are segmented according to the Company's strategic priorities into primary and secondary suppliers. Primary suppliers provide essential raw materials for production: granulate and paper. Secondary suppliers cover other categories related to specific product types (e.g., additives, masterbatches, color concentrates, boxes and packaging, other inks and solvents, cores, lamination raw materials, adhesives, etc.).

With all suppliers whose annual transactions exceed EUR 10.000 or who are of strategic importance to operations, the Company has signed a Cooperation Agreement. Such agreements are highly important to us, as they ensure supplier commitment to procurement process transparency and risk management.

Our goal is compliance with fundamental environmental and social standards alongside high quality, reliable delivery, and competitive prices. Therefore, we have introduced relevant strategies, processes, and guidelines to prevent breaches of supply chain standards and to continuously improve our efficiency and sustainability.

Alongside every Cooperation Agreement, the Company requires suppliers to comply with and sign the Supplier Code of Conduct, ensuring that all suppliers align with the Company's values and policies. The Code confirms that supplier practices and principles are consistent with those of the Company, with particular emphasis on transparent procurement processes, supplier risk management, and the respect of all human rights.

Suppliers are systematically monitored in their growth and development. Accordingly, they are internally evaluated within their categories based on quality, reliability, pricing policy, and commitment to sustainability. We also verify certificates that support their ratings. The Company's strategic policy is to work directly with producers/suppliers whenever possible, avoiding intermediaries.

The Company has around 400 suppliers from about thirty different countries. The total annual procurement value in 2024 amounted to EUR 42 million. Suppliers of main raw materials accounted for 74% of total procurement value. Due to the specifics of the industry, the leading supplier countries are those from which we source our basic raw materials (granulate and paper) – primarily EU countries, with Belgium and Italy being the most significant in 2024.

Investments in tangible and intangible assets activated during the period 01.01–31.12.2024 amounted to EUR 2.174.167,45 (AOP 290), which is EUR 0,5 million higher compared to 2023. Assets under construction, including advances for tangible and intangible assets as of 31.12.2024, amounted to EUR 1.187.693,05 (AOP 8 + AOP 16 + AOP 17), mostly related to new plastic processing machines.

Investments included a wide flat film extrusion line (up to 3,5 meters) and a slitter-rewinder for cutting and rewinding plastic films. Other investments were focused on cost reduction, increasing sustainability, and enhancing safety, such as the construction of solar power plants, replacement of lighting, installation of waste heat recovery systems (as a substitute for natural gas), and similar initiatives.

A significant change was the purchase of an additional 10% stake in DC North d.o.o. Apart from this, there were no other significant business transactions or organizational changes.

	2021	2022	2023	2024
Investments in Fixed Assets, EUR	5.029.472	14.485.588	1.666.317	2.174.167

Table: Gross investments in tangible and intangible fixed assets - total (AOP290)

EMPLOYEES >GRI 2-7

High-quality human resource management enables our Company to systematically plan the need for new employees, carry out effective recruitment and selection processes, and ensure their optimal allocation according to professional knowledge and qualifications. Furthermore, through the engagement of managers in leading and motivating employees, as well as continuous professional development, we ensure the development of competencies and the achievement of excellence in work.

We attach great importance to the development of human potential because we believe that successful companies are made by people. Our goal is for employees to feel rewarded, recognized, and valued by the Company, as only such an approach yields positive results in the long run.

Through clear guidelines and instructions, we encourage employees in both independent and team work. Annual individual interviews with employees allow us to monitor their current position, expectations for the future, and the direction in which they wish to develop.

At the end of 2024, we conducted an anonymous employee satisfaction survey. The overall score given by employees was 3.108 out of a possible 4.000, representing an improvement compared to 2023 when the score was 2,973. The results of the first survey in 2023 served as the basis for defining concrete activities that we implemented in 2024 to improve employee satisfaction, engagement, and loyalty. The score employees gave us in 2024 shows that we have been very successful in this regard.

Since its founding, the Company has recorded steady annual employee growth. The chart below shows the growth in the number of employees as of 31.12. for each year from 2012 to the present.

On 31.12.2024, the Company had 349 employees, which is 1 more than in 2023, the same as in 2022, and 14 more than in 2021. The increase in employees in 2024 compared to 2023 was 0,3 %. Of the total workforce in 2024, there were 267 men and 82 women.

In 2024, the Company employed 57 employees with higher education degrees (university and polytechnic), 283 with secondary school education, and 9 low-skilled employees.

Of the total 267 men, 253 had permanent contracts and 14 fixed-term contracts. Of the total 82 women, 79 had permanent contracts and 3 fixed-term contracts. This means that in 2024 the Company had 95 % permanent contracts, representing a 2 % increase compared to 2023 when the share was 93 %. All employees have full-time contracts of 40 hours per week.

Regarding age structure, the largest group of employees, 128 of them, are between 30 and 39 years old.

During 2024, 32 employees left the Company. This results in a staff turnover rate of 9,09 %, which is 1,38 % lower than in 2023, when it was 10,47 %. Considering the total number of employees, the turnover rate is in line with expectations. This also indicates that employees see us as a highly desirable employer with excellent working conditions.

During 2024, as in previous years, the Company employed exclusively full-time staff, solely for work in Kotoriba.

In terms of gender structure, men predominate, with 267 men (77 %) and 82 women (23 %). The percentage of women in 2024 decreased by 1 % compared to 2023.

In 2024, there were no identified cases of any form of violation of human or labor rights.

As we continue to expand capacity and grow rapidly, the Company is constantly looking for new employees.

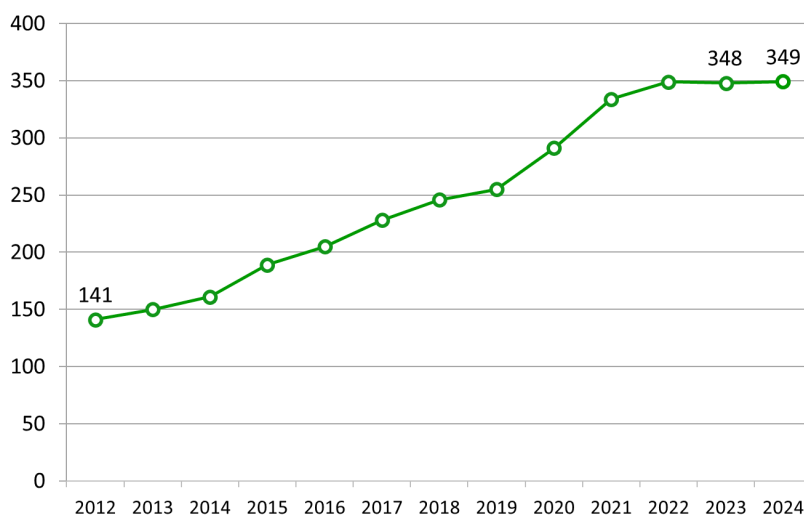


Figure: Number of employees in the Company on 31 December

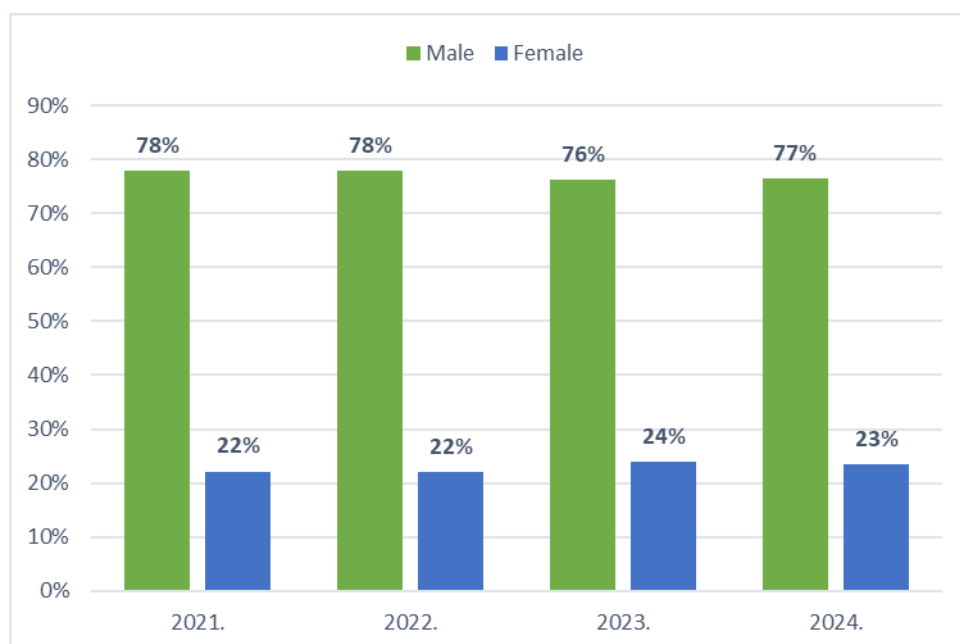


Figure: Employees gender structure



Figure: Number of employees according to professional qualifications as of 31 December 2024

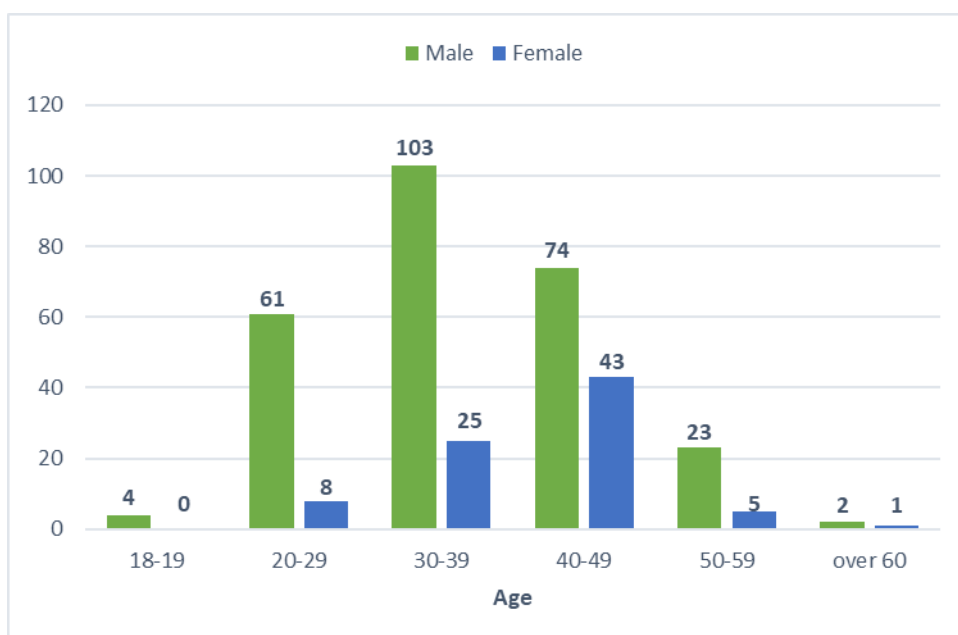


Figure: Number of employees according to age on 31 December 2024 (267 male, 82 female)

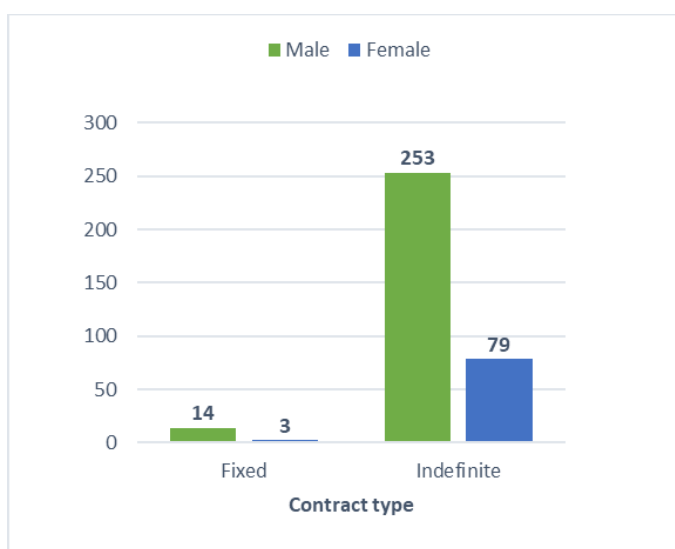


Figure: Number of employees by type of contract as of 31 December 2024 (267 male, 82 female)

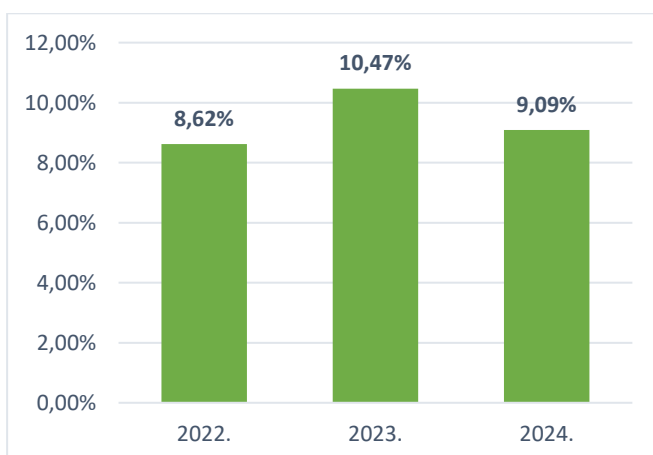


Figure: Employee turnover rate over the years

WORKERS WHO ARE NOT EMPLOYEES >GRI 2-8

Workers who are not employees are individuals who perform work for the Company but are not in an employment relationship. This group most often includes occasional student jobs in various departments, project-based contracts, etc. In 2024, the Company engaged 5 students, while in 2023 there were 7 students working through the student service, as well as one project-based contract. In this way, the Company provides students each year with an opportunity to earn income and financially support their studies.

GOVERNANCE

GOVERNANCE STRUCTURE AND COMPOSITION >GRI 2-9

In 2024, there were no changes in the Management Structure. The management structure consists of the Management Board, composed of one Director (Management Board member), and the Supervisory Board with four members.

Decisions on economic, environmental, and social matters are made by the ESG Working Group. The ESG Working Group is led by Davor Ujlaki (Management Board member), and consists of representatives from the human resources, business security, finance and accounting, and procurement departments. The ESG Working Group is an independent body consisting of seven members, two of whom are male and five females. External stakeholders are not part of the ESG Working Group; however, guidelines, wishes, and needs are received through direct and indirect communication (annual customer surveys, social media communication, meetings, audits, etc.).

According to the Articles of Association, the Company's bodies are the Management Board and the General Assembly. The Management Board consists of one to a maximum of three directors. Directors are appointed by the Company's members through their decision, which also determines the director's authorizations and limitations in representing and managing the Company's affairs.

According to the Articles of Association, a director may be dismissed by the Company's members at any time.

In accordance with the Companies Act and the Company's Statute, the Management Board manages the business at its own responsibility and is authorized and obliged to undertake all actions and make decisions deemed necessary for the successful management of the Company.

The supervision of the Management Board is carried out by the Supervisory Board.

The Supervisory Board is elected for a mandate of four years and was registered on 08.08.2023 with the Commercial Court in Varaždin.

Supervisory Board:

Ivan Ujlaki – Chairman of the Supervisory Board

Anđelko Trojko – Deputy Chairman of the Supervisory Board

Nikola Trojko – Member of the Supervisory Board

Marko Kedmenec – Member of the Supervisory Board

Management Board:

Davor Ujlaki – Director

NOMINATION AND SELECTION OF THE HIGHEST GOVERNANCE BODY >GRI 2-10

Given that the ownership is 100% in the hands of the founders, they elect the Management Board and the Supervisory Board, with the exception of the workers' representatives, solely of their own free will, regardless of gender, diversity and other criteria.

The ESG Working Group is chosen by the Management Board based on their knowledge, experience and sector. The people who were elected are of different ages and cover the sectors of human resources, occupational health and safety, environmental protection, procurement and accounting and finance. They are of very different professions and of different ages. People are independent in their work and are not influenced by external parties. The selection of mostly female persons in the ESG Working Group is not intentional.

CHAIR OF THE HIGHEST GOVERNANCE BODY >GRI 2-11

Both members of the Management Board are also Directors. The ESG Working Group is led by a member of the Management Board. Given that the Company is a family business, the management of the ESG Working Group by the Management Board enables easier and faster implementation of ESG goals. Thus, it is possible to harmonize ESG goals with other goals of the Company.

Conflict of interest is defined by the Code of Business Conduct of MURAPLAST and is mandatory for all employees, including the Management Board.

ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING >GRI 2-12

Responsible business conduct is one of the foundations of the Company's operations. The activities carried out by the Company in line with its permanent objectives include further investments in corporate social responsibility and environmental protection, ensuring employee well-being, creating a pleasant working environment, contributing positively to the local community, and promoting the use of recycled content.

The Company's long-term objectives represent a long-term strategy on the path towards a circular economy, developed by the Management Board with the support of the ESG Working Group. For the period **2023–2030**, a new strategy **MAP 2030 (Muraplast Action Plan 2030)** has been adopted. Original version:

<https://muraplast.com/wp-content/uploads/2023/08/MAP-2030-eng.pdf>

In 2024, a dedicated online page was launched, presenting the results achieved in relation to the defined targets:

<https://muraplast.com/en/sustainability/>

Ongoing oversight by the Management Board is ensured through regular monthly reviews attended by senior management. These reviews primarily focus on financial and production results, investments, current challenges, and plans, but also cover environmental issues, safety, human resources, and other sustainability topics. Given the size of the Company, it is sufficiently flexible to respond quickly to any deviations and necessary changes.

Deviations from objectives are addressed through documented procedures within independently certified management systems, with assessments carried out periodically (at least once a year) in the form of a documented Management Review and this Sustainability Report.

DELEGATION OF RESPONSIBILITY FOR MANAGING IMPACTS >GRI 2-13

Responsibility for economic, environmental and social issues rests with the member of the Management Board and is not delegated. Given the size of the Company, information is conveyed through daily, weekly and monthly meetings.

ROLE OF THE HIGHEST GOVERNANCE BODY IN SUSTAINABILITY REPORTING >GRI 2-14

The ESG Working Group headed by a member of the Management Board is responsible for writing and accepting a sustainability report that contains all the necessary sustainability indicators. Before the final approval of the Board, all members of the working group receive clarification of all information.

CONFLICTS OF INTEREST >GRI 2-15

A conflict of interest occurs when the obligations and interests of an individual as a reliable employee conflict with his/her private interests. It is defined by the Code of Business Conduct of MURAPLAST and is mandatory for all employees. Safe reporting of conflicts of interest for all employees is made possible by the Act on the Protection of Whistleblowers and is determined by the Internal Act on the Procedure for Internal Reporting of Irregularities. The Management Board and the Supervisory Board are informed and consulted about any doubt or potential conflict of interest of any employee.

No conflicts of interest were reported in the past period.

COMMUNICATION OF CRITICAL CONCERNS >GRI 2-16

Matters of particular concern can be raised through various communication channels, and the heads of the relevant departments are obliged to review, process, and analyze them, and inform the Management Board accordingly. Records of such cases are maintained in accordance with the certified management system on the List of Other Requirements.

In the previous reporting period, several concerns were raised regarding the ban on PFAS, which will be prohibited by the Packaging and Packaging Waste Regulation (PPWR) for food-contact packaging as of mid-2026. The Company has prepared a plan to eliminate the intentional use of PFAS from all its products, noting that PFAS will likely still be present in recycled content for years to come.

Additional concerns relate to NC-based (nitrocellulose) inks, which are likely to be banned in certain forms in the future. The Company has prepared a substitution plan in case such a ban is enacted. The restriction is linked to recyclability design requirements.

Regarding the PPWR, which has since been published, the Company has received confirmation that a ban on shrink films in the form produced by the Company will not be introduced, resolving a concern raised in 2023.

COLLECTIVE KNOWLEDGE OF HIGHEST GOVERNANCE BODY >GRI 2-17

Members of the ESG Working Group participate in activities that enhance the collective knowledge of the Management Board, senior and middle management, and other employees regarding ESG topics. The activities carried out include attending conferences, panel discussions, internal training, and the exchange of experiences with other companies.

The knowledge level of the ESG Working Group is considered to be very high. In addition to receiving training, members have also delivered lectures at conferences and workshops related to ESG.

In 2024, the Company gave presentations at professional events:

- Davor Ujlaki participated in and co-organized TEM Training – Professional Training “*Energy Savings in Plastics Processing*”.
- Davor Ujlaki participated as a panelist at “*It’s Time for Industry – A New Approach to Competitiveness*”.
- Andrea Hegedušić participated at the *Adria Procurement Event* on 25.04.2024 with the presentation: “*An Example of a Domestic ESG System: MURAPLAST d.o.o.*”
- Andrea Hegedušić participated in the HGK Workshop “*The Impact of ESG on the Supply Chain*” on 26.04.2024, and took part in the closing panel discussion.

EVALUATION OF THE PERFORMANCE OF THE HIGHEST GOVERNANCE BODY >GRI 2-18

Given that the ownership is 100% in the hands of the two founders, they evaluate the Management Board and the Supervisory Board, with the exception of the workers' representatives, solely of their own free will, regardless of gender, diversity and other criteria.

By means of the Articles of Association, the members of the Company choose the director (member of the Management Board) and determine the director's powers and limitations in representing and managing the Company's affairs.

The assessment is not independent and according to the Articles of Association, a member of the Company can revoke the director at any time. The Supervisory Board is elected for a term of 4 years.

RENUMERATION POLICIES >GRI 2-19

The salaries of all employees, Management Board and members of the Supervisory Board, including bonuses, are considered a business secret.

PROCESS TO DETERMINE RENUMERATION >GRI 2-20

According to its job classification system, the Company has a structured process for the recruitment of all employees. For each position in the Company, the following are defined: type and level of professional qualifications for a specific occupation, work experience, special knowledge and skills, other possible specific conditions for performing the tasks of the position, job description, level of complexity and responsibility, as well as difficult working conditions.

In addition, employees' basic salary is increased for night work, overtime, work on Sundays, and work on public holidays.

As employees acquire additional knowledge and skills during their work, they may, in accordance with the job classification system, be promoted to higher positions where they will also receive higher monthly salaries.

Based on available information for 2024, the Company offers the highest net salaries in the sector (covering the entire plastics processing industry and companies engaged in paper bag production).

In the reporting period, the Company increased the gross salaries of all employees by 10 % in October 2024. According to publicly available data from FINA, the average net salary in the Company in 2024 amounted to 1.720 €, representing an increase of 287 € compared to 2023.

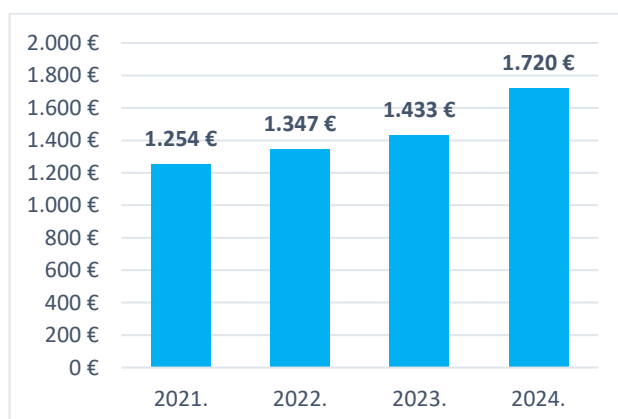


Figure: Average net salary in the Company (publicly available data from FINA)

ANNUAL TOTAL COMPENSATION RATIO >GRI 2-21

The total annual ratio of the compensation of the highest-paid individual to the average annual compensation of all employees in the Company in 2024 was 2,76. In 2023, this ratio was 3,20.

The calculation was based on paid salaries. It also included allowances for transportation and meals, as well as various bonuses.

STRATEGY, POLICIES AND PRACTICES

POLICY COMMITMENTS >GRI 2-23

By engaging in initiatives, discussions, and projects at the national level, the Company has committed to a proactive approach in all aspects of socially responsible business.

Ethical behavior standards are defined in the MURAPLAST CODE OF BUSINESS CONDUCT, which the Company published on August 1, 2018. The Code is available to all Company employees, business partners, and is publicly accessible on the Company's website <https://muraplast.com/muraplast/politika-upravljanja-kvalitetom-okolisem-i-sigurnoscu/>. The Code defines the core values and rules of conduct for management and employees regarding their work, relationships with colleagues, business partners, and the public. The Code is binding for all employees.

The Company can employ individuals of different nationalities, cultures, and regions, which may require mutually agreed ethical standards and practices. The Company does not use child labor (no persons under 18 years of age are employed) or forced labor. The Company is committed to ensuring freedom of choice in employment and eliminating all forms of forced and compulsory labor.

The Company has zero tolerance for all forms of bribery and corruption. Employees are obliged to report any form or suspicion of corruption to their direct superiors or the Human Resources department. In 2024, as in previous years, there were no reports of any incidents of suspected corruption, no business partnerships were terminated for this reason, nor were any disputes initiated against corruption.

The Company respects the fundamental principles of free market competition and, in accordance with these principles, makes business decisions that neither aim to nor result in distorting market competition or placing the Company in a privileged position relative to competitors and customers. To date, no proceedings have been initiated against the Company for behavior contrary to the principles of free market competition.

Socially responsible business is undoubtedly an integral part of the Company's development strategy, ensuring a clear business goal to the satisfaction of all stakeholders.

The Company complies with the General Data Protection Regulation (EU) 2016/679 of the European Parliament and the Council - "GDPR". Necessary activities for compliance with GDPR requirements were completed in 2018, and the application of GDPR at the Company level continued to be improved and implemented in 2023. The Company also collaborates with a law firm to facilitate monitoring changes and compliance with GDPR.

In 2020, the Company published its own Code of Business Conduct for Suppliers, which suppliers are required to read and adhere to. The goal of having all suppliers confirm acceptance of the Code or demonstrate a higher level of business conduct than required by our Code was achieved the following year. The Company reserves the right to verify the supplier's compliance with the Code of Business Conduct and retains the right to terminate any contract if the supplier neglects the Code of Business Conduct or decides that adherence to this Code is not possible.

With the aim of improving responsible and ethical business practices, the Company joined the global supply chains SEDEX and EcoVadis. Through the EcoVadis agency, the Company's corporate social responsibility was assessed for the fifth time, where the Company received 72 out of 100 points (5 points more than in the previous period) and achieved the Silver recognition level.

The Company is part of the "Circular Plastics Alliance," a key stakeholder group in the industry covering the entire plastics value chain, as part of ongoing efforts to reduce plastic pollution, increase the share of recycled plastics, and encourage market innovation. The alliance aims to achieve at least 10 million tons of recycled plastics in new products on the EU market by 2025. The Company is currently the only signatory of the Alliance declaration from Croatia and a member of the Monitoring Working Group.

https://ec.europa.eu/growth/industry/policy/circular-plastics-alliance_en

The Company is a signatory to the Business Ethics Code of the Croatian Chamber of Commerce. As a signatory, the Company commits to acting in accordance with the principles of responsibility, truthfulness, efficiency, transparency, quality, good faith, and respect for good business practices towards business partners, the business and social environment, and its own employees.

<https://www.hgk.hr/hrvatska-gospodarska-komora/kodeks-etike>

The Company issues its own ecological label "muraeco". "muraeco" is a self-declared claim about environmental impact according to the European standard EN ISO 14021:2016 Environmental labels and declarations - Self-declared environmental claims. It indicates that plastic packaging or plastic bags marked with "muraeco" can be recycled, contain at least 30% recycled plastic, and that 100% of the electricity used for all production processes (extrusion, printing, and converting) comes from renewable source.



Figure: ecological label "muraeco"

The Company has a license to use the ecological label "I'm green", which indicates that the plastic product is made more than 50% from renewable sources (sugar cane).



Figure: Ecological label I'm green

The Company submitted data for MORE (Monitoring Recyclates for Europe) for 2024. MORE is a platform for monitoring the use of recycled content in products across Europe. Together with the Croatian Chamber of Economy, the Company acted as a promoter of the initiative in Croatia. The Company will continue to support the initiative. The questionnaire for 2024 was completed on 21.08.2025.

<https://www.moreplatform.eu/>

The Company has a license to use the German eco-label Blue Angel for plastic and courier bags. The label confirms that the plastic product contains more than 80% recycled content (PCR). Since 2023, the Company also has a license to use the Blue Angel eco-label for paper bags.



Figure: Blue Angel eco-label

<https://www.blauer-engel.de/en/companies/muraplast-d-o-o>

The Company participated in the HRIO 2024 (Croatian Sustainability Index) competition. In the large enterprises category, the average score achieved was 375, while MURAPLAST achieved 447 out of a maximum of 482 points, which is 29 points more than in 2023, when the score was 418 points.

<https://www.hrpsor.hr/hrio/>

In 2023, the Company set greenhouse gas emission reduction targets through the Science Based Targets initiative (SBTi), aligned with the levels needed to achieve the goals of the Paris Agreement. The set targets commit the Company to reduce Scope 1 and 2 greenhouse gas emissions by 42% by 2030 compared to the base year of 2021 and to measure and reduce its Scope 3 emissions.

<https://sciencebasedtargets.org/target-dashboard>

As part of the Croatian Chamber of Economy (HGK) conference "Let's Support Sustainability", the ESG Rating awards were presented for the second time. This rating is granted to organizations based on their approach to the environment (Environment), society (Social), and adopted governance practices (Governance).

The Company achieved the highest score in the large enterprises category and received the HGK ESG Rating Award for the Best Large Sustainable Company in Croatia for the second consecutive year.



Image: HGK ESG Rating Award

<https://www.hgk.hr/hrvatski-esg-rating>

Since 2023, the Company has been licensed to use the Italian eco-label "Plastica Seconda Vita," which confirms the recycled content in plastic products. The Plastica Seconda Vita eco-label is supported by PolyCert

Europe as one of the certification schemes that confirm the recycled content in the EU. The Company is listed in the PolyCert company register.



Figure: Plastica Seconda Vita eco-label

<https://www.ippr.it/en/plastica-seconda-vita-plastic-second-life/>

<https://www.polycerteurope.eu/certifiedcompanies>

EMBEDDING POLICY COMMITMENTS >GRI 2-24

Obligations regarding policy commitments are implemented through business processes and work instructions related to employees. Middle management is responsible for the implementation of corporate policies, monitoring and improvement of processes, with the exception of compliance with external initiatives where the responsibility rests with the Management Board. At regular monthly meetings with the Board, all business segments are reported, including sustainability, meaning obligations from corporate policies.

PROCESSES TO REMEDIATE NEGATIVE IMPACTS >GRI 2-25

Special processes for remediation of negative impacts are not specifically defined, except in the case of employees. The Company defined the procedure and measures for protecting the dignity of workers and appointed a person in charge of protecting the dignity of workers. The procedure is available to employees, and their resolution is a business secret.

MECHANISMS FOR SEEKING ADVICE AND RAISING CONCERNS >GRI 2-26

The Company has internal mechanisms for seeking advice on ethical and lawful behavior and all issues related to organizational integrity. All advice and answers can be sought from our Human Resources department. There are also independent mechanisms for seeking advice outside the organization, such as the State Inspectorate, labor inspections, and the relevant Ministries.

In accordance with the Whistleblower Protection Act (NN 17/19), the Company has implemented activities to comply with the provisions. An internal act on the procedure for internal reporting of irregularities has been adopted. A confidential person for internal reporting of irregularities and their deputy have been appointed. Both individuals are familiar with the procedure for handling potential reports of irregularities in the Company. All Company employees are enabled to report irregularities. During 2024, as in previous reporting periods, no irregularities were reported.

COMPLIANCE WITH LAWS AND REGULATIONS >GRI 2-27

Monitoring compliance with laws and regulations is an integral part of business processes. During the reporting period, no non-compliance or irregularities were identified, and no fines were paid for violations of laws and regulations.

In 2023, the Company received one misdemeanor order under the State Inspectorate Act. The Company was found guilty of failing, on 10.08.2023, to preserve the premises, equipment, and circumstances in the condition they were in at the time of the event that caused an injury. The Company was fined 3.980,00 €.

MEMBERSHIP ASSOCIATIONS >GRI 2-28

The Company is a member of the Croatian Chamber of Commerce and the Association of Plastics and Rubber Industry, which operates as part of the Chamber. Davor Ujlaki is the vice president of the Plastic and Rubber Industry Association.

As a representative of the Chamber, Davor Ujlaki works in the Decision Council for Packaging in the European Plastics Converters Association (European Plastics Converters (EuPC) Excom Packaging division). Since 2019, the Company has been a member of the European Plastics Converters (EuPC) and participates in the Senior Executives Forum (SEF), which advises the EuPC Steering Committee and provides strategic guidelines for the plastics processing industry.

The Company is a member of the Community for Socially Responsible Business. The Community for Socially Responsible Business, which operates in the Sector for Energy and Environmental Protection, gathers leading Croatian companies, leaders in the application of responsible and sustainable business. It is also a central place for the exchange of information, good practices and ideas aimed at creating a stimulating environment for understanding the importance of socially responsible and sustainable business.

The Company is a member of GS1 Croatia - Croatian association for automatic identification, electronic data exchange and management of business processes for automatic identification and electronic data exchange.

The Company is a member of the Association for the Promotion of the Protection of People in the Working and Living Environment of Međimurje County. Tamara Hržica is a member of the Supervisory Board.

The Company is a member of the Deutsches Tiefkühlinstitut (German Institute for Frozen Food).

STRATEGY, POLICIES AND PRACTICES

APPROACH TO STAKEHOLDER ENGAGEMENT >GRI 2-29

One of the essential prerequisites for the comprehensive implementation of socially responsible business activities is the identification of stakeholders. The Company has identified and segmented all individuals, communities and organizations that affect (or are affected by) the Company's operations.

Stakeholders are also involved in the preparation of part of this Report. They are communicated with throughout the year, continuously or periodically as needed.

Stakeholders	Type of communication
Customers	- Direct contact - meetings, visits, audits, presentations (as needed) - Official website (post approximately every month) - E-mail (if necessary) - Business reports (annual) - Sustainability reports (annually) - Fairs and meetings (several times a year) - Social networks – LinkedIn (post approximately every month) - Satisfaction rating (annual survey) - Special events: Open Days at the Company (only once)
Employees	- Internet/internal services (regular) - Direct contacts - meetings (as needed) - Official website (post approximately every month) - Bulletin board (as needed - approx. monthly) - E-mail (if necessary) - Business reports (monthly) - Sustainability reports (annually) - Social networks - Facebook, LinkedIn (post approximately every month) - Intern social network - Jenza
Owners	- Direct contact (Daily/weekly meetings) - Business reports (monthly) - Sustainability reports (annually) - E-mail (if necessary)

Suppliers	- Direct contact - meetings, visits, audits, presentations (as needed) - Official website (post approximately every month) - E-mail (if necessary) - Business reports (annually) - Sustainability reports (annually) - Fairs and meetings (several times a year) - Social networks – LinkedIn (post approximately every month)
Local community	- Direct contact - meetings (as needed) - Official website (post approximately every month) - Donations (as needed) - E-mail (if necessary) - Sustainability reports (annually) - Social networks - Facebook, LinkedIn (post approximately every month)
State authorities	- Direct contact - meetings, visits (as needed) - Inspections (regular annually) - E-mail (if necessary) - Business reports (annually) - Sustainability reports (annually) - Conferences and thematic meetings (as needed) - Memberships (as needed)
Media	- Direct contact - meetings, visits (as needed) - Official website (post approximately every month) - E-mail (if necessary) - Business reports (annually) - Social networks – LinkedIn (post approximately every month) - Announcements (as needed) - Professional publications (as needed)
Academic public	- Direct contact - meetings, visits, audits, presentations (as needed) - Donations (as needed) - E-mail (if necessary) - Conferences and thematic meetings (as needed) - Scientific and professional papers (as needed)
Financial public	- Direct contact - meetings, visits (as needed) - Official website (post approximately every month) - E-mail (if necessary) - Business reports (annually) - Sustainability reports (annually) - Social networks – LinkedIn (post approximately every month)
Business and professional public	- Direct contact - meetings, visits, audits, presentations (as needed) - E-mail (if necessary) - Conferences and thematic meetings (as needed) - Scientific and professional papers (as needed) - Professional publications (as needed)

Communication with stakeholders

Some of the more important means of communication and stakeholder involvement and activities during the reporting period are listed below.

Open Days at the Company

In June 2024, the Company successfully held its first Open Days at Muraplast. On the occasion of celebrating 35 years of business and the opening of the new administrative building, we welcomed our valued customers and presented MAP 2030 – Muraplast's Action Plan until 2030, as well as the new investment plan for the next five years. We organized tours of the production facilities, and the event was further enriched with lectures by guest speakers.

The Open Days proved to be an excellent opportunity to strengthen relationships with existing partners and to present the Company in a new, modern light. Visitors had the chance to gain first-hand insight into the technological processes, quality, and sustainability standards that Muraplast applies in its daily operations. The event also enhanced brand visibility and encouraged numerous constructive discussions about future cooperation and joint development projects.

Given the very positive feedback from participants, our goal is to continue organizing similar events in the future.



Image: Customer tour of the production facility

Fairs and Professional Events

The Company gave presentations at the following events:

- Davor Ujlaki participated in and co-organized TEM Training – Professional Training “Energy Savings in Plastics Processing”.
- Davor Ujlaki participated as a panelist at “It’s Time for Industry – A New Approach to Competitiveness”.
- Andrea Hegedušić participated at the Adria Procurement Event on 25.04.2024 with the presentation: “An Example of a Domestic ESG System: MURAPLAST d.o.o.”
- Andrea Hegedušić participated in the HGK Workshop “The Impact of ESG on the Supply Chain” on 26.04.2024, and in the closing panel discussion.
- As part of the Croatian Chamber of Economy (HGK) conference “Let’s Support Sustainability”, the ESG Rating awards were presented for the second time. The Company received the HGK ESG Rating Award for the Best Large Sustainable Company in Croatia for the second consecutive year.
- The Company also exhibited at Fachpack 2024 – The European Trade Fair for Packaging, Technology and Processes in Nuremberg, Germany.



Image: Winners of the HGK ESG Rating Award

Customer Training

Throughout 2024, we promoted the use of recycled content, the optimization of film thickness, and recyclable multilayer film solutions. Our approach to customers was individual, with a clear demonstration of savings. Part of the training was delivered during the Open Days, which lasted three days.

Official Website

At the end of 2021, the Company carried out a complete redesign of its official website. The site is regularly updated and publishes news on job openings, investments, and other important events.

The primary site is muraplast.com, while the Company also owns ffsfilms.eu, muraplast.hr, muraplast.at, and muraplast.de. All sites redirect to muraplast.com.

In 2024, a dedicated Sustainability section was added: <https://muraplast.com/en/sustainability/>

Social Media

The Company actively uses Facebook and LinkedIn, sharing posts from the official website depending on the news.

Facebook is more employee-, candidate-, and community-oriented. It was launched in 2011. In 2024, the Company ran recruitment campaigns via Facebook.

LinkedIn is more customer- and supplier-oriented. Posts are published by the Director and the Sales Department, who also share the Company's official posts. LinkedIn was launched at the end of 2018.

The Company's social media is also actively followed by its competitors.

In 2024, the Company introduced an internal social network Jenz, designed to improve internal communication and connect employees in a simple, modern way. Through the app, employees can share important information, participate in internal campaigns, send greetings to colleagues, take part in surveys, and follow Company news. Jenz has become the central platform for idea exchange, team spirit building, and the

promotion of organizational culture, further encouraging transparency and a sense of belonging among employees.

Media

During the reporting period, the Company was covered in relation to the ESG Rating Award, and several newspaper articles were published.

The Company also appeared in paid job advertisements.

An analysis of media coverage shows that in 2024 there were no negative publications, either in the media or on social networks. Comments on posts were all very positive to extremely positive (employees and the local community expressing pride in the Company's activities). No negative comments were recorded.

Examples:

<https://www.mnovine.hr/medimurje/gospodarstvo/muraplast-tihi-div-iz-kotoribe-koji-poslovanje-neprestano-prilagodava-promjenama/>

<https://www.mnovine.hr/medimurje/dvd-kotoriba-muraplast-donacija/>

Billboards

In 2024, the Company continued advertising on billboards as part of recruitment campaigns. Billboards were positioned in strategic city locations, along main roads, and in high-traffic areas.

The goal of advertising was to increase brand visibility and attract as many qualified candidates as possible for open positions. The billboard messages were clearly focused on highlighting the key advantages of working at the Company, such as job stability, career advancement opportunities, and a pleasant working environment.

Special attention was paid to the design of visuals and message formulation to capture the attention of passers-by and leave a positive impression. The campaign resulted in increased candidate interest, reflected in a higher number of applications for advertised job openings.

COLLECTIVE BARGAINING AGREEMENTS >GRI 2-30

The Company has no collective bargaining agreements.

MATERIAL TOPICS >GRI 3

PROCESS TO DETERMINE MATERIAL TOPICS >GRI 3-1

The selection of material topics is determined in accordance with the activities, business circumstances, strategies and policies of the Company. About 15 important material topics have been identified and they are ranked according to the importance of how they affect the economy, the environment and people. The ESG Working Group selected the 10 most important as material. Other topics are not material, but are largely covered for more detailed reporting.

The stakeholders determined by the topic are employees (ESG Working Group) in cooperation with the owners. When determining the material topics, external stakeholders, primarily customers and the local community (Municipality of Kotoriba and residents of Kotoriba) were taken into account.

LIST OF MATERIAL TOPICS >GRI 3-2

Priority	Material topic
1	GRI 201: Economic performance 2016
2	GRI 301: Materials 2016
3	GRI 403: Health and safety in the workplace 2018
4	GRI 401: Employment 2016
5	GRI 302: Energy 2016
6	GRI 306: Waste 2020
7	GRI 305: Emissions 2016
8	GRI 204: Procurement practices 2016
9	GRI 202: Market presence 2016
10	GRI 303: Water and wastewater 2016

The same material topics as last year have been selected. There have been changes in priority. The topics are aligned with MAP 2030.

MANAGEMENT OF MATERIAL TOPICS >GRI 3-3

The Company actively considers its positive, negative, actual and potential impact on material issues. In case of identified negative and potentially negative impact during the period, various measures were taken to reduce or eliminate the negative impact. In such cases, the Management Board is regularly informed.

TOPIC-SPECIFIC STANDARDS: ECONOMIC

ECONOMIC PERFORMANCE >GRI 201

Economic impact is not only the financial performance of the Company, which is of course the main prerequisite for stable and sustainable operations, but it also includes the positive effects that the Company has on the community in which it operates.

Despite all challenges, the Company achieved very good business results in 2024. According to audited data, the direct economic value generated in 2024 amounted to 72.177.050 €, which is 5 % more than in the previous year. The growth was primarily driven by a 5 % increase in sales revenue.

The distributed economic value increased by 4 % compared to the previous year, reaching 64.280.469 €. The largest focus was placed on employees, as wages and benefits rose by an impressive 23 %. At the same time, operating costs increased more moderately, by 3 %. On the other hand, payments to capital providers were significantly reduced, by 45 %.

The result of these developments was a positive retained economic value of 7.896.581 €, which represents a 13 % increase compared to the previous year.

In summary, 2024 compared to 2023 was marked by growth in direct economic value generated, primarily due to higher sales revenue. The increase in distributed value was largely driven by the significant rise in employee wages, while payments to capital providers decreased. In conclusion, the Company managed to increase retained economic value, which may be seen as a positive indicator for future growth and stability.

The Company's objective in the coming periods is to continue generating positive economic impacts while also achieving other non-financial goals.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED >GRI 201-1

Description	2021	2022	2023	2024	Index 2024/2023
Directly created economic value, €	69.602.115	82.721.726	68.924.201	72.177.050	1,05
Sales revenue	68.932.555	81.730.007	68.187.278	71.287.623	1,05
Other revenue	669.561	991.719	736.923	889.427	1,21
Distributed economic value, €	61.347.558	72.738.080	61.964.004	64.280.469	1,04
Operating business costs	52.598.283	62.392.963	49.832.756	51.429.151	1,03
Employee salaries and benefits	7.399.437	8.574.350	9.037.268	11.133.846	1,23
Capital providers payments	1.272.949	1.716.474	3.040.491	1.674.357	0,55
State payments	31.403	35.681	24.895	19.839	0,80
Community investments (donations and sponsorships)	45.486	18.612	28.593	23.277	0,81
Retained economic value, €	8.254.557	9.983.646	6.960.197	7.896.581	1,13

DEFINED BENEFIT PLAN OBLIGATIONS AND OTHER RETIREMENT PLANS >GRI 201-3

The Company regularly pays contributions for all employees into the pay-as-you-go pension system, at a rate of 20 % for the first pillar. For insured persons covered by both mandatory pillars, the contribution rate for the first pillar is 15 %, while 5 % is paid into the second pillar into personal accounts in mandatory pension funds.

Additionally, on a monthly basis, the Company contributes to the third pension pillar (voluntary pension fund) for its employees, up to 39,82 € per month, matching the amount paid by the employee.

In 2024, the Company spent 8.344,00 € on jubilee awards and severance payments. This total amount fully covered severance and awards for employees who met the eligibility criteria in 2024.

MARKET PRESENCE >GRI 202

The Company is a family business and is deeply connected to the local community. Most employees (124 out of 349 in 2024) are from Kotoriba. The Company offers a good job, above-average income and a career, and has become the main driving force behind the development of the eastern part of Međimurje County.

RATIOS OF STANDARD ENTRY LEVEL WAGE BY GENDER COMPARED TO LOCAL MINIMUM WAGE >GRI 202-1

The minimum starting salaries in the Company in 2024 were 18% higher than the prescribed minimum wages in Croatia. The Company has no gender pay gap, and it does not operate outside of Croatia.

The minimum wage is the same for both men and women.

PROPORTION OF SENIOR MANAGEMENT HIRED FROM THE LOCAL COMMUNITY >GRI 202-2

In the reporting period, all persons from the local community are in the highest management structure of the Company. The Company's senior management has a total of 13 employees (one more than last year). Of those 13 employees, 5 are women and a total of 6 employees come from Kotoriba.

By local employment, we mean the employment of persons who live within a radius of 50 km from the Company's headquarters. The senior management of the Company consists of the Board and top management, meaning the functions of heads of larger sectors. A significant place of business is the business headquarters, that is, Kotoriba.

The largest share of the Company's employees, including the senior management, at all significant locations of the Company's operations is made up of local residents. We encourage and support the employment of the local population through the human resources management policy, where local population is given priority in employment. As a Company that does business with almost all of Europe, we provide our employees with opportunities for career development and advancement.

PROCUREMENT PRACTICES >GRI 204

The Company selects suppliers whose materials and components are harmless to people and the environment, and which can be recycled after the product's lifecycle or safely disposed of. As a socially responsible Company, we expect our suppliers to operate in compliance with applicable laws and internationally recognized standards, to conduct business ethically, and to share the principles set out in our Supplier Code of Conduct.

When selecting suppliers for specific groups of materials and services, the conditions include meeting defined requirements for quality, certifications, delivery deadlines, payment terms, as well as health and safety at work and environmental protection. Suppliers are required to sign the Supplier Code of Conduct and to provide, in a timely manner, all updated/extended or new certificates necessary to ensure continued business operations.

A database and Supplier Evaluation are maintained for existing and potential suppliers. In addition to basic supplier information (name, address, telephone, email, contact person), the evaluation includes other relevant data that may affect supplier selection, such as complaint records, quality management system information, occupational health and safety practices, and environmental protection measures.

Suppliers are systematically monitored in their growth and development. Accordingly, they are internally evaluated within their categories based on quality, reliability, and pricing policy.

An additional point in supplier evaluation can be awarded if the supplier holds certifications that are important to us, as these serve as proof of compliance in terms of quality, human rights, and environmental protection. ISO certifications as quality marks, food contact certifications, and sustainability certifications are important to us in order to align the Company's good business practices with those of its suppliers. We also use the EcoVadis platform for supplier assessments, and we additionally validate the evaluation if the supplier is part of the EcoVadis platform.

These sustainability assessments play a key role in identifying potential risks and opportunities for the Company, motivating us to continuously improve sustainability and helping us establish constructive dialogue with our suppliers to mutually improve sustainability practices.

Sustainability is one of the key elements of our procurement strategy. We foster strong, partnership-based relationships throughout the supply chain to more effectively address global challenges, achieve positive results, and stand out as a reliable partner to our customers.

Almost all strategic suppliers we work with have signed a Cooperation Agreement, which integrates the Supplier Code of Conduct. It is important to us that in our long-term partnerships with suppliers we share common goals. It is also essential for us to follow the market, innovations, and sustainability together with our suppliers. Supplier audits are carried out either on-site or through audit questionnaires. We continue to systematically and continuously evaluate suppliers, improve processes, and audit as many suppliers as possible.

In 2024, 3 supplier audits were conducted. All audits were passed without significant non-conformities. Our target for 2025 is to audit 5 suppliers.

PROPORTION OF SPENDING ON LOCAL SUPPLIERS >GRI 204-1

We could say that 2024 was a year that taught us long-term planning belongs to the past. Supply chains had already adapted to various challenges and risks in 2024, but high employee turnover, a shortage of carriers, and unpredictable customer orders also affected our supply chain organization.

Throughout the year, we strategically maintained higher stock levels of main raw materials so that our end customers would not be affected in case of disruptions. These stock levels allowed us flexibility in delivery times as well as the ability to react quickly to urgent orders. Quarterly or semi-annual volume forecasts are increasingly difficult to obtain from customers, which in turn makes our planning more complex and requires great flexibility and rapid response from us.

The Company's procurement has for years been focused on long-term cooperation with suppliers, with all agreements essentially made on a partnership basis.

In 2024, total procurement amounted to 42 million €, with suppliers of main raw materials accounting for 74 % of procurement value. Due to the specifics of the industry, the leading procurement countries are those from which we source key raw materials (granulate and paper) – all EU countries, with Belgium and Italy being the most significant in 2024.

Country of origin of total procurement suppliers:

BELGIUM	18,7%
ITALY	15,3%
NETHERLANDS	13,0%
REPUBLIC OF CROATIA	12,9%
AUSTRIA	10,5%
FRANCE	5,4%
SLOVAKIA	5,0%
GERMANY	4,0%
HUNGARY	3,0%
FINLAND	2,8%

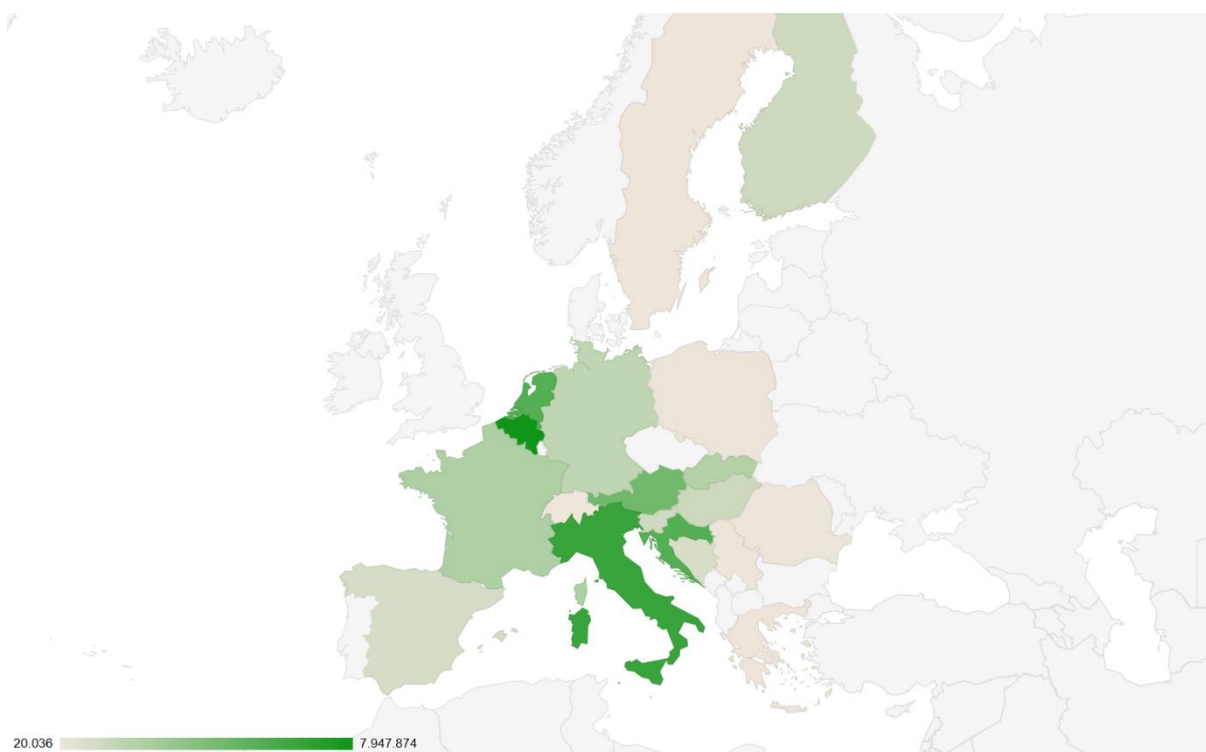


Figure: Financial share of total procurement by country in 2024

Local procurement for our Company is tied to the territory of the Republic of Croatia and neighboring countries. The share of suppliers from Croatia in total procurement amounts to 13 %. The Republic of Croatia ranks fourth in the Company's total procurement share, which demonstrates our efforts to support local sourcing as much as the specifics of production allow.

The share of local suppliers in the supply of basic raw materials for production is difficult to achieve from local sources, but we make every effort to ensure it is present. Among all countries in total raw material procurement, the Republic of Croatia ranks seventh and definitely plays an important role in our raw material supply chain. The largest financial share in the Company's raw material procurement comes from other EU countries.

	2023	2024
EU - foreign countries	27.388.832,15 €	28.801.942,46 €
REPUBLIC OF CROATIA	1.824.000,34 €	1.800.836,56 €
BOSNIA AND HERZEGOVINA	468.144,84 €	888.821,94 €
Total cost of procurement of raw materials	29.680.977,33 €	31.491.600,96 €

Table: Procurement of raw materials

ANTI-CORRUPTION >GRI 205

All employees of the Company are familiar with the anti-corruption policies and procedures defined in the FAIR BUSINESS PRACTICE – MURAPLAST Code of Conduct, and they adhere to the principles of the Code in their business and daily activities. Employees are required to report any form or suspicion of corruption to their superiors.

In 2024, as in previous years, there were no reports of suspected corruption, no business partnerships were terminated for this reason, and no proceedings were initiated against corruption.

In 2024, the Company carried out a corruption risk analysis and trained 12 managers through a workshop on the topic: Anti-Corruption Measures in the Organization. The workshop was conducted in cooperation with the law firm BWMC.

ANTI-COMPETITIVE BEHAVIOR >GRI 206

The Company promotes and maintains fair and transparent competition relations in all its operations, with all entities, and in all locations. There have been no recorded behaviors contrary to the principles of free market competition, antitrust, or monopolistic practices within the Company.

During the reporting period, the Company did not hold any training related to market conduct rules. The last workshop on competition rules, economic crime, and basic participation in public procurement was conducted on October 6, 2022, by a law firm. The aim of the workshop was for the Company's employees to acquire knowledge in all the mentioned areas to continuously protect our Company from the risk of violating competition rules. The workshop was attended by 18 employees from the departments of management, sales, procurement, accounting and finance, and human resources.

TOPIC-SPECIFIC STANDARDS: ENVIRONMENTAL

The Company's product range primarily consists of packaging. Packaging protects the product and generates added value by serving as a promotional tool. In essence, packaging enables broad international trade. At the same time, from an environmental perspective, packaging is the main generator of waste worldwide.

The current situation in the packaging industry is very dynamic. The Company follows defined goals and contributes to the circular economy in line with the strategic document published in 01.2018, namely the European Strategy for Plastics in a Circular Economy.

The EU's vision for a circular plastics economy:

- By 2030, all plastic packaging placed on the EU market will be reusable or recyclable in a cost-effective manner.
- More than half of plastic waste generated in Europe will be recycled by 2030.
- Separate collection of plastic waste will reach very high levels.
- Sorting and recycling capacity will increase fourfold from 2015 to 2030, creating 200.000 new jobs across Europe.
- The export of poorly sorted plastic waste will be gradually phased out.
- Recycled plastic will become an increasingly valuable raw material.
- Substances that interfere with recycling processes will be replaced or gradually phased out.
- Demand for recycled plastics in Europe will increase fourfold.
- Increased recycling of plastics will help reduce Europe's dependence on imported fossil fuels and lower CO₂ emissions.
- Europe will strengthen its leading position in sorting and recycling equipment and technologies.

At the European level, implementation of the European Green Deal has begun, with the ultimate goal for Europe to become climate-neutral by 2050. This largest action plan to date is expected to bring changes across nearly all industries in Europe, with a strong focus on resource-intensive industries.

The first step in adapting to this plan is a change in the Company's policies. Accordingly, the new guideline of the Company is to place only safe, circular, and sustainable products on the market.

The Packaging and Packaging Waste Regulation (PPWR – Regulation (EU) 2025/40) was adopted on 19.12.2024 and entered into force in February 2025. Its aim is to promote the transition to a circular and competitive economy for packaging and related waste.

A strategic step was the creation of MAP 2030 – Muraplast Action Plan 2030, which defines the activities the Company will undertake to achieve its sustainability goals.

MAP reports are publicly available at:

<https://muraplast.com/en/sustainability/>

MATERIALS >GRI 301

The Company's product range consists mainly of plastic products (films, bags, and pouches) and paper products (primarily paper bags).

All input materials, as well as our final products, are manufactured in accordance with customer technical specifications. They are regularly tested and controlled according to control plans and laboratory testing procedures. These processes are clearly defined in the internal procedures and instructions of the product and process development, production, and quality control departments. Accordingly, they represent a material topic for sustainability reporting, and their management is defined by the Company's quality and environmental policies. Material quality is one of the key criteria influencing the annual supplier evaluation.

In line with quality policies, we invest additional efforts in research and development of new products, exploring the possibilities of using recycled input materials and alternative materials in production that will not affect the quality of the final product.

We use recycled input raw materials obtained from waste recycling and purchase granules collected and recycled from waste plastics. As shown in the table below, the share of recycled plastic material used was 16,6 %, which is at the same level as last year. The biggest challenge was the price of quality raw material, which is sometimes higher than the price of virgin material. Due to EU trends toward a circular economy, the share of recycled plastics used is expected to grow.

For almost all input raw materials, the Company's position in the procurement process is limited because there are only about ten major suppliers in the European market capable of delivering raw materials of satisfactory quality. Suppliers of polyethylene granules, inks, and paper – which make up the majority of input raw materials – maintain similar environmental standards and place strong emphasis on environmental management.

All polyethylene suppliers in Europe have environmental management systems, are members of Plastics Europe, and are signatories of the Circular Plastics Alliance and Operation Clean Sweep.

All ink suppliers in Europe are members and signatories of EuPIA and maintain environmental management systems.

All paper manufacturers have FSC or similar systems, along with environmental management systems.

The share of recycled paper used in the paper bag production sector was 71,6 %, representing a significant increase compared to the previous period. There is a positive market trend toward the acceptance of recycled paper. The main reason for the shift to recycled paper is its lower cost compared to virgin paper.

In the printing process for plastic products, the Company uses inks, solvents, and varnishes based on volatile organic compounds (VOCs), while for paper products the Company uses acrylic water-based inks. The Company is also able to print with water-based inks on plastic films, although this process is limited due to print quality and speed.

The Company operates a distillation unit for water-based inks, where all waste water-based inks are distilled, and the recovered water is reused in the printing process. Waste sludge from distillation is treated as hazardous waste.

The Company also operates a solvent distillation unit, where all waste solvent is recycled. The recycled solvent is reused in the solvent-based printing process. Waste sludge from distillation is treated as hazardous waste. It is estimated that the Company reused approximately 265 tonnes of recycled solvent in 2024.

Due to its consumption of VOCs exceeding 200 t/year, the Company holds an Integrated Environmental Permit, which provides coordinated supervision of the Company – in our case, every two years. The last inspection was in 2023, with no violations recorded.

Since 2020, the Company has held a permit for the collection, recycling, transport, and export of plastic waste.

The Company holds the environmental label “Der Blaue Engel” (Blue Angel) for plastic carrier bags made of recycled plastic and for paper bags (since 2023).

For paper, the Company applies a sustainable forest management assurance system according to the FSC® CoC standard in the production of paper bags and other designated paper products. In procurement, we also purchase paper that partially or fully contains recycled content. All paper comes from renewable sources. In 2024, 95 % of paper used was certified. For the remaining 5 %, FSC certificates could be purchased with an additional fee.

	2021	2022	2023	2024
Share of FSC®CoC certified paper used as raw material in production	93%	94%	95%	95%

Table: use of cellulose from responsible sources

Plastics	2021	2022	2023	2024
used purchased input material (granulate, masters and additives) ,t	18.476	17.658	18.535	19.431
of which purchased recycled material, t	307	378	500	583
Amount of used own recycle (recycling of incoming packaging included), t	2.433	2.677	2.554	2.642
recycled input material (own + purchased), t	2.739	3.055	3.054	3.225
percentage of recycled plastics used in total	14,8%	17,3%	16,5%	16,6%
used solvent-based inks, t	395	378	371	461
used new solvent, t	470	432	429	421
Paper	2021	2022	2023	2024
used paper in a roll, t	10.912	11.338	10.194	11.264
share of recycled paper in used paper in rolls, t	2.958	4.340	6.731	8.060
percentage of recycled paper used in total	27,1%	38,3%	66,0%	71,6%
used water base inks, t	95	125	136	140

Table: Use of materials

In 2024, the Company produced 60 tonnes of plastic packaging that cannot be recycled, which still represents less than 1 % of production in the plastics segment. Most of this consisted of duplex packaging in PET/PE combinations. During the reporting period, the Company also produced smaller quantities of triplex flexible packaging (PE/PA/PE, PET/Al/LDPE) and duplex combinations of PE/PA. According to current announcements in the EU, such products are expected to be banned in the EU by 2030. These products were manufactured for the Company’s existing customers.

In the previous period, the Company produced 167 tonnes of duplex PE/PP film, which is mechanically recyclable, but these films are not made from a single material. The Company is actively promoting and developing single-material alternative solutions.

	2021	2022	2023	2024
Manufactured products that are non-recyclable, t	10	6	77	60

Table: Non-recyclable products (all in plastic sector)

The Company presented its own ecological label, the label for the promotion of the use of recycled plastic in plastic packaging “muraeco”. The label was well received and in 2024, 399 tons of products under the

“muraeco” label were sold. It indicates that plastic packaging or plastic bags marked with “muraeco”: can be recycled, contain at least 30% recycled plastic and that 100% electricity obtained from renewable sources was used for all production processes (extrusion, printing and converting).

	2021	2022	2023	2024
Products sold under the ecological label “muraeco”, t	545	689	386	399

Table: usage of own label

By 31.12.2023, the Company achieved its goal that all paper packaging it uses (boxes and cardboard cores) carries the FSC label (or PEFC).

We consider the use of recycled raw materials a priority; therefore, the Company has set the following targets regarding input materials:

- Implementation of an ERP module related to the EU Deforestation Regulation (EUDR)
- Use of 25 % recycled content in plastic films and plastic products by 2025 (actively promote the use of recyclates, offer products with recycled content, 35 % by 2030)
- By 2025, produce only products that can be recycled within the plastic product range (develop alternative solutions, promote the use of recyclable plastic films)
- Use of 50 % recycled paper by 2025 in paper bags

The EUDR will significantly tighten the monitoring of paper origin. It is estimated that the Company will adapt to the new requirements of the Regulation without major difficulties.

The European plastics recycling industry is facing greater challenges, raising the question of whether the Company will be able to push through replacement solutions for non-recyclable films. The biggest obstacle remains the higher cost of substitute materials, which the market is reluctant to accept.

ENERGY >GRI 302

Plastic processing is a process where plastic is melted, shaped and cooled using energy. Therefore, energy is a very important resource of the Company without which the Company cannot function.

	2021	2022	2023	2024
Total electricity production from the company's solar power plant, GJ			3.059	5.336
Surplus electricity delivered to the HEP grid, GJ			105	144
Electricity consumed from own production from own solar power plants, GJ			2.954	5.192
Electricity consumed from the HEP grid, GJ	60.077	59.057	56.250	55.900
Electricity from renewable sources, GJ	60.077	59.057	59.204	61.092
Share of electricity from solar power in total annual consumption			5%	8,5%
Electricity from non-renewable sources, GJ	0	0	0	
Natural gas, GJ	9.129	8.814	8.916	7.989
Total amount of energy used, GJ	69.206	67.871	68.120	69.080

Table: Energy consumption within the organization (GJ)

The Company's total energy consumption includes electricity and natural gas. Electricity consumption is 100 % from renewable sources. Part of the electricity is sourced from the HEP grid, while another part comes from the Company's own solar power plants.

As proof, the Company holds a ZelEn certificate for 2024 for electricity consumed from the HEP grid, issued by the supplier HEP OPSKRBA d.o.o., as well as a certificate from the Croatian Energy Market Operator (HROTE), the authority responsible for issuing guarantees of origin of electricity in the Republic of Croatia.

The Company produces its own electricity. In 2024, the Company directly used 8,5 % of the electricity it produced. The target is 30 % by 2030.

The energy system is regularly maintained.

Most forklifts are electric, except for two that run on diesel fuel.

Other energy sources include fuel for the Company's vehicles.

Energy consumption outside the organization represents an estimate of fuel consumption (diesel and petrol) for business travel with Company-owned vehicles and for freight transport (trucks and forklifts).

For product delivery, the Company uses exclusively external freight transport services, except for minor deliveries made with its own van.

	2021	2022	2023	2024
Trucks and forklifts, GJ	417	462	430	420
Personal vehicles, GJ	445	582	603	670
Total, GJ	862	1.044	1.033	1.090

Table: Energy consumption outside the organization (GJ)

Electricity is the main source of energy used in our operations, required for running machines in the production process. Its share in the Company's total energy consumption in 2024 amounted to 88,5 %. The remainder is natural gas, which is used for space and water heating as well as for ink drying in the flexographic printing process. The approximate energy consumption for heating offices and workspaces with natural gas in 2024 was 859 GJ (11 % of total gas consumption).

According to Croatian legislation (Energy Efficiency Act), the Company is required to either conduct an energy audit or certify its energy management system in accordance with ISO 50001. After employee training for internal auditing under ISO 50001, attending several seminars, and conducting internal analyses, it was concluded that certification under ISO 50001 would not be meaningful for the Company. Therefore, in compliance with legal obligations, the Company carried out an energy audit by an authorized company. The audit cycle is every 4 years, and the last audit was completed in December 2021.

The audit resulted in 5 measures for improving energy efficiency:

- 2 measures: energy renovation of the thermal envelope of heated office buildings
- 1 measure: installation of an air-to-water heat exchanger to utilize waste heat from the oxidizer
- 2 measures: installation of photovoltaic systems

Almost all of the measures have been done in the past.

The energy intensity of products is shown as the ratio of total energy consumption within the organization (including heating) to the produced mass of finished products, divided into paper and plastics. For calculating the energy of finished products, all stages were taken into account: printing, converting, and cutting for paper; extrusion, printing, converting, cutting, lamination, and recycling for plastics. The mass of total plastic products includes processing but excludes recycling, as the Company predominantly uses recycled products from its own recycling process.

	2021	2022	2023	2024
Plastic finished products total, t	18.729	18.427	18.470	19.455
Paper finished products total, t	10.468	10.744	9.557	10.666
plastic energy, kWh	17.527.900	16.885.225	16.842.882	17.043.673
paper energy, kWh	1.695.922	1.967.910	2.079.263	2.143.247
Energy intensity of plastic (kWh/kg product)	0,94	0,92	0,91	0,88
Energy intensity of paper (kWh/kg product)	0,16	0,18	0,22	0,20

	2021	2022	2023	2024
Plastic finished products total, t	18.729	18.427	18.470	19.455
Paper finished products total, t	10.468	10.744	9.557	10.666
plastic energy, GJ	63.100	60.787	60.634	61.357
paper energy, GJ	6.105	7.084	7.485	7.716
Energy intensity of plastic (GJ/kg product)	3,37	3,30	3,28	3,15
Energy intensity of paper (GJ/kg product)	0,58	0,66	0,78	0,72

Table: Energy intensity of products

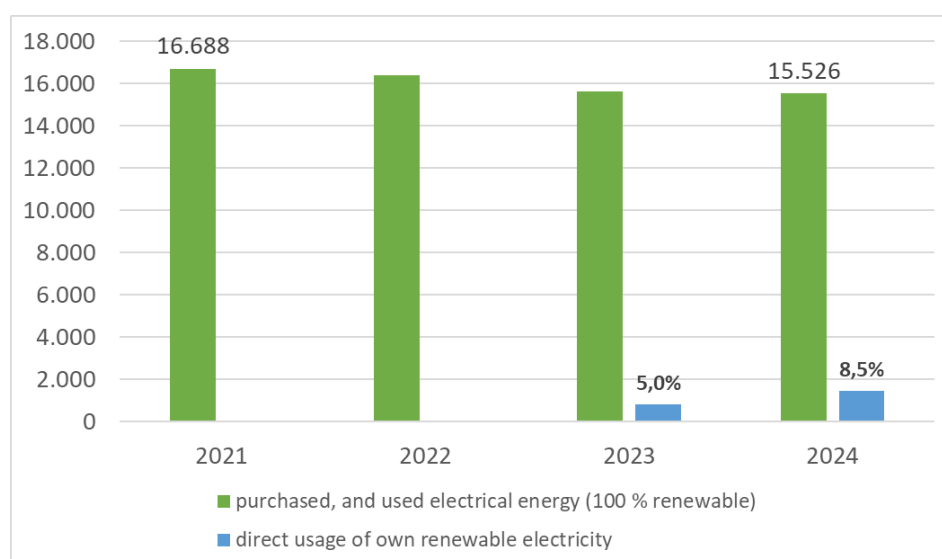


Figure: Electrical energy usage

Of the planned targets, the Company achieved the following:

- Obtained a Decision on reducing renewable energy surcharge costs in 2024
- Installed heat exchangers in 2024 on printing machines (Emerald and Diamond 2) to utilize waste heat for the drying process (reducing natural gas consumption)
- Installed additional solar panels (280 kW inverter capacity)

Electricity aggregation is crucial for the stability of the EU energy system, particularly in the context of integrating renewable energy sources. Aggregators enable rapid responses to demand and production fluctuations, helping maintain a stable frequency of 50 Hz, which contributes to grid stability. This reduces the need for new, costly reserve capacities, thereby lowering costs for all users. Without aggregators, the grid would be more vulnerable to changes and less resilient to outages, making the use of renewable sources more difficult and increasing emissions. Furthermore, small producers and flexible consumers would not be able to participate in the energy market, limiting opportunities for decentralization and greater efficiency.

Therefore, the Company has decided to become an aggregator. The Company has already signed an aggregation agreement as an Owner of regulation units and, together with the Aggregator, will provide aggregation services through a technological aggregation platform. In this way, the Owner's regulation units (Muraplast) will be included in the Aggregator's portfolio and offered to the Croatian Transmission System Operator for the activation of balancing energy.

Ultimately, without aggregation, the EU energy system would be less flexible, less reliable, and far more expensive, which would seriously jeopardize the EU's sustainable energy transition goals.

Regarding energy and energy efficiency, the Company's goals for the coming periods are:

- Obtaining a Decision on reducing renewable energy surcharge costs in 2025
- 30 % own electricity production by 2030
- Conducting an energy audit in 2025
- Installing a 1,5 MWh battery and offering aFRR balancing services

WATER AND EFFLUENTS >GRI 303

Water is a necessary resource for some of the technological plants. Water supply is provided from the local water supply system.

Water (combined with antifreeze) is used to cool machines, where it circulates in a closed circuit and is replenished as needed.

In the plastic recycling process for cooling and for transferring hot granulate of recycled plastic in a closed system where there is water evaporation.

In the process of printing with water inks, the inks are diluted with water, which reduces the viscosity of the inks. Water is also used when cleaning inks.

Entering the water base ink printing process (2015), the Company installed a water purification system that purifies technological wastewater through the process of vacuum water distillation. The Company cleans all technological wastewater through the mentioned device. This way, it does not release any technological waste water into the sewage system. Due to the increase in capacity in 2020, another water purification system was installed at a new location.

Rainwater from manipulative and parking areas is pre-treated by means of a settling tank and an oil and fat separator.

Sanitary wastewater is discharged into watertight septic tanks. Separators and septic tanks are emptied through authorized organizations as needed.

During the water legal inspection, the Company is obliged, at the request of the inspector, to carry out control testing of waste water for the requested indicators, the emission limit values of which are prescribed by the Rulebook on emission limit values of waste water.

Water consumption is small and not significant for the Company.

The Company is located between the two rivers Drava (distance approx. 6 km) and Mura (distance approx. 1.7 km). The resource is important to external stakeholders.

	2021	2022	2023	2024
Water consumption from the public water supply (m ³)	4.348	3.335	3.434	3.382

The Company experiences an increase in water consumption during the summer months due to the cooling system with adiabatic coolers, which use water for the cooling process in the production halls.

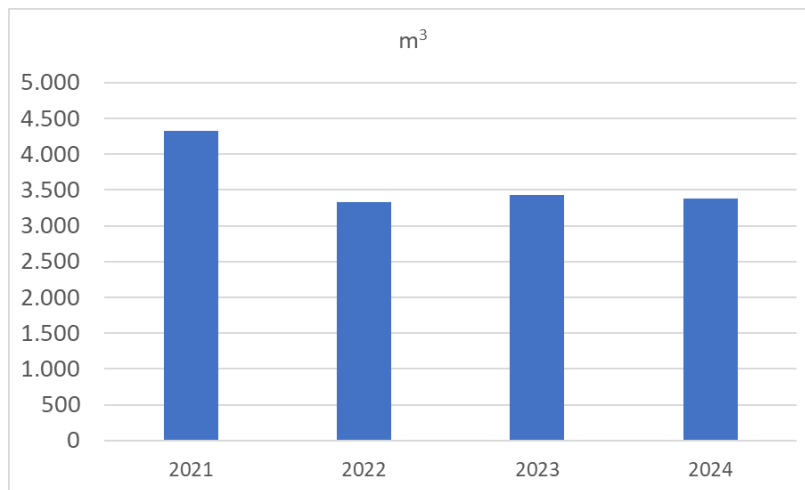


Figure: Usage of water

Goal by 2030:

To preserve this important water resource, the Company is limiting water consumption to 4.000 m³ annually, regardless of growth. Exceeding 4.000 m³ will only be possible in case of an extraordinary situation.

EMISSIONS >GRI 305

The company commissioned a calculation of its carbon footprint for the years 2021, 2022, 2023 and 2024. The calculation was conducted in accordance with the GHG protocol by the Energy Institute Hrvoje Požar. The Energy Institute Hrvoje Požar is an institution owned by the Republic of Croatia, whose activities include conducting scientific research in the field of energy, providing professional support to public authorities, and offering consulting services on both the domestic and international markets.

Scopes		Emissions (t CO ₂ e)	2021	2022	2023	2024
Scope 1	1-1	Stationary energy sources	513,0	495,2	500,9	448,7
	1-2	Mobile energy sources	64,1	79,1	78,3	82,5
	1-3	Process emissions	827,5	756,7	767,9	841,9
	1-4	Fugitive emissions	30,4	40,6	6,6	72,3
		TOTAL Scope 1	1.435,1	1.371,7	1.353,6	1.445,4
Scope 2	2-1	Purchased electricity	2.302,9	2.263,9	2.656,2	2.158,1
	2-2	Purchased heating and cooling energy				
		TOTAL Scope 2	2.302,9	2.263,9	2.656,2	2.158,1
		TOTAL Scope 1 and 2	3.738,0	3.635,5	4.009,8	3.603,4
Scope 3	3-1	Purchased goods or services	49.609,4	46.936,7	44.500,7	44.136,0
	3-2	Capital goods	71,3	2.558,1	5.027,7	242,4
	3-3	Fuel- and energy-related activities (not included in Scopes 1 and 2)	420,7	414,2	399,2	390,0
	3-4	Upstream transportation and distribution of goods	150,1	110,4	249,2	1.178,2
	3-5	Waste generated in operations	64,1	43,6	178,6	320,8
	3-6	Business travel	6,6	12,1	11,6	11,9
	3-7	Employee commuting	319,0	319,0	122,5	121,5
	3-8	Leased assets				
		Other indirect upstream emissions				
	3-9	Downstream transportation and distribution of goods	2.399,8	2.410,8	3.109,1	2.907,3
	3-10	Processing of sold products				
	3-11	Use of sold products				
	3-12	End-of-life treatment of sold products			915,9	937,7
	3-13	Leased assets				
	3-14	Franchises				
	3-15	Investments				
		Other indirect downstream emissions				
		TOTAL Scope 3	53.041,0	52.805,0	54.514,5	50.245,8
		TOTAL Scope 1, 2, and 3	56.779,1	56.440,5	58.524,3	53.849,2

Table: Overview of greenhouse gas emissions in accordance with the GHG protocol (Scope 2-1 location-based approach)

The electricity consumed in 2021-2024 was 100% from renewable sources. The company possesses the ZelEn certificate for 2021-2024 issued by the supplier HEP OPSKRBA d.o.o. and a confirmation from the CROATIAN ENERGY MARKET OPERATOR d.o.o. (HROTE) as the body responsible for issuing guarantees of origin for electricity in the Republic of Croatia. The company has a contract for electricity from renewable sources until 31.12.2026.

Emissions are an important environmental aspect for the company. The company had to create a program to reduce emissions of volatile organic compounds (VOCs). The company successfully reduced VOC emissions in accordance with the VOC and IPPC directives by installing oxidizers at the exhausts of printing lines that use solvents.

The company measures emission values from stationary sources at the oxidizer exhausts several times a year. Measurement reports, together with the annual balance (EHOS), are sent once a year to the competent environmental protection authorities.

The emission data were obtained by calculation according to the national standard, while the conversion factor for burned VOCs in the oxidizer is 1,39, which corresponds to the equipment supplier's recommendation (the data is recognized by the competent environmental protection authorities).

The intensity of greenhouse gas emissions

PLASTIC	2021	2022	2023	2024
Scope 1, CO ₂ e (t)	1.344,7	1.242,2	1.247,7	1.300,2
Scope 2, CO ₂ e (t), location-based	2.125,4	2.067,2	2.381,9	1.940,6
Scope 3, CO ₂ e (t)	42.853,3	42.326,9	47.663,2	42.720,6
Total, CO₂e (t), location-based	46.323,4	45.636,3	51.292,7	42.731,6
Quantity of plastic products produced, t	18.729	18.427	18.470	45.972,4
Greenhouse gas emission intensity of plastic Scope 1 (kg CO ₂ / kg of product)	0,072	0,067	0,068	19.455
Greenhouse gas emission intensity of plastic Scope 2 (kg CO ₂ / kg of product), location-based	0,113	0,112	0,129	0,067
Greenhouse gas emission intensity of plastic Scope 3 (kg CO ₂ / kg of product)	2,288	2,297	2,581	0,100
Total greenhouse gas emission intensity of plastic (kg CO₂ / kg of product), location-based	2,473	2,477	2,777	2,196
Total greenhouse gas emission intensity of plastic (kg CO₂ / kg of product), market-based	2,360	2,364	2,648	2,363

PAPER	2021	2022	2023	2024
Scope 1, CO ₂ e (t)	90,4	129,5	105,9	145,2
Scope 2, CO ₂ e (t), location-based	177,5	196,6	274,4	217,4
Scope 3, CO ₂ e (t)	10.231,0	10.530,0	6.851,3	7.514,2
Total, CO₂e (t), location-based	10.498,9	10.856,1	7.231,6	7.876,8
Quantity of paper products produced, t	10.468	10.744	9557	10.666
Greenhouse gas emission intensity of paper Scope 1 (kg CO ₂ / kg of product)	0,009	0,012	0,011	0,014
Greenhouse gas emission intensity of paper Scope 2 (kg CO ₂ / kg of product), location-based	0,017	0,018	0,029	0,020
Greenhouse gas emission intensity of paper Scope 3 (kg CO ₂ / kg of product)	0,977	0,980	0,717	0,704
Total greenhouse gas emission intensity of paper (kg CO₂ / kg of product), location-based	1,003	1,010	0,757	0,738
Total greenhouse gas emission intensity of paper (kg CO₂ / kg of product), market-based	0,986	0,992	0,728	0,718

Emissions of ozone-depleting substances

In cooling systems and fire protection systems, refrigerants are used, which, by their chemical composition, damage the ozone layer. They are regularly serviced and maintained, which is recorded on the service cards.

		Amount of used refrigerant			Annual loss of refrigerant		
Location	Type of refrigerant used	2022	2023	2024	2022	2023	2024
Kotoriba	R134A	13	18,95	17			0,9
Kotoriba	R22	13,34	12,48	11,76			
Kotoriba	R407C	287,3	258,3	183,53	41,6	44	23,2
Kotoriba	R410A	131,81	138,23	201,79	10	3,5	7
Kotoriba	R513A	80	82,90	42,84			
Kotoriba	R32		7,96	7,11			2
Kotoriba	R454 B			28,5			
Total		525,45	518,82	492,53	51,6	47,5	33,1

Nitrogen oxides (NO_x), sulphate oxides (SO_x) and other significant air emissions

The Company has emissions from stationary sources that are periodically measured as volatile organic compounds expressed as total organic carbon C, carbon monoxide CO, nitrogen oxides NO_x expressed as NO₂. All measurements performed in 2024 are satisfactory, meaning that emission values are below the limit values according to point 2.1.1. of the Book of unified environmental protection conditions.

The Company regularly submits reports on the amount of annual emissions to the competent state bodies for environmental protection on the form EHOS (Emissions of Volatile Organic Compounds).

	2021	2022	2023	2024
NO _x , t	0,69	0,64	0,60	0,54
SO ₂ , t	0,01	0,01	0,01	0,00
CO, t	0,27	0,25	0,24	0,21
VOC, t	69,87	61,28	61,63	68,52
PM(10), t	0,01	0,01	0,01	0,01
Ukupno, t	70,85	62,18	62,13	69,29

Reduction of Greenhouse Gas Emissions

At the end of 2023, MURAPLAST set targets for reducing greenhouse gas emissions through the Science Based Targets initiative (SBTi), aligned with the levels needed to achieve the goals of the Paris Agreement.

The targets covering the reduction of greenhouse gas emissions from MURAPLAST's operations (Scope 1 and 2) are in line with the reductions needed to keep warming to a 1,5°C increase, which the latest climate science has indicated is necessary to prevent the most damaging effects of climate change.

The approved targets are: MURAPLAST d.o.o. commits to reducing greenhouse gas emissions from Scope 1 and 2 by 42% by 2030, compared to the base year 2021, and to measuring and reducing its Scope 3 emissions.

	2021	2022	2023	2024	Plan for 2030
Scope 1, CO ₂ e (t)	1.435	1.372	1.354	1.445	< 832
Scope 2, CO ₂ e (t) location-based	2.303	2.264	2.656	2.158	< 1.335
Scope 3, CO ₂ e (t)	53.041	52.805	54.515	50.246	< 47.700

Table: Greenhouse Gas Emissions Plan for 2030

The reduction results are still limited. Looking only at intensity compared to the baseline year 2021, there is a visible decrease in intensity, but the total emissions are decreasing too slowly. The Company intends to increase production capacity (planned +40 % in the plastics sector), which will make achieving the targets even more challenging.

In Scope 1, natural gas consumption decreased significantly (–12,5 %), but the increased use of alcohol-based inks (due to additional incineration of emissions by the oxidizer) offset this reduction.

In Scope 2, reductions were achieved thanks to the Company's own electricity production, but the maximum rooftop solar panel capacity has already been reached, so additional solutions are required. Further Scope 2 reductions at the national level are also expected, which will additionally lower emissions.

Scope 3, as well as total emissions, depends primarily on purchased and used materials. In both the paper and plastics sectors, raw materials are carbon-based. Therefore, overall reductions can only be achieved through the use of recycled materials and circular solutions. In the paper sector, there was a strong, unexpected increase in demand for recycled-content paper, primarily driven by price (recycled paper is cheaper than virgin paper). In the plastics sector, there has been no significant increase in demand for recycled content. Here, the price difference is minimal, and in some cases, high-quality recycled plastics are more expensive than virgin plastics. In most cases, this is where customers' willingness to use recycled content ends. Given the current chaotic state of the plastics recycling industry in Europe, achieving the targets will be difficult.

WASTE GENERATED >GRI 306-3, GRI 306-4, 6RI 306-5

During the production process, both non-hazardous and hazardous waste are generated. Waste management is defined within the Quality and Environmental Management System (ISO 14001) in the document Waste Management.

Some of the regularly implemented waste management procedures include sorting and collecting waste at the point of generation, recycling and reuse, and solvent distillation for reuse.

Waste generation and flows are recorded, and the waste is collected with the prescribed documentation by authorized collectors with whom the Company has signed contracts.

Waste quantities are reported annually to the Ministry of Economy and Sustainable Development through the ROO (Environmental Pollution Register) and e-ONTO applications.

Part of the Company's own waste (technological waste) is recovered, and the resulting granulate is used to produce second-grade materials, e.g., construction films.

The Company holds an Integrated Environmental Permit, commonly referred to as an environmental permit. The permit was extended for an additional 5 years in 2019. In 2023, the Company submitted a request to the Ministry of Economy and Sustainable Development for amendments and supplements to the existing environmental permit.

Since 2020, the Company has operated as a recycler with a waste management permit, which was amended in February 2023 to a recovery capacity of up to 11.508 tonnes of plastic waste annually.

Amounts of waste generated by type of waste:

Type of waste	2022	2023	2024
non-hazardous waste, t	3.872	4.037	3.920
hazardous waste, t	166	180	186
total waste, t	4.038	4.217	4.106

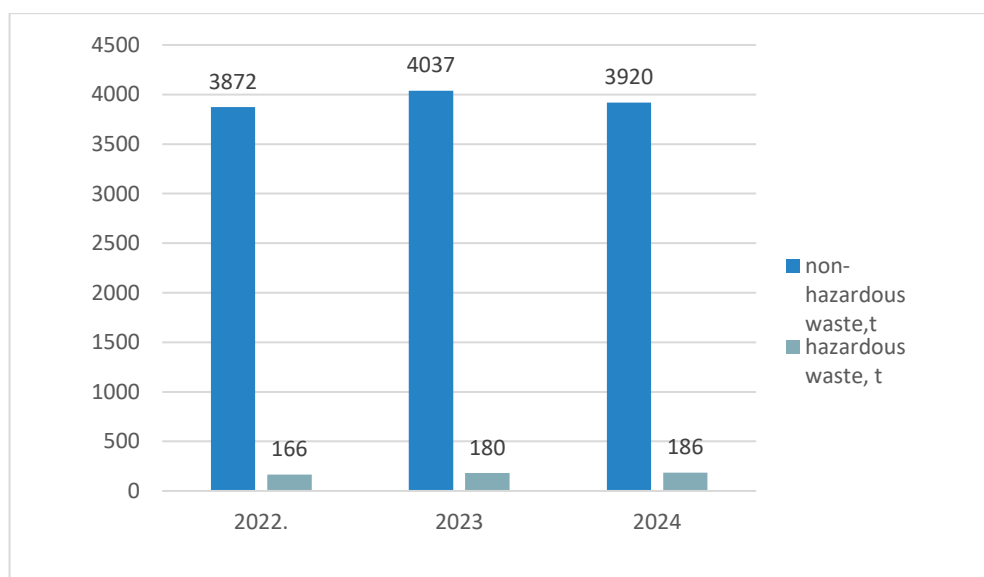


Figure: Generated Non-Hazardous and Hazardous Waste in 2022, 2023, and 2024

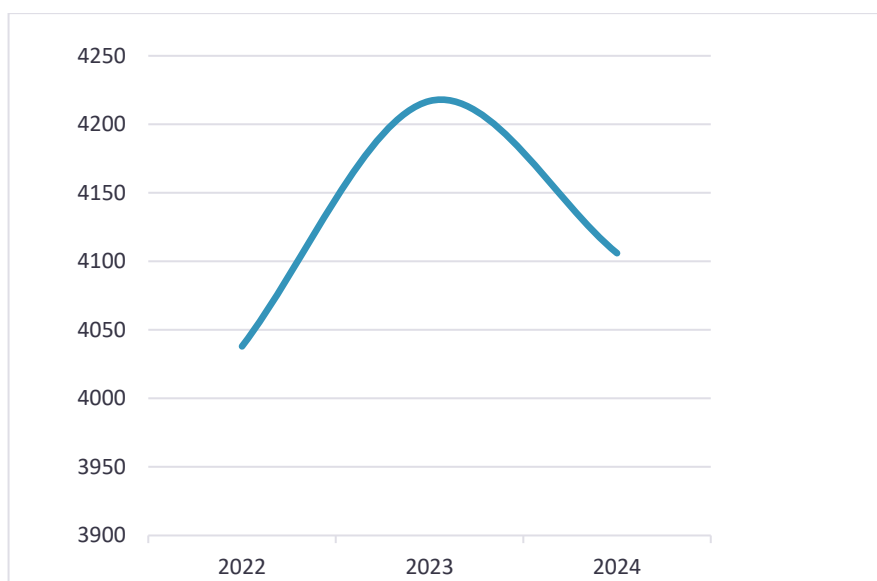


Figure: Total Generated Waste in 2022, 2023, and 2024

In 2024, the largest share of non-hazardous waste – 3.053 tonnes (78 % of non-hazardous waste) – consisted of waste plastics generated during production as technological waste, which is recycled within the Company.

The second-largest category was waste paper – 581 tonnes (15 % of non-hazardous waste), generated mainly from printing on reels and paper bag production, and to a lesser extent from incoming packaging.

The largest share of hazardous waste was sludge from inks – 66 tonnes (35 % of hazardous waste), which contains organic solvents and is generated in the process of solvent and ink waste distillation. All recycled solvent is reused in the printing process.

The second-largest category of hazardous waste was other residues and reaction by-products – 55 tonnes (29 % of hazardous waste). This waste arises from the treatment of used water in production processes through vacuum distillation. Despite being derived from water purification, this waste is legally classified as hazardous.

NON-HAZARDOUS WASTE	
waste intended for recovery (R), t	3.913
waste intended for disposal (D), t	7

Table: Non-Hazardous Waste Diverted and Directed for Disposal

HAZARDOUS WASTE	
waste intended for recovery (R), t	10
waste intended for disposal (D), t	176

Table: Hazardous Waste Diverted and Directed for Disposal

In 2024, a total of 3.923 t of hazardous and non-hazardous waste was recovered, representing 96 %.

The remaining waste (4 %) was directed to disposal, amounting to 186 t.

COMPLIANCE WITH ENVIRONMENTAL PROTECTION >GRI 307-1

The Company has respected and applied all legally applicable regulations and its own Environmental Protection Policy for many years. Environmental responsibility and ecology are integral parts of the Company's business strategies in this area.

At least once a year, a procedure is carried out to assess compliance with legal and other environmental requirements. The assessment process is conducted in line with ISO 14001 compliance.

Through the Croatian Chamber of Economy (HGK), the Company participates in drafting laws and regulations related to environmental issues concerning plastics and other business matters in Croatia.

The Company is also actively involved in shaping positions on European directives and regulations through EuPC (European Plastics Converters) and the stakeholder group CPA (Circular Plastics Alliance).

The Company undergoes periodic coordinated inspections due to the obligation of holding an Integrated Environmental Permit (IPPC Directive). In 2024, the Company was subject to one inspection by the electrical energy inspectorate.

Regarding environmental audits, the Company successfully passed audits under the ISO 14001 Environmental Management System, mass balance verification for the Blue Angel ecolabel for plastic carrier bags, and mass balance and other requirements under FSC CoC.

With the entry into force of the Corporate Sustainability Reporting Directive (CSRD) on 05.01.2023, the Company will be required to report on social, environmental, and governance impacts in accordance with the new ESRS Standards in 2026 for the 2025 reporting year.

According to the Revised Energy Efficiency Directive (EED3), adopted on 19.09.2023 and published on 20.09.2023, Directive (EU) 2023/1791 entered into force on 10.10.2023. Under this directive, companies with an average annual energy consumption of > 85 TJ (23,6 GWh) are required to implement an energy management system no later than 11.10.2027. Therefore, according to energy consumption projections, the Company's goal is to introduce an energy management system by 11.10.2027, in the event that its energy consumption exceeds 85.000 GJ. Currently, the Company records an average consumption of 68.000 GJ (average of the last three years).

During the reporting period, there were no recorded cases of non-compliance with environmental regulations and no complaints.

TOPIC-SPECIFIC STANDARDS: SOCIAL

NEW EMPLOYEE HIRES AND EMPLOYEE TURNOVER >GRI 401-1

In 2024, a total of 33 new employees were hired, with an average age of 29 years (in 2023, 35 new employees were hired, also with an average age of 29 years). The youngest newly hired employee was 18 years old. The average age of employees who left was 32 years, with the youngest being 19 and the oldest 60 years. In total, during 2024, 32 employees left the Company, which is 11 % fewer than in 2023.

Training for interns and new employees

Each newly hired worker and intern undergoes training provided by their immediate supervisors. The aim of the training is to familiarize these employees with the Company's organization, operations, and product portfolio, as well as with other employees.

Upon joining the Company, each new employee receives a brochure with basic information about the Company, rules of conduct, and key contacts to help them adapt more easily in their first days. Each new employee is also assigned a mentor who supports them during the onboarding process. The mentor is an experienced employee available throughout the first six months of employment, providing support, answering questions, and facilitating adaptation to the work environment. This approach enables faster adjustment, better integration into the team, and more effective adoption of business processes and company values.

Student practical training

The Company cooperates with secondary schools in technical and vocational fields regarding student practical training. Each year, the Company hosts several students for hands-on training. Each student is assigned a mentor who guides and supports them throughout their internship.

BENEFITS PROVIDED TO FULL-TIME EMPLOYEES THAT ARE NOT PROVIDED TO TEMPORARY OR PART-TIME EMPLOYEES >GRI 401-2

All employees, regardless of contract type, race, gender, or age, have the same benefits in accordance with the time spent at work. The company pays jubilee awards for long-term service, holiday bonuses, Christmas and Easter bonuses, support for workers' newborn children, occasional gifts for children, one-time support in the event of the death of a spouse or child of an employee, support for long-term sick leave, severance pay upon retirement, monetary awards for monthly and annual work results, and gifts in kind to employees in the form of team-building events.

The company also makes monthly contributions to the third pension pillar (voluntary pension fund) for its employees, up to €39,82 per month, according to specific rules.

Employees are also entitled to compensation for transportation costs to and from work.

The company also provides its employees with paid leave for events such as marriage, the birth of a spouse's child, relocation, voluntary blood donation, and similar occasions.

PARENTAL LEAVE >GRI 401-3

According to the decision of the Croatian Health Insurance Fund (HZZO), all female employees are entitled to maternity and parental leave, while all male employees are entitled to parental leave.

In 2024, 4 female employees used maternity leave. For all of them, the Company ensured their return to their previous positions afterwards. In addition, 12 male employees exercised their right to parental leave during 2024.

	Maternity and parental leave in 2024	Total number of employees on December 31, 2024 by gender	Total number of employees who used the right to maternity and parental leave by gender in 2024	Total number of employees who returned to work in 2024 after completing maternity leave by gender	The total number of employees who returned to work after the end of maternity leave, and who remained employed twelve months after returning to work, by gender
Female	4	82	4	2	1
Male	12	267	12	12	12
Total	16	349	16	14	13

MINIMAL NOTICE PERIODS REGARDING OPERATIONAL CHANGES >GRI 402-1

The Company informs its employees and their elected representatives about all major changes in business that could significantly affect them. Information is provided in accordance with the provisions of the Labor Act, and through the workers' representative in the Supervisory Board.

OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM >GRI 403-1

In accordance with the provisions of the Labor Act and the Occupational Safety and Health Act and the employer's obligations, the Company has its own Occupational Safety Committee. That Committee meets every 6 months, as stated in the Act, and if necessary, several times a year.

The Company acts responsibly in relation to impacts on health and safety. It strives for high standards of health care and safety of workers, prevention of accidents, ensuring the integrity of assets and quick and efficient response in emergency and crisis situations, as well as promoting a culture of health and safety for all employees employed by the Company. In order to achieve the high set goals related to health and safety, the Company carefully selects, trains and assigns adequate persons who contribute to the achievement of the above.

The provision of appropriate tools, equipment, personal protection, clearly developed procedures and work instructions is also ensured.

HAZARD IDENTIFICATION, RISK ASSESSMENT, AND INCIDENT INVESTIGATION >GRI 403-2

Within the Occupational Health and Safety system, it is prescribed that all workplaces in the Company must be assessed. Workers are informed about all hazards, harmful effects, and efforts characteristic of their workplace, which are an integral part of the risk assessment. All workers are trained to work safely and, in the event of any dangerous situations, know how to properly stop work and notify their immediate supervisor of the hazards, harmful effects, and risks. All workers are trained in the implementation of preventive fire protection measures, firefighting, and the rescue of people and property endangered by fire.

The risk assessment includes all employed workers who are directly affected by the employer's work activities. Occupational health and safety experts, employer's representatives, workers' safety representatives, and other workers participate in the risk assessment process. Their task is to identify possible hazards, harmful effects, and efforts, assess potential risks, and decide whether existing safety measures are adequate or if additional measures need to be applied. The risk assessment is discussed at the Occupational Health and Safety Committee, and workers are informed about the assessment. All workers are aware of and familiar with their work tasks and the hazards, harmful effects, and efforts at their workplace, and are obliged to perform work safely, stop work, and report any safety and health hazards, disruptions in the work process, and damage to work equipment.

The Company has developed guidelines for reporting near-miss situations to prevent undesirable situations and avoid accidents/injuries at work and damage to property. It is the duty of all workers to report any potential risks to their employer's representative, who keeps records of such cases and takes measures to communicate such situations to all workers to prevent possible accidents.

Spillage of hazardous substances, fire, and explosion are considered the greatest environmental risks. To prevent and/or reduce negative environmental impacts and increase worker safety, instructions for action in the event of an emergency have been prepared for each situation. Simulation exercises for incident situations are held annually to better prepare workers for potential hazards.

OCCUPATIONAL HEALTH SERVICES >GRI 403-3

There are no occupations or workplaces in the Company with a high frequency or risk of serious diseases. When assigning workers to jobs with special working conditions, they are treated in accordance with these conditions and workers are required to undergo an examination to determine their health capacity to perform them. Periodically, in accordance with established rules, their health capacity to perform these jobs is regularly checked. The Company fully bears all the costs of medical examinations, including transportation to a medical institution.

WORKER PARTICIPATION, CONSULTATION, AND COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY >GRI 403-4

The Occupational Health and Safety Committee includes an occupational safety expert, a workers' representative, an employer's representative, and an occupational health physician. The committees are advisory bodies for improving health and safety protection. They directly communicate with and advise all employees to raise health and safety at work to the highest possible level.

All workers have the opportunity to report near-miss situations to their representative, who records the incident and takes measures to prevent undesirable situations – accidents/injuries at work.

The Company has established Safety Corners at workplaces where, in addition to first aid cabinets, suggestion boxes, Safe Work Instructions, various leaflets, and signs, employees and workers are informed about health and safety.

WORKER TRAINING ON OCCUPATIONAL HEALTH AND SAFETY >GRI 403-5

In accordance with applicable regulations related to work activities that pose increased health and safety risks for employees, and for the purpose of determining and monitoring the health status and capability of employees to perform such activities, employees must meet specific requirements during mandatory regular medical examinations. These requirements relate to age, professional qualifications, health condition, and psychological ability (e.g., positions with special working conditions).

The occupational medicine specialist's examination focuses on determining work capability, establishing whether an employee meets the requirements of their position without endangering their own health or the health and safety of other workers and persons at work, while also supporting workplace adaptation for the employee and preventing workplace injuries and occupational diseases. The costs of determining employee health capability are covered by the employer.

Trainings related to legal requirements are conducted regularly, and 100 % of planned trainings have been completed.

The Company provides all occupational health and safety training for employees, authorized representatives, and employee safety commissioners at its own expense.

The Company also regularly organizes evacuation drills, fire drills, and emergency response exercises for all employees to ensure preparedness in the event of such situations.

TRAINING NAME	NUMBER OF TRAINED WORKERS
Training for Safe Work Practices	351 (all on 31.12.2024)
Training for Employer Representatives	24
Training for Workers' Representatives	2
Training for Handling Hazardous Substances	44
Training for Industrial Application of Diisocyanates	11
Training – Operator of Wood Processing Machines	4
First Aid Training	32
Fire Protection Training	351 (all on 31.12.2024)
Training for Evacuation and Rescue Implementation Leaders	11
Training for Installation and Servicing of Refrigeration and Air Conditioning Equipment	1
Training for Compressor Station Operator	1
Training for Switchgear Operator	2
Training – Determining Worker Intoxication at Work	3
Training for Forklift Operation	136
Training for Hydraulic Platform Operation	16
Training for Crane Operation	2
Training – Chainsaw Operator	3
Training – Worker for Presence in EX Areas	62
Training – Responsible Person in the Plant, Installers, and Operators of EX Equipment	5

Table: Types of training

PROMOTION OF WORKER HEALTH >GRI 403-6

The Company is a member of the Association for the Promotion of the Protection of People in the Working and Living Environment of Međimurje County. The aforementioned association organizes consultations and seminars for its members, and the topics follow the scope of the Association's work, and are organized based on current legislation. The goals of the organization of consultations and seminars is the regular gathering of experts in occupational safety, fire protection, environmental protection, and protection of persons and property.

PREVENTION AND MITIGATION OF OCCUPATIONAL HEALTH AND SAFETY IMPACTS DIRECTLY LINKED BY BUSINESS RELATIONSHIPS >GRI 403-7

The Company regularly conducts independent measurements of working conditions. During workplace environment testing, temperature, humidity, and air flow velocity, noise levels, lighting, and the presence of harmful substances are monitored. All work equipment is tested within legally prescribed intervals to prevent and mitigate impacts on health. The goal is to ensure a safe working environment that does not negatively affect health and avoids excessive lifting of heavy loads.

To improve working conditions during the summer, ventilation systems have been installed in all production halls, which both cool and increase humidity levels.

Air quality monitoring devices (measuring temperature, humidity, CO₂, and VOCs – air quality) have been installed, with access to online monitoring systems at several locations.

In 2024, the Company built solar power plants at its Sajmišna 16 and 21 sites. The need for new work equipment increased, and the following were installed: a pallet wrapping machine, warehouse racks, a wood processing machine, a cliché washing machine, several hot air preparation systems, a waste heat recovery system, a thermal imaging camera, a heating system and air conditioners, two air chillers, a ventilation system in Hall 5, a robotic vacuum cleaner, two TAWI mobile manipulators, a chain hoist, a camera for the rack forklift, a screw conveyor for emptying jumbo bags, paint storage racks, two manual forklifts, and two electric forklifts.

WORK-RELATED INJURIES >GRI 403-9

An overview of the types and rates of injuries, occupational diseases, lost days and absences and the total number of deaths related to accidents at work in the Company in the period from 2022 to 2025 is given in the following table:

Serial no.	PARAMETER	Year		
		2022	2023	2024
1.	Number of injuries	9	11	2
2.	Number of minor injuries	7	10	2
3.	Number of major injuries	2	1	0
4.	Number of injured men	9	10	2
5.	Number of injured women	0	1	0
6.	Number of occupational diseases	0	0	0
7.	Number of lost days	122	267	23
8.	Number of fatalities	0	0	0
9.	Number of near misses	7	5	6

Injury rate by gender (%) – the calculation factor is 1 000 000

Serial no.	PARAMETER	Year		
		2022	2023	2024
1.	IR (injury rate - total)	14,59	18,34	3,25
2.	ODR (occupational disease rate)	0	0	0
3.	LDR (lost days rate)	19,78	44,52	37,4
4.	AR (absenteeism rate)	0	0	0

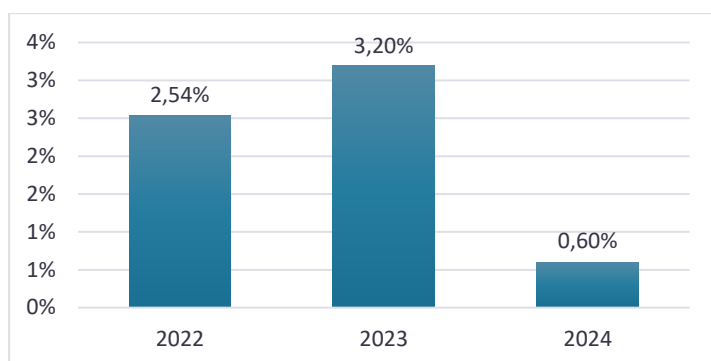


Figure: Percentage of injured employees

According to occupational injury analysis data, the number of work-related injuries has fluctuated in recent years. Each year, the Company increases the capacity of new work equipment to meet customer requirements.

In 2024, there were 2 work-related injuries, both of which were classified as minor. These injuries had no lasting health consequences for employees, and there were no fatalities or cases of occupational diseases. As a result of these injuries, 23 working days were lost in 2024. From 2022 to 2024, all recorded work-related injuries involved 97 % male employees and 3 % female employees.

When a work-related injury occurs, after medical treatment of the employee, the immediate supervisor of the injured employee notifies the Occupational Health and Safety Department and the workers' safety representative. The Occupational Health and Safety Department determines the circumstances and facts of the incident and proposes measures to reduce risks or eliminate the causes of the injury.

The procedure in cases of accidents and occupational injuries is prescribed by internal instructions. Each occupational injury is reported (via the official occupational injury report form) to the competent authorities and documented through prescribed records in the database. All occupational health and safety documentation is stored in an electronic database. Injury data are analysed regularly.

The 2024 target was achieved, resulting in a significant reduction in work-related injuries. Additional training through periodic refresher courses has raised employee awareness, ensuring that work operations are carried out in line with occupational health and safety rules.

TRAINING AND EDUCATION >GRI 404

With the aim of developing the potential of its employees, the Company continuously provides education and training through a wide range of learning activities: education within the regular school system, participation in specialized training both within and outside the Company, foreign language learning, and a strong emphasis on developing presentation and communication skills, computer literacy, and updating other knowledge relevant to efficiency and professionalism at work.

Through individual and group training programs, the Company promotes lifelong learning and personal development of employees, which also contributes to greater job satisfaction. In addition to formal education, a culture of informal learning, knowledge sharing among colleagues, and mentoring within the organization is encouraged. The Company recognizes the importance of adapting to new technological and market challenges, which is why special attention is given to the development of digital competencies as well as strengthening innovation and independence at work. By investing in knowledge, the Company not only builds a more skilled and competitive team but also ensures long-term sustainability and business success.

The Company carefully selects its employees for managerial positions, recognizes their potential, invests in their development, and creates opportunities for their further advancement.

Average number of training hours per employee (total):

	2022	2023	2024
Total training hours	253	917	2838
Number of employees on 31.12.	349	348	349
Average training hours per employee	0,7	2,6	8,1

Average number of training hours per employee (by gender):

	2022	2023	2024
Male	0,7	2,6	8,9
Female	2,5	2,7	5,6

In line with the goal defined in the previous report, for 2024 the target was set at an average of at least 4 hours of training per employee.

During 2024, the Company further intensified its efforts in employee professional development. A total of 2.838 hours of training was completed, representing more than a threefold increase compared to the previous year, 2023, when 917 hours were recorded.

As a result, the average number of training hours per employee increased from 2,6 hours in 2023 to 8,1 hours in 2024. This increase in investment in employee development is the result of a strategic focus on strengthening internal competencies, raising knowledge levels, and ensuring the Company's long-term competitiveness.

Through various forms of training, from internal workshops and professional seminars to external courses and online programs, employees were provided with opportunities to acquire new knowledge and skills relevant to their roles. Particular emphasis was placed on communication skills. The improvement of employees' communication competence was recognized as a key factor for better teamwork, higher efficiency in daily operations, and the creation of a more positive and collaborative work environment.

These positive results confirm our commitment to continuous learning and the professional growth of all team members, which ultimately contributes to greater efficiency, quality of work, and employee satisfaction. We believe that motivated and educated employees are the key strength in achieving business goals and further developing the organization.

The target was set at more than 4 hours per employee annually. This target remains valid for the coming periods.

PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS >GRI 404-2

By acquiring new knowledge and acquiring the necessary skills, the Company improves the quality of its products and increases competitiveness on the market. Intensive work is being done on further training of employees.

Mentoring programs are part of the Company's knowledge management program and take place in recognized key areas for the Company's operations. Their goal is to retain promising employees and create competent and motivated experts for future business development.

Feedback about their engagement and career development in the Company is important to employees. The feedback influences employee motivation and helps gain insight into one's own business behaviour and progress. Management and employees exchange important information that is the basis for planning individual development plans.

INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN >GRI 406-1

Not a single case of discrimination based on race, skin color, gender, religion, political opinion, national or social origin has been recorded in the Company. The Company protects the dignity of workers while performing work, and employees are provided with working conditions in which they will not be exposed to harassment or sexual harassment by employers, superiors or other persons with whom they regularly come into contact while performing work.

The Company has a Ordinance on procedures and measures to protect the dignity of workers. This Ordinance establishes procedures and measures for the protection of the dignity of workers, which ensure working conditions in which they will not be exposed to harassment and sexual harassment. The Company also appointed a person in charge of protecting the dignity of workers. This person is authorized to receive and resolve all complaints related to the protection of workers' dignity in accordance with the Law. During the reporting period, as well as in previous reporting periods, not a single complaint related to the protection of workers' dignity was received.

Although the Company's employees are familiar with the Ordinance on the procedure and measures for the protection of the dignity of workers, our employees are additionally educated, if necessary, either by the human resources department, the person in charge of the protection of dignity in the Company or their direct managers, all regarding the topic of discrimination.

The Company also adopted an Internal Act on the procedure for internal reporting of irregularities. A confidential person for internal reporting of irregularities and a deputy were also appointed. Both of these persons are familiar with the procedure for dealing with a possible report of irregularities in the Company. All employees of the Company are enabled to report irregularities in the Company. During the reporting period, as well as in previous reporting periods, not a single report of irregularities was received in the Company.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING >GRI 407

All employees exercise the right to freedom of association and collective bargaining, including the right to establish a workers' council and a trade union, and to join them in order to protect their interests. For the fulfillment of these rights, the Company will not set any restrictions, except those prescribed by law.

CHILD LABOR, FORCED OR COMPULSORY LABOR >GRI 408, >GRI 409

The Company does not support child labour in its operations, nor is any form of compulsory or forced labour carried out in any business activities. In 2024, as in previous reporting periods, no employment contracts were concluded with persons under the age of 18. Through internal regulations and standardized recruitment processes, the risk of employing individuals under 18 has been proactively and fully eliminated.

The Company's Code of Conduct and policies strictly prohibit forced and child labour. In addition, monitoring mechanisms and reporting channels have been established that guarantee confidentiality and protection of whistleblowers.

The Company has no business processes in which there is a high risk of forced, compulsory, or child labour.

RESPECT FOR HUMAN RIGHTS >GRI 412-1

The Company respects human rights. When making decisions about business locations, human rights are taken into consideration. In all of the Company's activities, compliance with human rights has been verified. Every employee enjoys the same right to respect and dignity, regardless of race, religion, gender, age, national origin, political beliefs, sexual orientation, marital status, disability, or any other personal characteristic. In the event of a complaint regarding a violation of these rights, a procedure is initiated to investigate the circumstances of the reported incident, assess the validity of the complaint, and take appropriate measures.

The Company has significantly improved the men's and women's changing rooms for the entire paper processing facility. This also contributes to the preservation of employee dignity.

It is important to emphasize that in 2024, as in previous reporting periods, no labour disputes were initiated, which further confirms the quality of interpersonal relations, consistent application of labour legislation, and effective internal communication.

OPERATIONS WITH LOCAL COMMUNITY ENGAGEMENT, IMPACT ASSESSMENTS AND DEVELOPMENT PROGRAMS >GRI 413-1

The Company continuously recognizes the importance of active cooperation with the community in which it operates and invests in it through numerous sponsorship and donation programs. In 2024, a total of 23.277 EUR was allocated for donations, sponsorship of sports competitions, cultural events, individual projects, and other activities.

Donations:

- Primary School Kotoriba
- Center for Education and Training
- Gymnasium Čakovec
- Tennis Club *Dubravčan* Donja Dubrava
- Football Club *Vidovčan* Donji Vidovec
- Cultural and Artistic Society Donja Dubrava
- Cultural and Artistic Society Donji Vidovec
- Majorettes Kotoriba
- Brass Band of the Municipality of Kotoriba
- Caritas Kotoriba
- Roma Association *For a Better Tomorrow* Kotoriba
- Association *Help for the Incurable*
- Sports Society *Meteorplast*, Slovenia
- Small Animal Breeders Association Donja Dubrava

POLITICAL CONTRIBUTIONS >GRI 415-1

In 2024, the Company did not make a donation to any political party in Croatia.

ASSESSMENT OF THE HEALTH AND SAFETY IMPACTS OF PRODUCT AND SERVICE CATEGORIES >GRI 416-1

From the product design stage, through validation in the development phase, and regular annual checks in serial production, all Company products comply with legislative and safety requirements.

Investments made in 2024 increased production capacity, improved product quality, and thereby enhanced customer safety.

The PPWR Regulation stipulates that, after 12.08.2026, food contact packaging must contain PFAS below the prescribed limit. The Company will likely, as a standard, discontinue the use of PFAS in production by 01.01.2026. The Company is currently in the testing phase of alternative solutions.

INCIDENTS OF NON-COMPLIANCE CONCERNING THE HEALTH AND SAFETY IMPACTS OF PRODUCTS AND SERVICES >GRI 416-2

The Company recorded no occupational health and safety violations in **2024**. In the previous period, the Company had one recorded violation in **2023** in the field of occupational health and safety, which resulted in a

fine because the site of a workplace injury had been cleaned. The injured worker was retained in a healthcare institution, which was followed by a labour inspection.

The Company holds:

- A quality management system certified according to ISO 9001 since 2003.
- An environmental management system certified according to ISO 14001 since 2008.
- An occupational health and safety management system certified according to OHSAS 18001 since 2013, transitioned to the new ISO 45001 standard in 2021.
- A food packaging safety management system certified according to FSSC 22000 since 2015.
- A food packaging safety management system certified according to BRC since 2019.
- A sustainable forest management assurance system according to FSC®CoC for the production of paper bags and other designated paper products.
- A Ministry of Health decision confirming that the site meets the requirements for the production of general-use articles intended for food contact.
- An Integrated Environmental Permit (IPPC).
- The eco-label “Der Blaue Engel” (Blue Angel) for plastic carrier bags made from recycled plastic.
- The eco-label “Der Blaue Engel” (Blue Angel) for paper bags.
- Supplier/member in the global SEDEX supply chain (with the aim of promoting responsible and ethical business practices).

Detailed information on certificates, issuers, and validity:

- ISO 9001:2015 – 259860-2018-AQ-HRV-HAA – 12.04.2024–11.04.2027 – DNV GL
- ISO 14001:2015 – 217476-2017-AE-HRV-HAA – 18.04.2023–17.04.2026 – DNV GL
- ISO 45001:2018 – 135823-2013-HSO-HRV-HAA – 09.04.2025–08.04.2028 – DNV GL
- FSSC 22000 – C612217 COID: HRV-1-2080-193337 – 20.05.2024–19.05.2027 – DNV GL
- BRC – 10000447693-MSC-ACCREDIA-HRV – 19.05.2020–26.04.2026 – BRCGS site code: 1190060
- Kosher – 01.05.2025–01.05.2026 – Chief Rabbi Dr. Kotel DaDon
- Sedex – Supplier (B Member) – Company Reference ZC3331777 – Site Reference ZS3572584
- UN requirements and applicable UN guidelines (production of packaging for dangerous goods) valid until 11.04.2025
- *Der Blaue Engel, Tragetaschen bedruckt aus Recycling-PE* – Contract No. 34159 zur DE-UZ 30a from 13.12.2019 plus Courier/Mailing bags from 80 % recycled plastic from 11.10.2021
- *Der Blaue Engel, Papiertragetaschen* – Contract No. 40160 based on DE-UZ 217b Edition 2021, from 02.08.2023
- EcoVadis – score 72/100, Silver CSR Rating, EVID: SS042081, valid until 16.09.2025
- FSC CoC – 44 751 15430152/44 255 15430152, Certificate Code TUEV-COC-000745, License Code FSC-C127860 – 20.11.2020–19.11.2025 – FSC-C127860 TUV NORD
- *Plastica seconda vita* – Certificato n. 899/2023 and 901/2023 – 21.03.2023–20.03.2026

REQUIREMENTS FOR PRODUCT AND SERVICE INFORMATION AND LABELING >GRI 417-1

According to organizational procedures for product data and labeling, each product has a manufacturer’s label (unless otherwise requested by the customer), basic technical data and special data that are characteristic or significant for that product.

INCIDENTS OF NON-COMPLIANCE CONCERNING PRODUCT AND SERVICE INFORMATION AND LABELING >GRI 417-2

During the reporting period, there was no non-compliance with regulations and voluntary codes regarding product and service information and labeling.

INCIDENTS OF NON-COMPLIANCE CONCERNING MARKETING COMMUNICATIONS >GRI 417-3

The Company applies fair and responsible practices in its business relations with customers. This includes responsible marketing and transparent communication about the economic, environmental, and social impacts of products. No cases have been recorded in the Company of misleading, false, or discriminatory information being used (including advertising, promotion, and sponsorship), nor of exploiting a customer's lack of knowledge or inability to choose.

The Company uses environmental impact claims in accordance with the European standard EN ISO 14021:2016 Environmental labels and declarations – Self-declared environmental claims, which prevents miscommunication that could potentially lead to undesirable outcomes and lawsuits. Based on this standard, the eco-label “muraeco” was created. The statement has been used for marketing purposes.

One of the Company's goals is precisely to provide education to customers who are not sufficiently familiar with legal requirements and who, due to misleading (interpretative) information from the media or other sources, might consider taking the wrong steps. During 2024, several educational activities were provided in the form of written explanatory documents, presentations, teleconferences, and training at Open Days. The topics included:

- Proposal for the Packaging and Packaging Waste Regulation (PPWR),
- PFAS components,
- PCR and PIR recycled content,
- recyclable mono-materials as substitutes for substrate/PE laminated products, and
- EUDR in the paper sector.

The PPWR Regulation brings major changes to the entire packaging industry, but many details have not yet been defined. The Company has been preparing for PPWR for the past three years, literally since the first draft version of the Regulation. Specifically, legislative changes are being monitored, alternatives are being tested (e.g. PFAS-free materials), and recyclable solutions are being developed. Although at present no company can be fully “PPWR ready”, the Company is proactively cooperating with its customers to ensure compliance with future requirements.

The focus in the next period will remain on PPWR and EUDR.

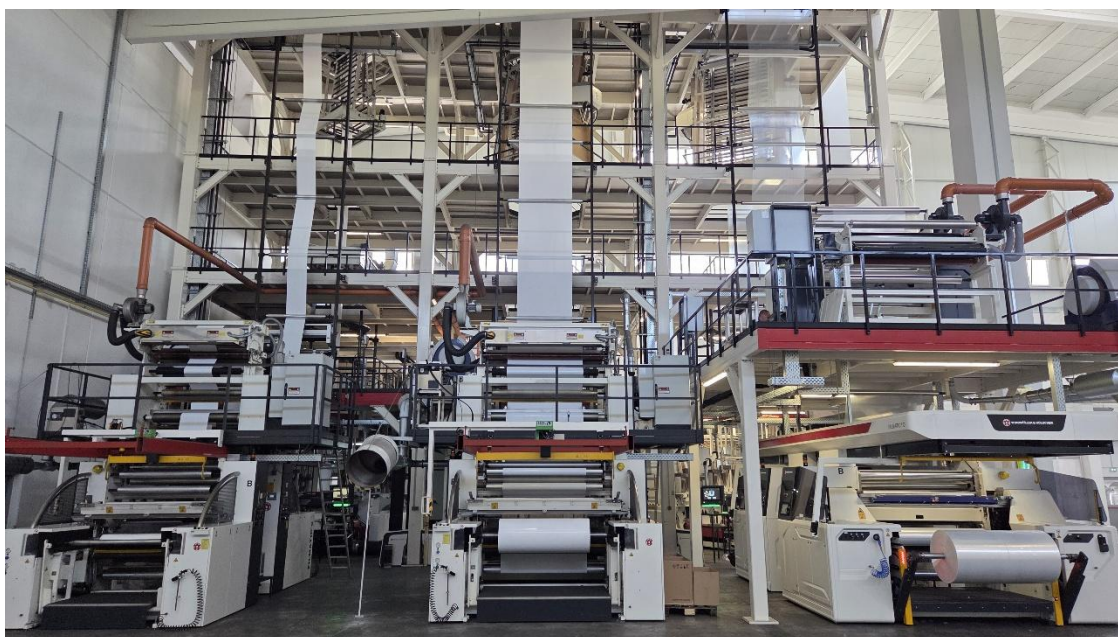


Image: Three polyethylene film extrusion lines