



**2023**

# **Sustainability Report**



since 1896

**TeraPlast<sup>®</sup>**

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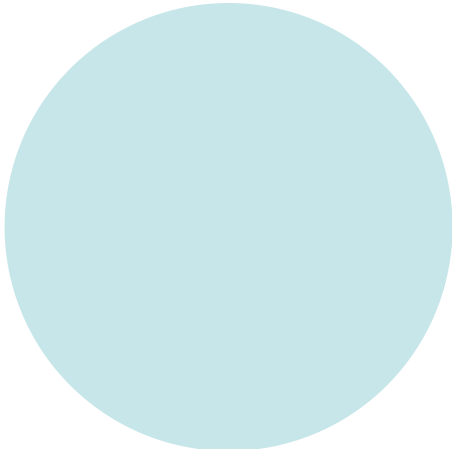
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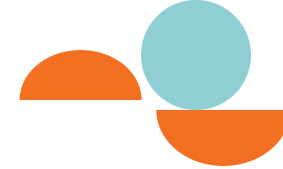
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# Message from the CEO

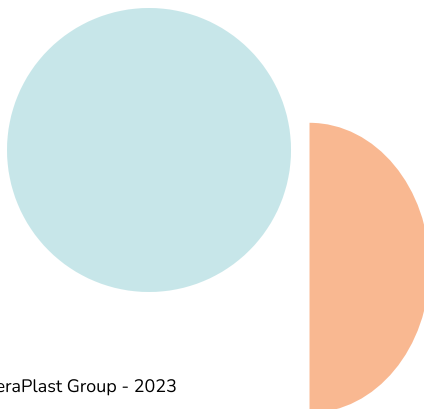
## Dear Employees, Partners and Shareholders

Sustainable development is a continuous journey, defined by collective efforts to generate positive changes, manage resources responsibly, and create a lasting impact on our environment and communities.

For us, the year 2023 was a year of consolidation and geographical footprint expansion, achieved through increased exports and company acquisitions. **We are the largest polymer processor in southeastern Europe, yet our vision encompasses the entire continent.** Our strategy aims at developing the businesses of TeraPlast Group to become one of the European leaders in this field. We have a duty to integrate sustainability into our business and provide efficient solutions for people and the environment, in alignment with our mission. In addition to outlining our approach, the sustainability report for 2023 details the progress of the TeraPlast Group in the area of sustainable development.

In our 2023 progress on sustainable development, I would highlight:

- TeraPlast Recycling reduced waste disposal by 59% due to processing flow optimizations and improved quality of rigid PVC waste entering our factory as raw material.
- Within TeraPlast SA, we achieved our objective of “zero unskilled labor”; all our colleagues successfully completed workplace qualification courses, and since the beginning of 2023, we qualify only newly hired employees.
- At the group level, 77% of consumed electricity was from renewable sources, and within TeraPlast, 100% of the used electricity is renewable energy. This was achieved both through the contribution of our own photovoltaic plant, as well as through the guarantees of origin obtained from the supplier.
- Across the Group, the gender pay gap between women and men stands at 1% (W vs M), reflecting the effectiveness of our equal opportunity principles.
- The amount of waste generated by our group decreased in 2023 by 31% compared to 2022.



## The Vision for Sustainable Development in the Next 10 Years

Looking ahead, we aspire to transform the TeraPlast Group into a leader in sustainable development, particularly in the use of recycled materials. To achieve this goal, we focus on four pillars that reflect our approach and highlight key elements that will define our sustainable development strategy over the next decade.

**Clean water for all.** We are bringing innovative and sustainable products to the market for the management of drinking water and irrigation, wastewater treatment, and efficient rainwater management. These solutions are essential for healthy cities and for addressing global water challenges.

**Modern agriculture.** Desertification is both a result of climate change and a result of limited responsibility in the degradation of natural habitats, and its impact is most visible in crop quality. To combat these effects, high-performance irrigation systems and reforestation efforts in high-risk desertification areas are needed. At TeraPlast, we contribute to mitigating the effects of climate change through the high-performance water and irrigation systems we provide.

**Circular economy and alternative solutions.** We are pioneers in integrating recycled materials into our products, reducing waste, and promoting a circular economy. Additionally, we develop and offer sustainable alternatives to conventional plastics, such as biodegradable and compostable packaging.

**Use of green energy.** We prioritize the efficient use of resources and are dedicated to using green energy. By doing so, we reduce greenhouse gas emissions and contribute to climate protection.

**Community focus.** We contribute to the economy of the communities where we operate and are part of the solution for managing plastics. These efforts would not be possible without the contribution of our colleagues. It is our responsibility to provide a safe and fair workplace that fosters personal and professional growth. Furthermore, the development of local communities benefits everyone; hence, we enthusiastically support local initiatives that add value in areas such as sports, education, and the environment. We also form strategic partnerships with academic institutions to nurture the professionals of tomorrow.

**Solid and transparent business.** The scale of the TeraPlast Group and our status as a company listed on the Bucharest Stock Exchange necessitate the presence of robust corporate governance. We adhere to strong principles of corporate governance, ensuring transparency, accountability, and ethical practices.



Sustainable development is an ongoing journey, filled with challenges. The main global risks our group addresses are:

- **Climate change and water scarcity.** We are proactive in developing products that help mitigate the effects of climate change and ensure water security.
- **Insufficiency of natural resources.** Our commitment to recycling and sustainable materials is reinforced by the responsible consumption of resources as a strategic response to this risk.
- **Social polarization.** We combat social disparities through training programs, skill-building initiatives, and stock option plan programs, engaging employees in the success of the company.

Our journey towards sustainability is guided by our core values: Tradition, Responsibility and Performance. We are dedicated to creating a resilient and sustainable future, ensuring that **our actions today lay the foundation for a better tomorrow.**

I invite you to explore this report which details our progress, and together to contribute to building a sustainable future.

Respectfully,

**Alexandru Stănean**  
**CEO, TeraPlast Group**





# Our progress

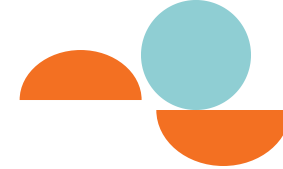
	UNIT	2022	2023	2023 VS 2022
<b>ECONOMIC</b>				
Net revenue	mln. RON	711,1	672,3	-5%
EBIT (profit before tax)	mln. RON	16,6	5,2	-69%
Net profit	mln. RON	15,4	1,1	-93%
Liabilities	mln. RON	352,1	442,1	26%
Equity	mln. RON	309,5	312,7	1%
Market cap*	mln. RON	1.204,90	1.120	-7%
Number of activity stoppages under abnormal conditions**	hours	0	0	n/a
<b>ENVIRONMENT</b>				
Total consumption of electricity	MWh	<i>33.984</i>	37.290	10%
The amount of electricity produced by the photovoltaic panels	MWh	<i>1.706</i>	1.502	-12%
Total amount of recycled waste	thousand tons	<i>1,352</i>	1,174	-13%
Total CO <sub>2</sub> emissions (Scope 1)	tCO <sub>2</sub> eq	<i>2.887</i>	2.541	-12%
Total CO <sub>2</sub> emissions (Scope 2, market based)	tCO <sub>2</sub> eq	<i>943</i>	1.898	101%
Total CO <sub>2</sub> emissions (Scope 3, market based)	tCO <sub>2</sub> eq	176.901	215.303	22%
Total energy consumption***	GJ	<i>168.524</i>	175.105	4%
Percentage of energy provided by the photovoltaic plant from the total consumption	%	5,00%	4,00%	- 1pp
<b>SOCIAL</b>				
Employees (average number)	people	1.009	996	-1%
Total training hours	hours	31.563,50	22.628	-28%
Total investment in the community	mln. RON	1,76	1,16	-34%

Values marked in the table with italic text were updated compared to the previous reporting. For more details, please refer to chapter Our performance in figures.

\*Market capitalization at average price on 30.12.2022, and 30.12.2023).

\*\*The indicator refers to TeraPlast SA, TeraPlast Recycling SA, TeraGlass Bistrița SRL, TeraBio Pack SRL.

\*\*\*Total energy consumption includes the use of electricity, natural gas, and fuel consumption for the vehicles in the own fleet.



# Our company

TeraPlast SA is the parent company of the TeraPlast Group – the largest polymer processor in Southeastern Europe.

Our company is listed on the Bucharest Stock Exchange since July 2, 2008 (symbol TRP) and is included in the international FTSE Russell and MSCI.

The Group's production activity takes place in 3 locations in Romania, namely Sărățel, Bistrița and Năsăud. The headquarters of TeraPlast is in Sărățel. The total production capacity of our Group at the end of 2023 is 175.869 tons annually.

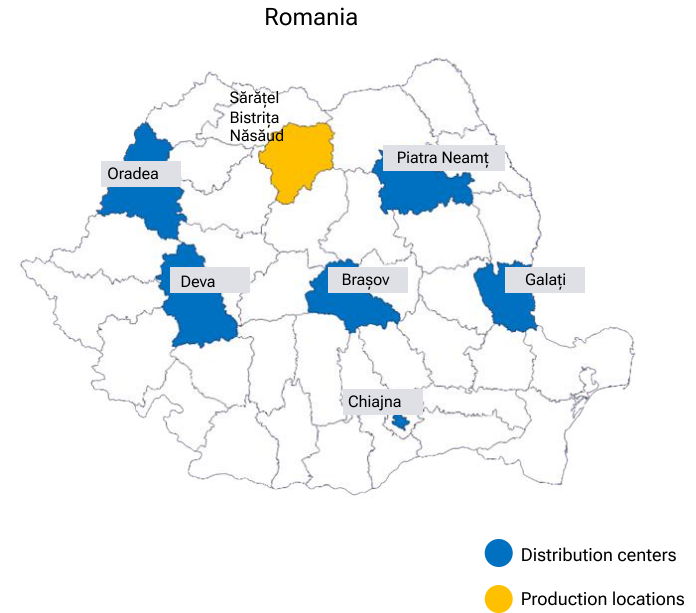
The Group's locations total 346.000 m<sup>2</sup>, of which 103.600 m<sup>2</sup> are covered production and storage spaces, and 114.600 m<sup>2</sup> are outdoor storage platforms. These figures refer to the areas owned by the Group, not to the rented area of the distribution centers.

The Group's factories, detailed in the annual report for 2023 ([p.7, report available here](#)), are complemented by the 7 own distribution centers in Romania and Hungary, as can also be seen in the adjacent images.

In 2023, there were no significant reorganizations, no acquisitions or disposals of assets and/or mergers that altered the structure of the TeraPlast Group.

In December 2023, the acquisition agreement of Palplast Moldova – a polyethylene pipe manufacturer – was signed. The transaction was finalized in January 2024, so Palplast will be included in the financial and non-financial information of the TeraPlast Group starting in 2024.

Throughout 2023, the operational activity of our Group had the following structure:





## Financial performance

In 2023, the TeraPlast Group recorded a consolidated turnover down by 5% compared to 2022, amounting to 672 million lei, and an EBITDA of 51,3 million lei, down by 3% compared to the previous year. The financial results bear the mark of a challenging macroeconomic environment and were mainly influenced by the significant decline in the Granules segment. Nevertheless, the overall performance was relatively similar to that of 2022.

Despite the influence of specific seasonality, there was an increase in the Group's performance at the end of the year compared to the previous year. In Q4 2023 vs Q4 2022, consolidated EBITDA is higher by 52%, mainly due to the Installations segment.

At the Group level, the gross margin increased from 32% to 37%, which means an increase of 10% in absolute terms. However, the gross performance was hindered by rising salaries and utility prices. In this regard, good cost management has the potential to bring significant improvements.

We paid special attention to improving operations that generate losses on multiple fronts. At the same time, expansion through investments and M&A operations will provide a solid basis for future growth, given that the economic environment will not be without challenges and influences beyond the Group's control in the coming quarters.

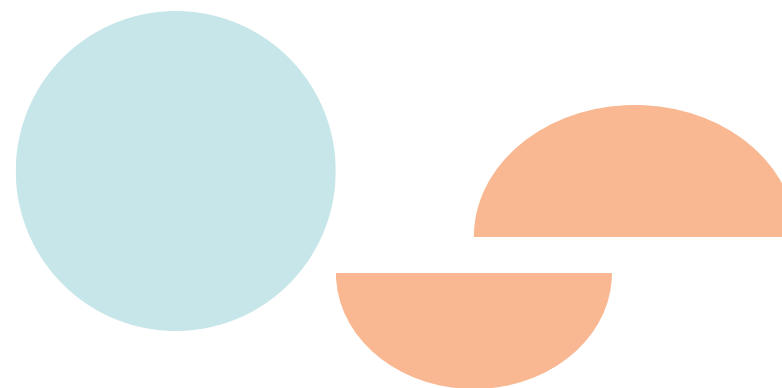
In the same period, exports accounted for 16% of the turnover, and the products of the Group reached 22 countries in Europe. In quantitative terms, the sold volumes are almost at the same level as in 2022 – 75.346 tons in 2023 vs 76.931 tons in 2022 – recording a decrease of only 2% year-on-year. The quantitative evolution in the second half of the year, particularly the 27% increase in volumes in Q4 2023 compared to Q4 2022, indicates a return to a growth trend, surpassing that of 2022.

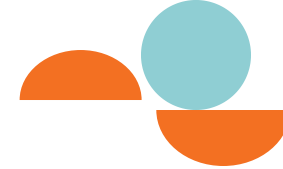
For 2024, we propose a budget that anticipates prudent organic growth. The macroeconomic context requires such an approach, and the expectation is that most sectors of the economy will experience contractions at various levels, while infrastructure projects, funded by public and European funds, are expected to see positive developments. The proportion of major expenses in the budgeted turnover for 2024 is similar to that of 2023. Additionally, at the consolidated level, the proportions of business lines in revenues are forecasted to remain stable.

Overall, the budget anticipates substantial increases in turnover and EBITDA. The major contribution will come from M&A operations in the Installations segment, while the new stretch film business will contribute to the turnover growth of the Packaging segment. Group-wide volumes for current activities are forecasted to advance by 16%, at almost 80 thousand tons, with additional volumes from recently acquired subsidiaries. Thus, for the entire year 2024, the TeraPlast Group will reach 100 thousand tons, representing a 33% quantitative increase compared to 2023.

Complete information about the evolution of the main financial indicators is available [here](#), and the report containing the financial statements for 2023 is available [here](#).

INDICATOR		2023	2022	2021
Direct economic value generated		672.331	711.127	615.111
Direct economic value distributed	Operating costs	528.014	573.337	472.587
	Employee wages and benefits	95.056	83.556	69.275
	Payments to providers of capital	13.129	9.874	1.582
	Payments to the Government	64.269	70.757	60.154
	Investments in the community	1.158	1.763	1.704
Total direct economic value distributed		701.626	739.287	605.302
Economic value retained		-29.295	-28.160	9.809





## 1.1 Our directions of action

Our mission is to provide efficient solutions for people and the environment.

In our vision, plastics ensure the comfort of modern life as we know it, and the efficient management of their potential impact on the environment and society means responsible consumption and responsible management of plastic products at the end of their life cycle.

It is our responsibility to provide solutions, contributing to the substitution of plastics in general, and in particular of those with a short life cycle, with sustainable alternatives wherever possible. Additionally, we contribute to the responsible management of plastic waste and the responsible consumption of resources, with equity and integrity being fundamental elements in our vision for sustainable development

Given this approach, at the level of the TeraPlast Group, 4 major directions of action are highlighted:




Clean water, responsible consumption of resources and climate protection for a sustainable future.



Circular economy and efficient waste management for a sustainable value chain.



Continuous development for healthy communities and fair work.



Robust corporate governance for a resilient and transparent business.

These directions outline how sustainable development is integrated into our businesses every day and how our mission to provide effective solutions for people and the environment translates into strategic actions in the medium and long term.

We are a company whose products largely address water management. The Installations division provides solutions for the management of clean water (drinking water supply, irrigation water from both underground and above-ground sources), wastewater and rainwater. By adhering to the highest quality standards, ensuring longevity and technical properties, our products contribute to the transportation and distribution of clean, uncontaminated water, to the safe transportation of wastewater and to the durability of the infrastructure for healthy cities and modern agriculture.

We contribute to the circular economy and efficient waste management through the activity of the rigid PVC recycling factory and the integration of recycled material into finished products for outdoor sewers. We also use recycled materials from third parties in our products, where we have not developed our own recycling capabilities. We have ecological alternatives in our portfolio where possible, such as biodegradable and compostable packaging which are OK Compost certified according to standard EN 13432.

Through the nature of our production processes, the largest share of our resource consumption is electricity. As a result, we have invested in a photovoltaic plant and in 2024 we will build a new one, to increase our share of renewable energy in the total consumption. Also, the electricity supplier provides us with guarantees of origin for the purchased electricity, and they cover 100% of the energy purchased by TeraPlast SA.

Awareness of greenhouse gas emissions we generate helps us identify opportunities to reduce our impact, to help mitigate climate change. We calculate the Scope 1, 2 and 3 carbon footprint and also performed a risk assessment based on the TCFD (Task Force on Climate-Related Financial Disclosures) framework.

From a continuous development perspective, the expansion of our businesses has a direct impact in local communities through job creation, the well-being of our employees and through involvement in local projects and initiatives.

Last but not least, the size of the TeraPlast Group and the vision we have for our development require the existence of a robust corporate governance, which formalizes and addresses topics such as risk management, ethics and integrity, transparency, etc.

These directions of actions govern our vision and actions in the area of sustainable development, and the material topics covered in this report reflect how these four directions are put into practice.



## 1.2 Corporate governance

### Impact on the environment

- we support environmental protection by integrating specific measures into our operations, which can only be achieved through proper corporate governance that prioritizes environmental protection at the highest strategic level.

### Impact on the people

- we enhance people's quality of life by providing fair and equitable employment opportunities that support the well-being of our employees.  
- we create jobs.

### Impact on the economy

- we support market competitiveness and ensure business continuity and sustainability, which means contributing to the state budget through taxes and job creation.

Through a robust corporate governance, we ensure that we have the necessary frameworks for the harmonious and sustainable operation of our companies, as regards the system of rules, processes and policies for the functioning and control of our activity.

Being a publicly listed company on the Bucharest Stock Exchange further facilitates our governance structure, monitoring, and reporting of our progress in the interest of the stakeholders we interact with. We have adhered to the corporate governance code of the BSE (Bucharest Stock Exchange), we pursue and adopt best practices promoted by global governance initiatives in the field of governance, and are open to dialogue with our shareholders. In this way, we ensure continuous improvement, and our practices are aligned with both international principles, as well as public expectations.

### Governance structure

Our company operates under a unitary management system, overseen by the Board of Directors. The General Shareholders Meeting (AGM) is the highest decision-making body. Board members are elected based on proposals from significant shareholders of the company and appoint the executive management.

The Board's activities are supported by the three committees: the Audit Committee, the Nomination and Remuneration Committee, and the International Development Committee.

The Board of Directors consists of 5 members, including 1 executive member (the CEO), elected by the General Shareholders Meeting with a mandate of 1 year. The Chairman of the Board of Directors does not hold an executive position.

The board members were elected in September 2023. The executive leadership is appointed by the Board of Directors, with attention to applying principles to prevent conflicts of interest. They coordinate the activities of the operational management.

The structure of the Board of Directors and Advisory Committees can be seen in the table below, and detailed information about board members, committees, and executive leadership is available on our [investor-dedicated website](#). In the [same section](#), information about dividend policies, forecasts, and remuneration is also available.

The mandates of the Board members and the Chairman are for 4 years (September 14, 2023 - September 14, 2027). Currently, 3 out of 5 directors are non-executive and independent, namely: Mr. Vasile Pușcaș, Mr. Lucian Claudiu Anghel, and Mr. Vlad Nicolae Neacșu. Mr. Alexandru Stănean is an executive director on the Board, also serving as CEO of TeraPlast, with his current mandate valid until July 2024. Mr. Dorel Goia serves as Chairman of the Board and is the major shareholder of the company, without an executive role in the TeraPlast Group. Mrs. Andreea Elena Manta is an independent member of the Audit Committee, appointed by the AGM resolution on September 14, 2023.

	Board of Directors	Audit Committee	Nomination and Remuneration Committee	International Development Committee
Dorel Goia	◆	✓	✓	✓
Vasile Pușcaș	✓	✓	✓	◆
Lucian Claudiu Anghel	✓	✓	◆	✓
Vlad Nicolae Neacșu	✓	◆	✓	✓
Alexandru Stănean	✓			
Andreea Elena Manta		✓		

◆ - President  
✓ - Member



The Board of Directors is currently composed in a proportion of 100% of men. Until September 2023, the Board of Directors consisted of 4 men and 1 woman, as detailed in the 2022 sustainability report, [here](#) (page 13).

In terms of age, 3 members are over 50 years old, 2 members are between 30 and 50 years old, and there are no members of the Board of Directors under 30 years of age.

In the nomination and election of directors to the Board of Directors, as well as in the selection of executive leadership, we adhere to principles aimed at preventing conflicts of interest (details in our [code of conduct here](#)), which is one of the fundamental aspects of our governance. Directors are obligated to disclose their status as shareholders or members of the boards of other companies, as well as other professional activities that may be relevant to their role within TeraPlast. We expect TeraPlast directors to avoid any situation that could pose risks related to conflicts of interest, ethics, and integrity, in accordance with our code of conduct. Additionally, we report transactions involving TeraPlast securities on the Bucharest Stock Exchange by persons in leadership positions in our company, in compliance with regulations.

Furthermore, the selection and nomination process for members of the Board and advisory committees adhere to best practices, principles of objectivity regarding equal opportunities, non-discrimination, and diversity, as well as the level of expertise and competencies required for effective Board performance and quality of its activities. Nominations for the composition of the Board and advisory committees are subject to approval by the General Shareholders Meeting.

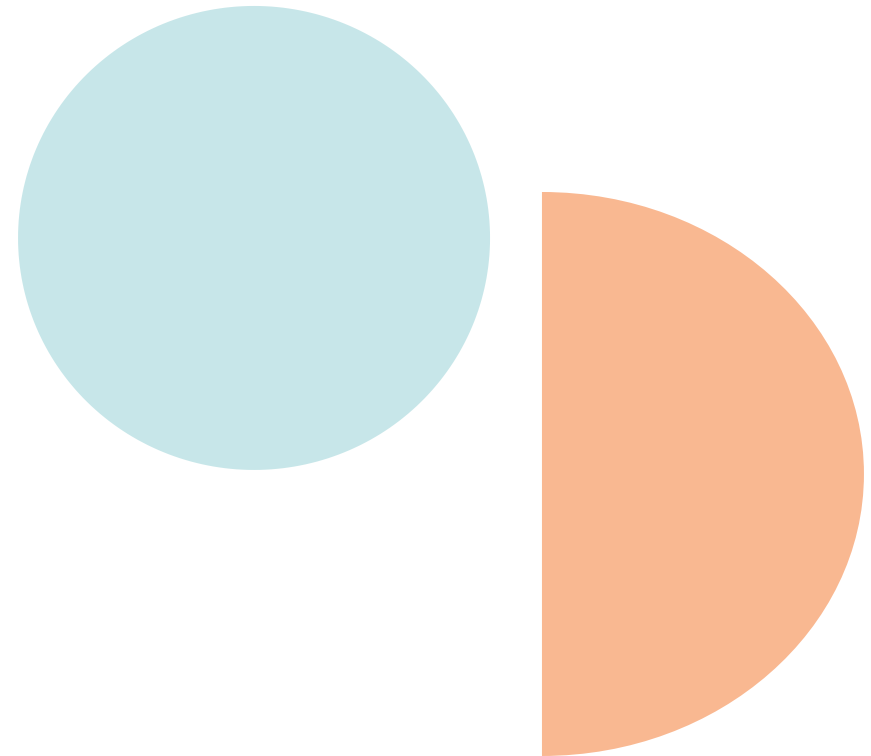
Regarding the remuneration of the Board of Directors and executive directors, the [remuneration policy](#) outlines the guidelines and performance indicators upon which it is based. Changes to the remuneration policy may arise from the request of the shareholder, Board members, or the CEO. The policy is reviewed and proposed by the Nomination and Remuneration Committee, taking into account all proposals received from shareholders, approved by the General Shareholders Meeting, and its implementation is monitored by the Board of Directors.

The policy outlines details regarding short-term incentive plans (STIP), long-term incentive plans (LTIP), as well as additional benefits packages. Both STIP and LTIP include ESG (Environmental, Social, and Governance) performance indicators.

The Nomination and Remuneration Committee reviews the performance evaluation process and proposes to the Board of Directors the approval of the directors' benefits package, ensuring there are no conflicts of interest among directors or within the Board.

Complete information about the remuneration policy is available on our website policy page [here](#), and the latest remuneration report for the year 2023 is accessible [here](#).

Any situation that violates the principles outlined earlier and any relevant and objective concerns regarding breaches of internal provisions, international initiatives, and/or regulations in areas such as conflicts of interest, corruption, human rights, confidentiality, ethics ([complete information here](#)), can be reported through the publicly available integrity whistleblower. The Integrity Committee reports, when necessary, the received complaints to the executive management and to the Board of Directors for their information, consultation, and resolution.





## TeraPlast shareholders and investor relations

The team dedicated to investor relations, together with the executive management, ensure compliance with all reporting obligations required of a publicly listed company in the capital market.

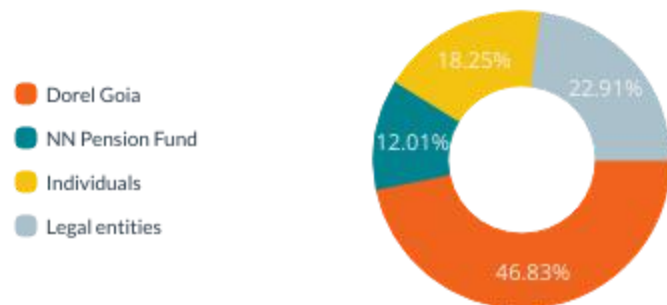
Additionally, we pay attention to communicating with shareholders and investors to ensure that information about TeraPlast Group's performance and plans reaches them promptly and transparently. Simultaneously, we periodically evaluate our Investor Relations (IR) activities and strategy through comparative analyses, perception studies, and by seeking feedback in discussions with significant shareholders. We believe this approach provides us with a broader view of our performance and helps us identify governance-related risks and opportunities by centralizing information directly from those interested in the smooth operation of our business.

Our commitment to constant and transparent communication is also reflected in our media relations and also in the instruments we provide to shareholders in their interactions with us: a dedicated contact person for shareholders and investors, a dedicated website and newsletter, the eVote platform for electronic voting at the General Shareholders Meeting, quarterly teleconferences, and participation in capital market events organized by third parties.

Additional information about the company's activities in the capital market can be found in the dedicated chapter of the Annual Report ([p. 20 here](#)).

At the end of 2023, TeraPlast's shareholder base had over 14.500 shareholders, marking a growth of 17% compared to the end of 2022. The shareholder structure does not include any state or governmental institutions. In terms of liquidity, since 2020, we have benefited from market making services provided by BRK Financial Group, and as of March 2024, a second market maker of the issuer – Raiffeisen Bank International – has also commenced operations.

### TeraPlast shareholder base structure in 2023



## Governance on sustainable development

Concrete actions on sustainable development have been integral to our strategy for over 10 years. In developing our businesses, we adhere to principles aimed at doing no significant harm to the environment and communities. We integrate guidelines to ensure that these principles are upheld in our policies, procedures, as well as at a strategic level.

At the group level, we have policies addressing topics such as environmental protection, health and safety at work, ethics and integrity, and recruitment. Our approach and expectations in our relationships with employees and partners are detailed in the Company Code of Conduct and Supplier Code of Conduct ([available here](#)). Additionally, we operate under an Integrated Quality – Environment – Health and Safety at Work Management System, compliant with the ISO 9001, 14001, and 45001 standards. Furthermore, in 2023, TeraPlast SA initiated the certification process for an Energy Management System under ISO 50001. Details regarding certifications are available [here](#).

On an annual basis, we carry out a management analysis where we assess the achievement of objectives set from the perspective of both financial and non-financial indicators, as well as the management of existing and potential risks. Within the internal audit, we evaluate the performance of company procedures and policies. These activities also encompass performance indicators related to issues that are material from the perspective of sustainable development.

Information regarding the management analysis, risk management, and the Integrated Management System is extensively available in the "Risk management and compliance" chapter of this report.

Improvement measures, which may involve policies and procedures or their updates as needed, are proposed by the chiefs of business units or generated based on the conclusions of management analysis or various external assessments. These proposals are reviewed by the executive management for approval and implementation.

During regular meetings between company management and key stakeholders (customers, suppliers, shareholders, consultations with employees, local community opinion leaders), aspects related to our approach and performance in sustainable development are often discussed. Relevant feedback obtained during these interactions is incorporated into the aforementioned improvement measures.



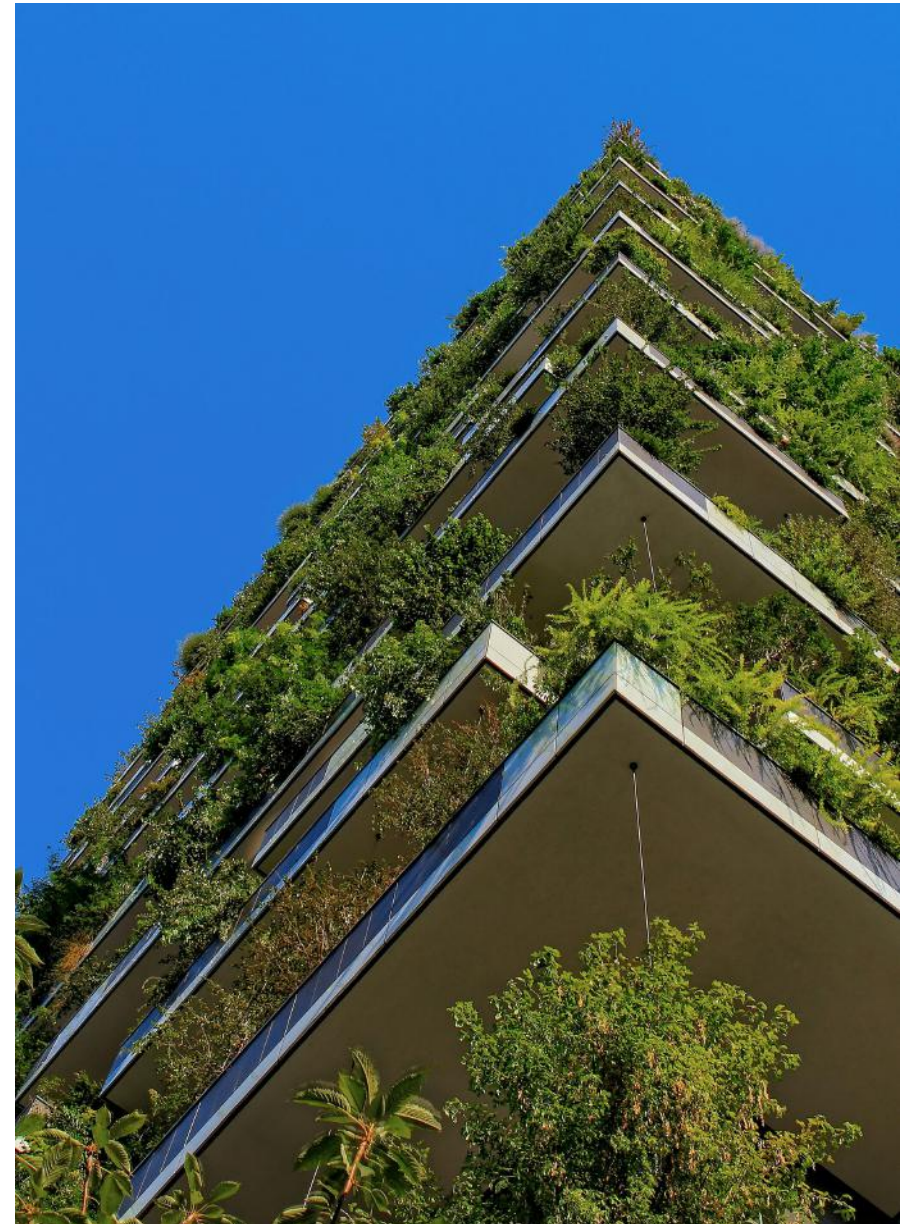
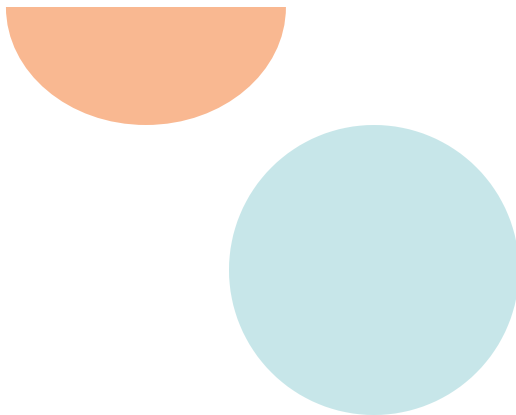
The Investor Relations and Sustainability department reports directly to the Group's CEO (CEO of TeraPlast). The CEO is responsible for implementing the sustainability strategy and directions, as well as delegating responsibilities in this area to dedicated teams based on project specifics, under the oversight and consultation of the Board of Directors whenever necessary.

The Investor Relations and Sustainability department team is also responsible for reporting on sustainability performance, ensuring alignment of the group's practices with regulations or international initiatives, and identifying opportunities to enhance the group's performance in this field. ESG (Environmental, Social, and Governance) performance reporting is overseen by the CEO, who ensures the smooth operation of data collection, interpretation processes, and adherence to reporting principles.

Beyond internal evaluations, the results of external evaluations of ESG performance, such as Sustainalytics, CDP (Carbon Disclosure Project), or EcoVadis, as well as the action plans that arise from these evaluations, are reported quarterly to the Board of Directors.

**Initiatives for progress**

- Reorganizing the investor relations website.
- Zero sanctions and/or incidents related to non-compliance with reporting obligations.
- Increasing visibility of TRP stock in the capital market.





### 1.3 Risk management and compliance

#### Impact on the environment

- we avoid emergency situations that could have a negative impact on the environment, such as accidental pollution or exceeding the maximum allowed pollutant levels, by properly managing identified environmental risks and complying with environmental legislation.

#### Impact on the people

- we prevent emergency situations that could negatively affect health, safety, and integrity of individuals by correctly managing risks and complying with current regulations in the fields of occupational health and safety, fire protection, and human resources.

#### Impact on the economy

- we ensure continuity and development of the company, which leads to maintaining competitiveness and a beneficial competitive environment for the economy.

Identification, assessment and proper management of risks and opportunities within the TeraPlast Group is essential to ensure business continuity and sustainable development of the Group on the short-, medium-, and long-term, and allows us to have an overall view of the existing risks and impacts in all the fields of activity of the Group, as well as an overall view of the identified opportunities.

Within the TeraPlast Group, we manage several types of risks, and upon their assessment, we draft plans of action to address those risks that can have the greatest impact on our employees, the environment, the processes, as well as on the business itself, but we also define actions to address the various opportunities.

The main risk categories that we manage are:

- business risks
- climate risks
- risks specific to the processes of the management system
- risks to the environment (environment aspects)
- risks for the health and safety of employees

Risks for the business are identified and assessed by the executive management, which recognizes opportunities and takes measures to prevent the manifestation of risks where possible, or to limit their impact on the activities of the Group.

Health and safety at work risks are revised periodically depending on their nature, on how they manifest, and on their impact. Measures established for eliminating or preventing the manifestation of risks, diminishing their impact when elimination is not possible, as well as for keeping them under control, are revised and adapted to ensure a high level of effectiveness in protecting the environment and the health and safety of employees and visitors.

Each new employee benefits from a general-introductory training, workplace training and periodic training, where they are trained to know risks of accidents and professional illnesses, fire risks, general risks applicable on their route to and from work, the correct way of collecting waste separately, and how to act and intervene in case of an emergency.

The performance of the environment and health and safety management systems, as well as compliance with legal requirements in the field of health and safety, fire prevention and extinguishing, emergency situations, and environment protection, are ensured through periodic trainings and inspections according to annual programs, at least once a year in each sector of activity, as well as through unscheduled inspections, and by monitoring the work environment.

Employees' response capacity and their intervention methods in case of emergency situations are assessed through emergency simulations, such as fire, workplace accidents, or environmental pollution.

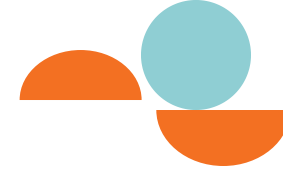
The performance of procedures and policies of the integrated quality – environment – health and safety at work management systems are assessed by internal audits, which also include a risk management component.

Results of these monitoring activities are reported to the executive management and, when appropriate, these results are discussed with the Board of Directors.

During the annual management meeting done according to the ISO 9001, ISO 14001, and ISO 45001 standards, the centralized results of internal audits are presented, as well as the response strategy for keeping under control the impacts generated by risks, and the efficiency of measures taken to eliminate, diminish or keep risks under control.

In 2023 we expanded the risk management system of the TeraPlast Group by including a dedicated segment for analyzing and assessing climate risks. Through the climate risks and opportunities assessment we make new important steps in increasing our sustainability performance, establishing a solid foundation for defining specific objectives in relation to climate change. This way we ensure that we integrate our efforts in terms of sustainable development and climate risks, in addition to the integration of sustainable development principles in investments and products.

Thus, by analyzing the impact climate change has on the activities of our companies, we can communicate to investors, creditors, clients, and other categories of stakeholders, information related to the adaptation of the TeraPlast Group to climate change and how we manage climate risks and opportunities.



To accomplish this initiative, we followed the recommendations of the TCFD Framework (Task Force on climate-related financial disclosures) to identify, assess, and establish addressing methods for climate risks and opportunities.

Therefore, the analysis was focused on following the recommendations of the 4 TCFD pillars.



The assessment of climate risks involved the highest management structures of the companies of the Group, including their CEOs, the Group's CEO, as well as managers from key departments within the companies, such as procurement, production, logistics, investment, finance, operations, emergency situations, risk management, and sustainability.

For presenting the aggregated results of the physical and transitional risks assessment, as well as their impact on the TeraPlast Group, as well as to present the relevant addressing methods for all climate risk categories we identified, we will publish a separate report.

Throughout the year 2023, at the level of the TeraPlast Group, there were a total of 4 surveillance audits of the integrated quality – environment – health and safety at work management systems, one for each of the companies TeraPlast, TeraGlass Bistrița, TeraPlast Recycling, and TeraBio Pack, respectively. Additionally, there was 1 surveillance audit of the food safety management system according to the FSSC 22000 scheme for TeraBio Pack's food packaging.

All five audits were finalized with maintaining certifications. Also, in 2023, during TeraPlast Recycling's audit, the transfer of the recycling activity certification to the location in Năsăud was carried out.

The Code of Conduct of the TeraPlast Group expresses the principles that underlie our activity and that we wish to be complied with by all employees, partners, and collaborators. These principles guide our actions and interactions, and we have the responsibility to be an example for those around us through high business standards, care for our employees, and care for the environment.

The Group does not tolerate from its employees, partners, and collaborators any active or passive behaviors that, through their effects, unjustifiably favor or disadvantage, or subject to unfair or degrading treatment, a person, a group of people, or a community compared to other persons, groups of people, or communities. The Code of Conduct of the TeraPlast Group can be viewed at [this link](#).

The Supplier Code of Conduct of the TeraPlast Group, developed in 2023, extends the principles included in the Code of Conduct of the Group and promotes, in the context of the relationship with suppliers, principles such as respecting the right to competition and promoting fair competitive behavior, respecting human rights according to the Universal Declaration of Human Rights, product quality and safety, ensuring a safe working environment for their employees, or caring for the environment. The internationally recognized human rights covered by our commitment are mentioned in the Code of Conduct of the TeraPlast Group, pages 17-21.

To further emphasize the importance we place on people and the environment, separate from policies of the integrated quality – environment – health and safety at work management systems, in 2023 we developed two distinct policies, specifically an environmental policy, as well as a health and safety at work policy, applicable across the entire TeraPlast Group, both of which can be viewed at [this link](#).

The TeraPlast Group codes of conduct and policies are approved by the CEO of the Group, who is a member of the Board of Directors.

In 2023, a total of 7 meetings of the Analysis Committee took place within the Group – one meeting was held for each of the companies TeraPlast, TeraPlast Recycling, TeraGlass and TeraBio Pack, respectively, for analyzing and reviewing process risk assessments, and there were three meetings for analyzing climate risks according to the TCFD framework. During these meetings, organization-level corruption risks were not evaluated.

At the level of the TeraPlast Group, in 2023 there were no confirmed incidents of corruption, and no contracts with business partners were terminated due to corruption. Additionally, in 2023, the Group's companies were not involved in litigations or investigations due to non-compliance with national and/or European regulations in force.

**In 2024, our areas of focus for effective risk management and compliance include:**

- Integrating climate risk assessment into the overall risk management system at the TeraPlast Group level and incorporating climate risk management into the risk assessment procedure
- Identifying and assessing corruption-related risks and including them into the Group's overall risk management system
- Recertification of the quality – environment – health and safety at work management systems, and maintaining the certification of the food safety management system according to the FSSC 22000 scheme at TeraBio Pack
- Expanding the certification of the quality – environment – health and safety at work management system to the new stretch film factory in Sărățel



## 1.4 Integrity, ethics and good business practices

### Impact on the environment

- we maintain integrity regarding the environmental commitments we have undertaken.
- we implement best business practices that allow the use of correct environmental protection measures, employing optimal technologies and processes to reduce negative impact on the environment.

### Impact on the people

- by maintaining company integrity, we respect the integrity of those we collaborate with and of all our employees, including upholding human rights.
- through the implementation of best business practices, we use correct measures to protect and ensure the well-being of our employees.

### Impact on the economy

- we protect the company's competitiveness and the interests of our customers, ensuring our economic growth contributes to state revenue through taxes and job creation.

The existence of surveillance and control systems, along with guidelines on integrity, ethics, and the implementation of best business practices, are essential to ensure a professional environment free from conflicts in these areas. Additionally, adhering to comprehensive norms in this area significantly contributes to maintaining the company's reputation and fostering professional and ethical behavior in our internal operations and in the relationships with our partners.

Within the TeraPlast Group, the principles of ethics and integrity under which we operate are outlined in our internal regulations, the company's code of conduct, the code of conduct dedicated to suppliers, as well as in the provisions of our integrity alert policy. Thus, we maintain and strengthen the trust of stakeholders in the company and ensure that we avoid any actions that could harm the company's image, the individuals involved, or the financial performance of the company.

We do not tolerate any behavior that violates human rights and labor rights, increases the likelihood of conflicts of interest, engages in anti-competitive practices, corruption, discrimination, or poses risks to the health and safety of our employees and collaborators.

The responsibility for disseminating and adhering to this set of norms extends to every department coordinator, and every new employee is informed about the company's expectations regarding ethical behavior.

The Human Resources manager is responsible for ensuring compliance with these obligations and reports any potential irregularities and implemented measures to the executive management and/or the Board of Directors, as appropriate, depending on the situation.

The integrity whistleblower is publicly available on our company websites (example [here](#)) and can be used by any person interacting with us who, from a professional context, has objective information regarding violations of laws or integrity norms by companies within TeraPlast Group, by its employees, or collaborators. The integrity whistleblower policy adheres to the rights of safety and confidentiality. More details about existing policies and their provisions are available in the 2022 sustainability report, on pages 18-19, [here](#).

More specifically, any disciplinary sanction, discriminatory treatment, or other actions against the person reporting the concern are prohibited. This includes actions such as firing, transfer, reduction or withdrawal of benefits, denial of promotion or access to training, termination of collaboration, threats, harassment, or any other actions against the individual or their family. Additionally, we commit not to disclose the identity of the whistleblower, the individuals involved, or any third parties implicated, nor any information that would allow their direct or indirect identification, except with their explicit consent.

Categories of incidents that can be reported through the whistleblower also include issues related to harmful actions against the environment.

At the group level, there is an Integrity Commission that includes specialists in the legal field, labor law, human resources, and integrated management systems. Thus, depending on the reports received, the integrity officer discusses the subject of the report with the commission members. The case is analyzed and, based on the commission's conclusions, an action plan is drafted and communicated to the executive management. Depending on the severity of the reported situation and the risks it poses, the information may also be transmitted to the Board of Directors for analysis and consultation.

In 2023, no incidents were reported through the integrity whistleblower platform. For 2024, our objective is to have zero incidents related to ethics and business integrity.



## 1.5 Cybersecurity

### Impact on the environment

- we avoid the malfunction of remotely operated equipment (including monitoring equipment) that may result from security breaches; such situations can lead to accidental pollution if the equipment does not operate at optimal parameters.

### Impact on the people

- we avoid the leakage of personal data.  
- we avoid endangering people's personal security.

### Impact on the economy

- we avoid the leakage of legal data that can influence market competitiveness or lead to industrial espionage, actions that destabilize the market economy.

Cybersecurity encompasses all protective measures of our IT systems against cyber-attacks and data breaches, as well as the improvement of IT systems to increase efficiency and, consequently, reduce the chances of errors and incidents.

In 2023, the implementation of the S4/HANA version of SAP was completed at the subsidiary TeraPlast Recycling. Also in 2023, a program was implemented that allows for rapid demand analysis, reporting the requested price against recorded costs, and providing access to the sales price history for the relevant products. The software structure was designed and customized by the TeraPlast team, and the implementation was carried out by Cicada Technologies from Cluj-Napoca. The increased response speed to requests was made possible by equipping the sales team with IT equipment that allows fast and real-time access to information regarding prices, inventory, and offers. These software programs replace the previous logistics and offers management system, simultaneously increasing efficiency and data security.

Last year, we also conducted a comprehensive test to ensure the stability and security of all operational online networks. These tests were summarized in an annual report – TeraPlast – Vulnerability Assessment Report 2024. The recommendations included in the report are already being implemented or have even been completed.

We will continue in 2024 with the expansion of the premium Wordfence solution across all websites in the TeraPlast Group. Additionally, we are analyzing the migration of some solutions to Azure Cloud to benefit from the quality solutions offered by Microsoft and to set the objective of having green websites.

In 2023, we did not record any founded complaints regarding violations of personal data management rules and/or the loss of personal data of employees or collaborators of the group's companies.

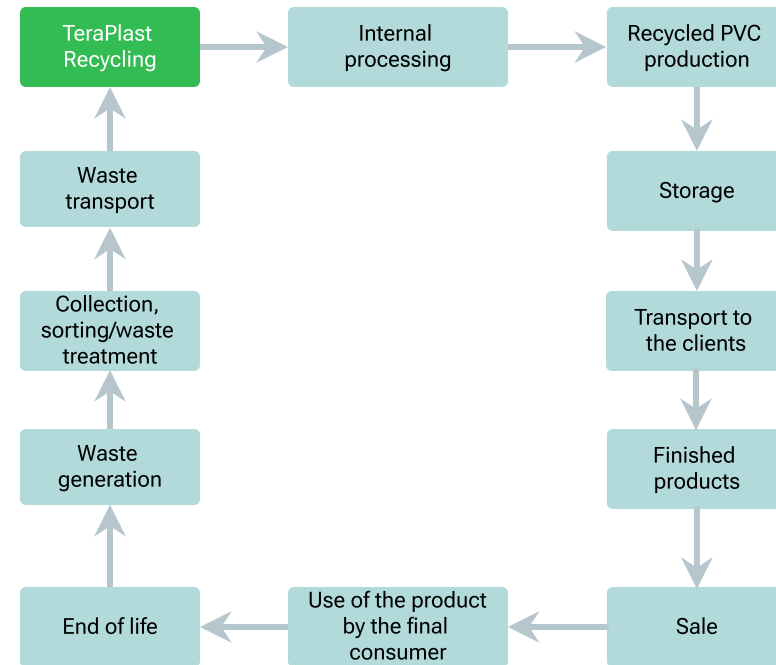
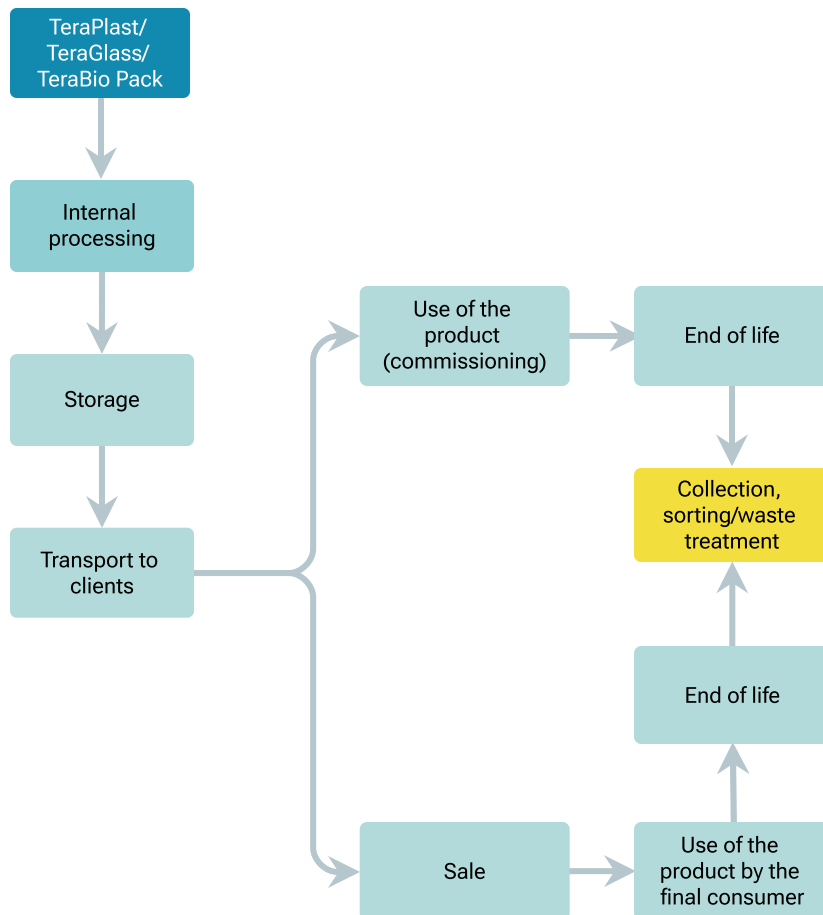




## 1.6 Value chain

There were no changes in the value chain during the reporting year because there were no major changes in the Group's activities (the activities of the recently acquired companies, namely Palplast Moldova and the Wolfgang Freiler Group companies, will be reported in the 2024 report).

The Group's value chain continues to be characterized by two main branches: core production activity and recycling activity. Thus, the value chain of TeraPlast Recycling remains distinct from the other companies within the TeraPlast Group, with the exception of Somplast SA, which continues not to carry out production activities, but only manages the location in Năsăud.





The markets we target remain the same as in the previous year: the construction market through the installations and the thermal insulation joinery segments, the manufacturing industry through the granules segment, the PVC processors market through rigid PVC recycling, and the flexible packaging market through our portfolio of polyethylene and biodegradable films and foils.

Our commercial relationships are based on a B2B (business-to-business) model, and the structure of our group's clients remained unchanged during the reporting year:

- Clients of the Installations and Windows & Doors business lines include construction companies, distributors, and DIY stores,
- Clients of the Granules business are manufacturers whose raw materials are PVC granules, as well as PVC processors that use extrusion and injection processes, just as in the case of the rigid PVC recycling business,
- Clients for the flexible packaging segment include large retail chains, distributors, and industrial companies who use films and foils for packaging goods.

We continue to reduce market risks by ensuring a diverse portfolio of suppliers and clients, thus ensuring a certain degree of commercial independence that allows us to react quickly in unforeseen commercial situations.

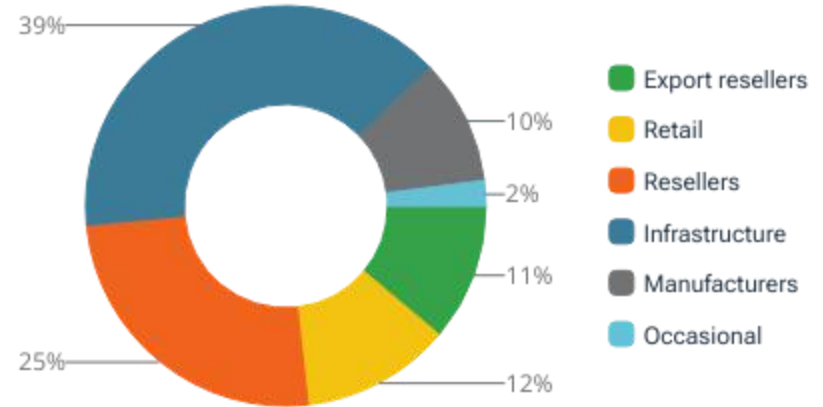
Procurement of recycled PVC is the only area where there is a greater dependency on a single supplier due to the purchase of recycled materials by TeraPlast SA from TeraPlast Recycling. We believe that the potential risks arising from this situation are not significant because we have visibility over the processes and evolution of each business within the Group.

More information on the supply chain and managing supplier relationships can be found in subchapter "2.1. Supply chain and procurement of raw materials from responsible sources".

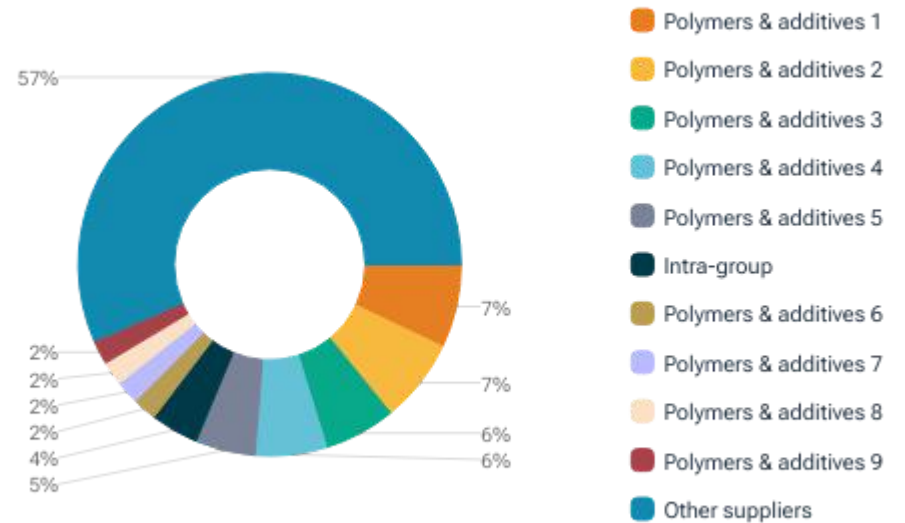
As we strive for sustainability throughout the entire value chain, and wish to ensure a high standard for our products and business continuity, we persist in implementing a series of measures:

- Collaboration with authorized third parties
- Ensuring transparency through the periodic reports we issue
- Certification of products and management systems
- Assessment of business partners, both technically and in terms of credit risk
- Evaluation of customer satisfaction
- Openness to continuous feedback to optimize our performance and enhance value throughout the value chain
- Assessment of suppliers from a sustainable development perspective

**Client mix**  
TeraPlast Group, 2023



**Supplier mix**  
TeraPlast Group, 2023





## 1.7 Stakeholders

In the context of the annual stakeholder review process, the same categories of stakeholders remained relevant to the TeraPlast Group:



### Internal stakeholder

TeraPlast Group employees  
TeraPlast shareholders  
TeraPlast top management  
TeraPlast executive management  
TeraPlast Board



### External stakeholder

Clients  
Investors interested in TRP stock  
Suppliers  
NGOs  
Public institutions  
Press  
General public

We support a continuous system of stakeholder consultation, which allows us to constantly collect feedback and consider the obtained information in the development of sustainability actions and directions. The main means that enable us to consult with stakeholders are:

- The integrity whistleblower, open to all stakeholders, available on our website, through which they can report any instances of violation of laws or integrity norms
- Virtual mailbox dedicated to sustainability reporting
- Interviews and direct feedback collected from the Group's collaborators or employees, on both sustainability issues, as well as business-related risks and opportunities, or the impacts of our activities on the stakeholders or the environment and society
- Workshops or internal meetings on sustainability topics involving the Board, top management and executive management
- Online questionnaire, open to all stakeholders, that assesses and analyzes each identified material aspect
- Supplier assessments and their adherence to the Code of Conduct, which provides us with the opportunity to collect direct feedback from them
- Dedicated email address for commercial partners where they can signal various issues and initiate direct discussions with us
- Annual meetings with our stakeholders and clients in which we also present and discuss sustainability-related topics

As we continue to strive for harmonious and sustainable development in our activities, we make efforts to better understand the perspectives of stakeholders regarding the activities carried out by the companies of the Group.

Thus, we considered the improvement suggestions received in the previous year from respondents to the stakeholder engagement questionnaire. We implemented a series of actions such as expanding internal renewable energy projects (the photovoltaic power plant) and disseminating information on the importance of recycling through participation in conferences and interviews.

Through these measures, we addressed the following suggestions received last year from our stakeholders:

- Energy efficiency and independence.
- Implementation of efficient methods for collecting plastic waste that can be integrated into the production flow, as well as and informing the public about these methods.
- Educating employees on the importance of selective waste disposal and preparing them in this regard.
- Implementing solutions for solar or wind energy.

The suggestions collected during the latest stakeholder consultation session are:

- More electric cars in our fleet for colleagues who use company cars for short distances.
- More detailed communication of the proportion of recycled material in finished products and their contribution to the circular economy.
- Supporting campaigns for communication and civic engagement for the environment and sustainable development





## 1.8 Materiality analysis

The methodology for analyzing materiality has not been updated compared to the previous reporting. It follows the concept of double materiality, through which we analyzed and quantified each material aspect determined in terms of:

- relevance for business, considering the outside-in perspective of the impact that the respective aspect has on the Group
- impact on the environment and communities, considering the inside-out perspective of the impact that the activities carried out within the Group have on the environment and society

As in the previous years, the materiality analysis begins with an internal reassessment of material aspects, taking into consideration the operational evolution and sustainability performance of our companies, as well as the market and economic context in which we operate. We have not identified a need to update the list of material topics, which remain classified under specific categories, distributed according to the ESG (environment, social, and governance) philosophy. These three dimensions continue to form the basis of our sustainability report, incorporating the main chapters:

	CHAPTER	RELATED MATERIAL ASPECTS
Governance	Our company	Corporate governance Risk management and compliance Integrity, ethics and good business practices Cybersecurity
	Our products	Supply chain and procurement of raw materials from responsible sources Use of recycled raw materials Quality and safety of the products in our portfolio Sustainable products in the portfolio
Environment	Our care for the environment	Resource management Greenhouse gas emissions and climate protection Waste management and circular economy
Social	Our care for the people	Employee recruitment and retention Health and safety at work Equal opportunities, rights and freedoms Employee well-being Professional development and promotion in the workplace Caring for local communities

Following the confirmation of material aspects and the analysis of impacts, we prioritized the material aspects based on the 61 responses received from the online questionnaire, on the management analysis conducted in the previous year, and taking into consideration the results of the 3 direct interviews with internal and external stakeholders.

After thorough discussions conducted during the interviews, the identified impacts for each material aspect have been updated. Therefore, the impacts on the environment, people, and the economy can be found in this report within the presentation of each chapter addressing specific topics.

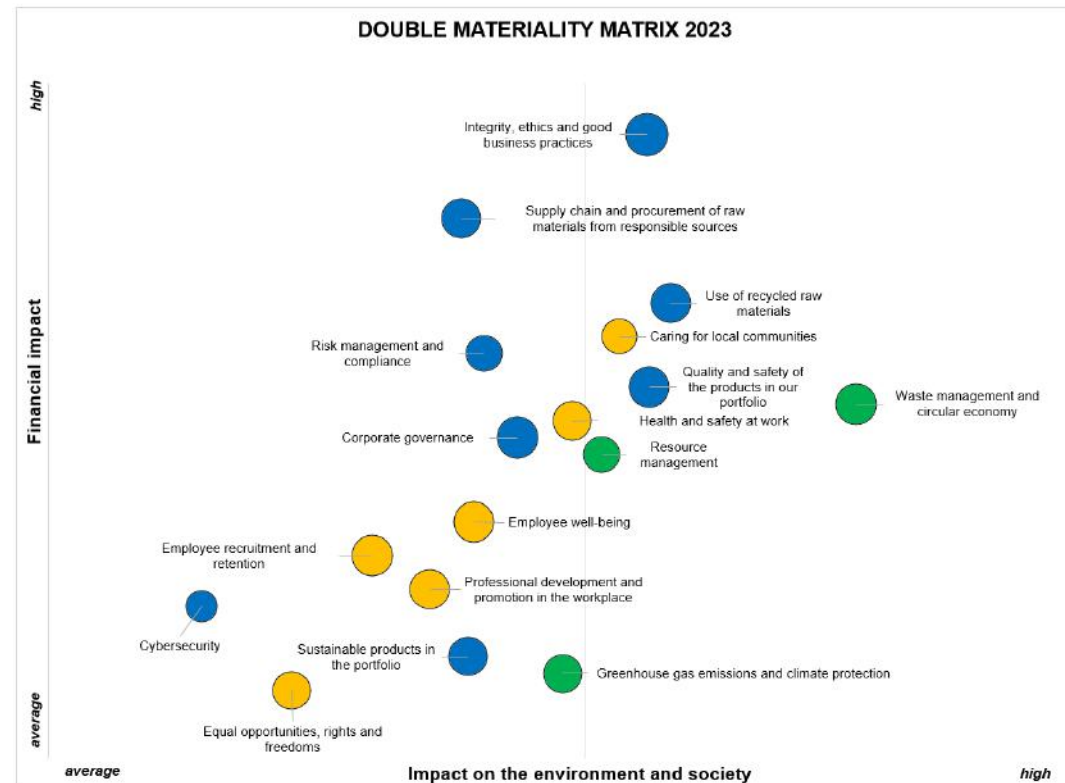




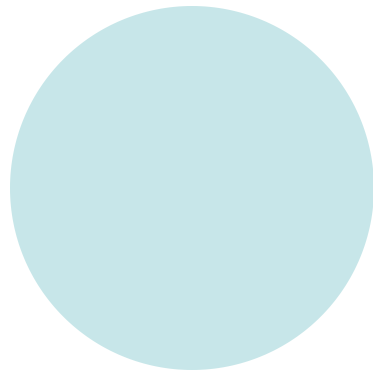
The results of the materiality analysis are considered for defining the next strategic directions in the field of sustainability and the corresponding measures for which we are going to allocate resources. Thus, using the double materiality methodology, we obtained the matrix of material aspects, which will allow us to optimally organize our future sustainability development measures within the TeraPlast Group.

Compared to the results of the previous year, the main changes in the prioritization for the following material aspects are:

- Integrity, ethics and good business practices: following the latest analysis, this aspect has recorded a higher financial impact compared to the previous year, resulting in it currently holding the greatest such impact.
- Waste management and circular economy was analyzed to have the greatest impact on the environment and society, whereas in the previous year it was assessed at the same level of impact as the following material aspects: Use of recycled raw materials, and Risk management and compliance.



- Material Aspects related to the Governance dimension
- Material Aspects related to the Environment dimension
- Material Aspects related to the Social dimension





## 1.9 Awards, partnerships and affiliations

Associations of which the TeraPlast Group, through TeraPlast SA and its subsidiaries, is a member:

Foundation for the Global Compact – UN Global Compact (Signatory)  
ARIR – Association for Investor Relations  
TEPPFA – The European Plastic Pipes and Fittings Association (TeraPlast CEO is a member in the Executive Committee)  
European Bioplastics  
Invest Club Transylvania  
AFOR – Romanian Fiber Optic Association  
APPFE – Partnership for European Funds Association  
ASPAPLAST – Association of Plastics Manufacturers  
ARA – Romanian Water Association  
Vinyl Foundation – part of Recovinyl  
PSC – Association of Construction Companies  
APPCR – Professional Association of Cable Manufacturers in Romania  
AmCham – Romanian-American Chamber of Commerce  
CCIBN – Bistrița-Năsăud Chamber of Commerce and Industry  
AIIR – Romanian Installations Engineers Association  
Romanian-Ukrainian Chamber of Commerce  
Romanian Green Building Council

The TeraPlast Group, through its constituent companies, is not politically affiliated and does not contribute financially or in kind to political parties or associations.

Throughout 2023, our group achieved various awards for its performance. These include:

- Rating of 10 in the Vektor evaluation by ARIR, which scores listed companies on their investor relations activities.
- "Digital Logistics Operations Award" from The Diplomat, for the digital solutions developed to optimize logistics processes.
- "Best Company in IR - Public Choice", 2nd place, at the ARIR Gala. This award represents the public vote (individual investors) for investor relations activities.
- "Best Communication of an Issuer with Journalists. Financial Market Award" at the BSE Awards, for the activity from 2022.
- "Best Managed Company" certification, part of the project organized by Deloitte in partnership with BT, BSE, and EBRD. This recognition highlights the sustained efforts and commitment of the entire organization to performance and continuous development. The four evaluation pillars were: strategy, resources and innovation, culture and commitment, as well as the company's governance and financial aspects.


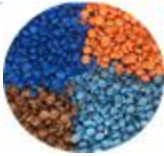







# Our products

The TeraPlast Group currently activates in several markets in Romania and abroad:

- the manufacturing industry through the granules segment
- the construction market through the installations and thermal insulation joinery segments
- the PVC processors market through the rigid PVC recycling segment and the granules segment
- the flexible packaging market through the PE and biodegradable packaging segments for the HoReCa sector and large retail chains, as well as the stretch film segment for manufacturers, industrial clients, distributors, and transporters

Business line		Product categories
Installations		Complete systems for: <ul style="list-style-type: none"> <li>◦ <u>indoor sewers</u></li> <li>◦ <u>outdoor sewers</u></li> <li>◦ <u>water and gas transport and distribution</u></li> <li>◦ <u>rainwater management</u></li> <li>◦ <u>electric and telecommunication cable protection</u></li> <li>◦ <u>underfloor heating</u></li> </ul>
Granules		<u>Plasticized PVC granules</u> <u>Rigid PVC granules</u> <u>HFFR granules</u>
Windows and doors		<u>PVC windows and doors</u> <u>Aluminum windows and doors</u> <u>Garage doors</u> <u>Curtain walls</u>
Rigid PVC recycling		<u>Micronized recycled PVC</u> <u>Regranulated recycled PVC</u>
Flexible packaging		<u>Biodegradable and compostable packaging</u> <u>Polyethylene packaging</u> <u>Stretch film</u>





## 2.1 Supply chain and procurement of raw materials from responsible sources

### Impact on the environment

- we support responsible consumption of resources and consumption reduction.

### Impact on the people

- we support the creation of jobs in manufacturing industries for finished products and/or responsible raw materials.

- we contribute to educating consumers by providing responsible products.

### Impact on the economy

- we contribute to creating a sustainable economy by collaborating with suppliers who are aware of and responsibly manage their impact on the environment and society in the course of their economic activities.

This material aspect involves establishing sustainable and transparent business relationships with suppliers, as well as implementing ethical and sustainable practices in the selection and procurement of raw materials. By adopting a responsible approach in the supply chain, we aim to promote sustainable development and reduce negative impact across the entire supply chain of the TeraPlast Group.

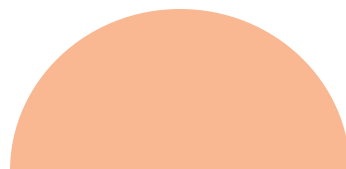
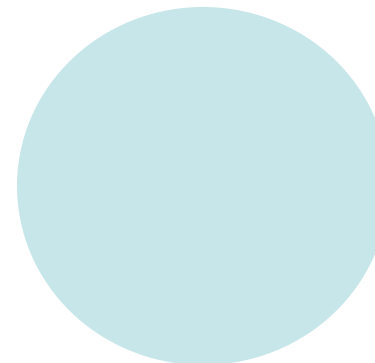
At the level of the TeraPlast Group, in 2023, two procurement structures are distinguished, namely the procurement direction of TeraPlast, TeraPlast Recycling, and TeraBio Pack, and the procurement department of TeraGlass Bistrița. These two structures coordinate the entire procurement activities of raw materials and auxiliary materials, complementary products, and various goods, they conduct market analyses and evaluate inventories to ensure the necessary safety stocks required for the risk-free continuation of production activities.

The TeraPlast Group has a global procurement footprint that extends beyond the European Union where our main suppliers are located, reaching as far as the United States of America, North Africa, and even the Far East. For more information regarding our procurement sources, the Group's supplier mix, as well as raw material prices, you can view our 2023 Annual Report at [this link](#).

We believe in business relationships based on trust, mutual respect, and common values, and we consider our suppliers as partners in growth and development. As we aim for this partnership to extend to sustainable development by adhering to and promoting common principles, in 2023 we developed a Code of Conduct dedicated to the suppliers of the TeraPlast Group, to reflect the commitment made together with them regarding ethics and fair business practices, procurement from responsible sources, employee health and safety, labor standards and human rights, environment, and sustainable development. The TeraPlast Group Supplier Code of Conduct can be viewed at [this link](#).

In 2023 we also developed a questionnaire to assess our supply chain partners, which integrates specific considerations related to the procurement activity itself, such as delivery terms, payment terms, provided quality documents, complaint resolution methods, etc., as well as aspects regarding the application of a set of environmental, social and governance (ESG) criteria in our own value chains. Among these, we mention risk identification and assessment, reporting progress in sustainable development, commitments to stakeholder consultation, the existence of environment and energy policy, occupational health and safety policy, the presence of a social policy or code of conduct, carbon footprint calculation, integrity warning, etc.

Starting from 2024, we evaluate our suppliers based on the new questionnaire and take into consideration their adherence to the provisions of the Supplier Code of Conduct.





**Key figures for procurement of raw materials and auxiliary materials**

TERAPLAST	Unit	2021	2022	2023	2023 vs 2022
Total base polymers (PVC, PP, PE)	tons	45.775	41.180	49.563	+20%
Other materials	tons	18.054	15.138	13.641	-10%
<b>TOTAL</b>	<b>tons</b>	<b>63.829</b>	<b>56.318</b>	<b>63.204</b>	<b>+12%</b>
Base polymers from recycled materials vs total base polymers	%	21,5%	23,7%	17,0%	-6,7pp

**+30%**  
total base polymers

TERAPLAST	Unit	2021	2022	2023	2023 vs 2022
Auxiliary materials *	pcs	21.458.067	18.735.639	19.078.647	+2%
	m <sup>2</sup>	13.989	0	0	n/a

\* The 2022 quantity of auxiliary materials has been updated because previously a group of auxiliary materials from the underfloor heating business line was not considered.

**+20%**  
total base polymers

TERABIO PACK	Unit	2021	2022	2023	2023 vs 2022
Total base polymers (PE, biodegradable granules)	tons	870	2.945	3.828	+30%
Other materials	tons	19	71	104	+45%
<b>TOTAL</b>	<b>tons</b>	<b>889</b>	<b>3.016</b>	<b>3.931</b>	<b>+30%</b>
Base polymers from recycled materials and biodegradable granules vs total base polymers	%	33,7%	29,1%	45,5%	+16,4pp

TERABIO PACK	Unit	2021	2022	2023	2023 vs 2022
Auxiliary materials	pcs	234.137	1.219.105	2.663.910	+119%
	m *	0	33.436	146.143	+337%

\* In the previous Sustainability Report, auxiliary materials were reported by the bag, but since the quantities are relatively small, starting from 2023 we report auxiliary materials purchased by the meter.





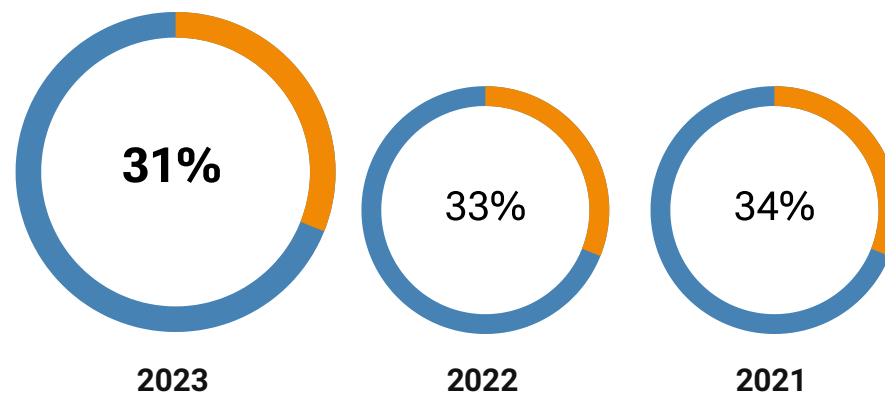
### Key figures for procurement of raw materials and auxiliary materials

TERAPLAST RECYCLING	Unit	2021	2022	2023	2023 vs 2022
Producer	tons	3.030	2.844	882	-69%
Recycler	tons	1.157	1.420	1.001	-29%
Trader	tons	606	516	130	-75%
Collector	tons	8.930	9.681	6.820	-30%
PVC processor	tons	0	0	21	n/a
Construction company	tons	0	0	3	n/a
<b>TOTAL</b>	<b>tons</b>	<b>13.722</b>	<b>14.461</b>	<b>8.858</b>	<b>-39%</b>

The decrease in quantities of PVC post-consumer and post-industrial waste from TeraPlast Recycling is primarily due to the decline in prices of virgin raw materials, which has led to the decrease in demand for secondary raw materials obtained through waste recycling.

TERAGLASS BISTRIȚA	Unit	2021	2022	2023	2023 vs 2022
Glass	m <sup>2</sup>	139.509	185.646	119.126	-36%
PVC and aluminum profiles	m	1.726.309	1.986.609	1.411.720	-29%
Reinforcements	m	847.593	652.228	526.400	-19%

### Raw materials procured locally (from Romania):



A value-based method was used for calculating the percentages of raw materials purchased from the local market, for significant locations of operation of the Group, namely for locations where the production activities are carried out: Sărățel, Bistrița, and Năsăud. For more information, please consult the Company profile chapter.

### Initiatives for progress in 2024:

- Conducting supplier assessment based on the new assessment questionnaire (*process initiated as of the issuance date of this Sustainability Report*)





## 2.2 Use of recycled raw materials

### Impact on the environment

- we support the circular economy and the reduction of waste that ends up in nature.
- we support product circularity and, in this way, the reduction of resource consumption.

### Impact on the people

- we support the creation of “green” jobs in areas contributing to circular economy.

### Impact on the economy

- we contribute to the development of a circular economy by collaborating with suppliers of recycled waste and/or recycled raw materials, thus expanding the market for products made from recycled materials.

The use of recycled raw materials in finished products reduces environmental impact by conserving resources compared to using virgin raw materials, decreasing the carbon footprint of products by reducing emissions throughout their lifecycle, lowering environmental pollution, and supporting the transition to a circular economy by diverting waste from landfills to recycling.

The use of recycled raw materials remains an important part of the development strategy of the TeraPlast Group, as evidenced by our investments in this area to date and by the acquisitions completed after the reporting period, in the first part of 2024, specifically the acquisition of the company Palplast Moldova, and Pro-Moulding and Polytech factories of the Wolfgang Freiler Group. Over 80% of Polytech's turnover is generated by pipes made from recycled plastics, perfectly aligning with the philosophy of the TeraPlast Group of being pioneers in European circular economy trends.

At TeraPlast we use recycled PVC as raw materials for producing Gri(n) pipes, in 3 versions:

- PVC pipes with outer and inner layer in orange / brown color, with a gray core made from recycled PVC – product with 50% recycled material content.
- PVC pipes with orange / brown outer layer, gray core made from recycled PVC, white inner layer for good visibility during video inspections.
- Multilayer pipes in gray color, made entirely from recycled material.





In 2023, the recycling of rigid PVC suffered a decline, primarily due to the decrease in the prices of virgin raw materials compared to raw materials obtained from post-consumer and post-industrial PVC recycling. Consequently, there was a reduction in micronized PVC production at TeraPlast Recycling of approximately 32% in 2023 compared to 2022, bringing production levels close to those of 2021, in line with a 39% decrease in purchases for this business line compared to 2022.

Among the basic polymers (PVC, PP, PE) purchased by TeraPlast SA in 2023, 17% were recycled base polymers, a decrease of 6,7 percentage points compared to 2022. Approximately 78% of these were purchased from TeraPlast Recycling, a decrease of about 2 percentage points compared to 2022.

TERAPLAST	Unit	2021	2022	2023	2023 vs 2022
<b>Total base polymers (PVC, PP, PE, including from recycle)</b>	tons	45.775	41.180	49.563	+20%
<b>Base polymers from recycle</b>	tons	9.827	9.760	8.438	-14%
<b>Base polymers from renewable sources</b>	tons	0	0	0	n/a
<b>Base polymers with renewable and recycled content</b>	tons	0	0	0	n/a
<b>Polymers from recycle vs total polymers</b>	%	21,5%	23,7%	17,0%	-6,7pp



At TeraBio Pack, in 2023, growth was observed across all areas, with over 45% of the purchased base polymers being recycled base polymers and biodegradable granules. Some of these biodegradable polymers contain a percentage from renewable sources, with the remainder being virgin raw materials.

TERABIO PACK	Unit	2021	2022	2023	2023 vs 2022
<b>Total base polymers (PE, biodegradable granules)</b>	tons	870	2.945	3.828	+30%
<b>Base polymers from recycle</b>	tons	0,4	210	714	+240%
<b>Biodegradable granules</b>	tons	293	648	1.029	+59%
<b>Base polymers from renewable sources</b>	tons	0	0	0	n/a
<b>Base polymers with renewable and recycled content</b>	tons	0	0	0	n/a
<b>Polymers from recycle vs total polymers</b>	%	0,05%	7,14%	18,65%	+11,5pp

In 2023, at TeraBio Pack, we obtained the Blue Angel eco-label of the German Federal Government. Blue Angel is an independent and credible label that sets strict standards for environmentally friendly products and services. It symbolizes the use of high standards for our products from the perspective of environmental protection and health.

We consider that our new approach to assessing suppliers of the TeraPlast Group is a catalyst for establishing sustainable partnerships with suppliers who promote shared principles and values.

**In the short- and medium-term, our objectives related to the use of recycled raw materials include:**

- The increase by over 10% in the quantity of recycled raw materials used
- Establishing strategic partnerships with other suppliers of raw materials sourced from recycled or renewable sources



## 2.3 Quality and safety of the products in our portfolio

### Impact on the environment

- we contribute to reducing resource consumption by providing safe and high-quality products, which entail a longer life cycle.
- we contribute to reducing the risk of accidental pollution caused by poor product quality.

### Impact on the people

- we contribute to the safety of those involved in the installation works and to the satisfaction of end-users.

### Impact on the economy

- we protect the competitiveness of the company and the interests of customers, ensuring our economic growth through the quality of products and services, thereby contributing to the state budget through taxes and job creation.

The quality and safety of products in our portfolio are of crucial importance as they build consumer trust, enhance brand reputation, and provide products that do not endanger life, health, safety, and do not have a significant impact on the environment.

Internal procedures for the production and verification of products contain information derived from product standards, European regulations, and national legislation, that govern their market placement. These regulations stem from the fundamental requirements applicable to constructions: mechanical resistance and stability, safety in case of fire, hygiene, health and the environment, safety and accessibility in use, protection against noise, energy economy and heat retention, sustainable use of natural resources, tailored to each product group.

All our products undergo procedures for assessing and verifying constancy of performance when there are national standards or harmonized technical specifications required by the essential characteristics of construction products.

To ensure the high quality of the products manufactured by us and delivered to our partners, within our internal laboratory accredited by RENAR we conduct physical, physical-mechanical, physical-chemical, dimensional and qualitative tests. The accredited tests are listed in the accreditation certificate no. LI 279, which can be viewed [at this link](#). We conduct determinations on a wide range of raw materials and finished products, such as PVC, HFFR and biodegradable granules, PVC, PP, PE pipes and fittings, PVC and PE tubes for cable protection, optical fiber microducts, pipes for the underfloor heating system, PE and biodegradable films and packaging.

The products of the TeraPlast Group are certified and tested also by accredited/authorized organisms, institutes, and laboratories, such as DIN CERTCO, IFT Rosenheim, ICECON Romania, SRAC, or TÜV Austria.

During the year 2023, the number of tests on finished products was 29.016, representing an increase of 11% compared to 2022, while the number of tests on raw materials remained at the same level as in 2022, with 5.205 tests conducted.

The products of the TeraPlast Group have a stable chemical structure, do not adversely affect human health, and do not pollute the environment under conditions of handling and use according to the documentation provided with the products.

Through our internal research department for the product portfolio, we aim to develop recipes to enhance our existing products as well as recipes for products with new applications in the fields where we operate.





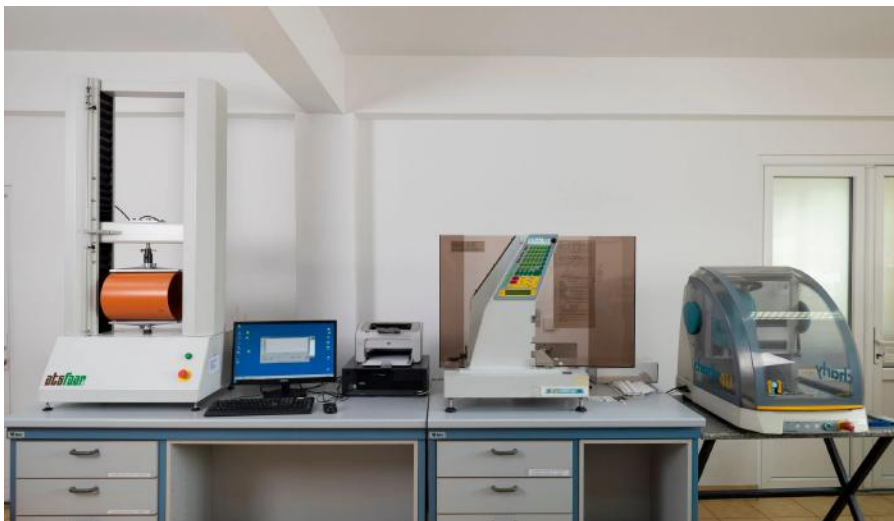
Our products undergo verification throughout the manufacturing process through self-inspection by each operator according to the control plan for product groups. Samples are taken multiple times per shift for dimensional checks. When non-conforming products are detected, they are labeled and stored separately.

We deliver products to our customers accompanied by declarations of conformity or performance, warranties, and provide handling, storage, and transportation instructions, assembly instructions, technical data sheets, and safety data sheets as applicable, depending on the type of products delivered. In the event of customer complaints, they are recorded and treated with the utmost seriousness until resolution, following specific internal procedures.

Non-conforming products identified at various stages of their life cycle are internally recycled and reused for the manufacture of new ones.

The TeraPlast testing laboratory is undergoing its 6th cycle of accreditation following the initial accreditation in 2004. In 2023, the laboratory was re-accredited according to SR EN ISO/IEC 17025:2018.

The testing laboratory is in the process of being provided with additional equipment through funding accessed from the Ministry of Economy, Entrepreneurship and Tourism for the implementation of the project for which we obtained non-repayable financing under Order No. 1294/2022 approving the minimis aid scheme – “Support for the implementation of the Industrial Product Competitiveness Enhancement Program”.



In 2023 we did not record any significant complaints regarding the quality of products that exceeded the internally established materiality threshold. The total number of complaints recorded at TeraPlast SA in 2023 decreased by 2% compared to 2022. Data for other companies of the Group could not be aggregated for the year 2023.

In 2023 we did not record any incidents of non-compliance with regulations or voluntary codes regarding product information, labeling, marketing communications, advertising, promotion, sponsorship, or the impact of products and services on health, safety, and the environment. Furthermore, no sanctions, fines, or warnings were received.

At the level of the TeraPlast Group we support the circular economy, and through our actions we promote the development of environmentally friendly products. Throughout 2023, we continued to develop our granule recipes to meet the increasingly diversified demands of our customers.



**In 2024 and in the short-term, we are committed to achieving the following objectives in terms of quality and safety of the products in our portfolio:**

- Continuing to develop granule recipes for electrical use, or for other applications
- Continuing to develop manufacturing recipes for PVC pipes by improving their resistance to ultraviolet (UV) radiation and introducing organic stabilizers
- Reducing the number of complaints by at least 2% compared to the previous year by properly addressing the causes that led to their occurrence
- Maintaining laboratory accreditation



## 2.4 Sustainable products in the portfolio

### Impact on the environment

- we support reducing the overall environmental impact of the products we market.

### Impact on the people

- we support the creation of jobs in the manufacturing of products with a reduced environmental impact.

- we contribute to educating consumers by providing sustainable products.

### Impact on the economy

- we contribute to creating a green and circular economy and promote the commercialization of products with a reduced environmental impact.

Including sustainable products in our portfolio is essential for contributing to environmental protection and ensuring a sustainable future, by increasing resource use efficiency, designing products with a longer lifespan that are easily recyclable, and reducing greenhouse gas emissions throughout the product lifecycle.

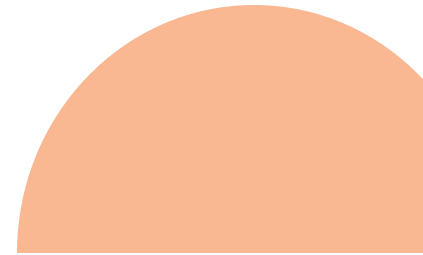
The TeraPlast Group offers efficient solutions for people and the environment. We provide products for external sewer infrastructure, such as solutions for rainwater and wastewater drainage, rainwater management systems, water purification and treatment management systems, as well as the use of recycled raw materials in the manufacture of our innovative products, such as Gri(n) pipes.

Additionally, through the recycling of post-consumer and post-industrial rigid PVC, the production of biodegradable packaging, and the fabrication of products with a long lifecycle of up to 100 years, we emphasize our ongoing support for the transition to a circular economy.

Companies within the TeraPlast Group have adhered to initiatives and commitments regarding the sustainable development of the plastics industry such as TEPPFA, European Bioplastics, Vinyl Foundation and the VinylPlus initiative. We have been reporting data on the quantities of waste we recycle since 2016 in the Recovinyl Plus database and we are registered in the new Recotrace collection system for monitoring the quantities of recycled rigid PVC and its use in finished products.

We are proud to offer integrated solutions, from sorting and recycling to manufacturing more environmentally friendly products with long lifecycles that comply with European standards.

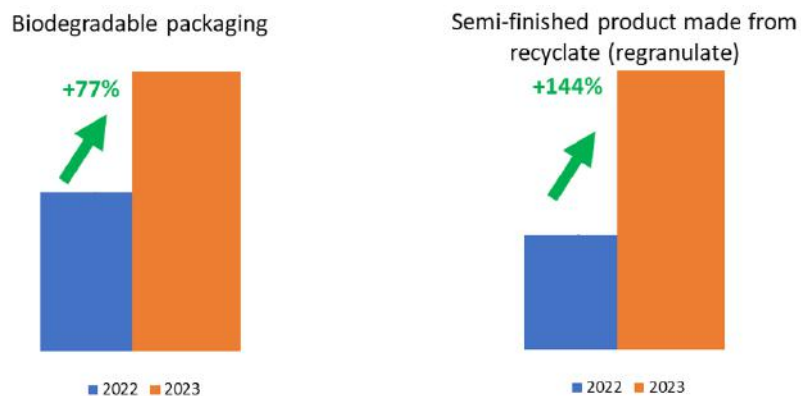
We actively promote the manufacturing of sustainable products through our involvement in plastic recycling. We collect and recycle post-consumer and post-industrial rigid PVC waste from the Romanian and European markets, incorporate recycled PVC into our Gri(n) product range, we produce biodegradable packaging with a lower carbon footprint than virgin material packaging, and we integrate recycled polyethylene in the manufacturing of flexible packaging.





In 2023, market demand for products containing recycled PVC decreased compared to 2022 due to the drop in the price of virgin raw materials at the expense of raw materials obtained through recycling. Consequently, the production of Gri(n) pipes by TeraPlast decreased in 2023 compared to 2022. The demand for these products remains low in Romania due to the prioritization of price criteria and the lack of a regulatory framework that favors projects and suppliers using materials with recycled content or products made entirely from recycled materials.

In 2023, in TeraBio Pack there was an increase in the production of regranulate material obtained by recycling packaging products.



From the perspective of sustainable products in our group's portfolio, they accounted for 14% of the consolidated turnover in 2023, a decrease of 2 percentage points compared to 2022. Sustainable products include the recycled materials of TeraPlast Recycling SA, external sewer pipes incorporating recycled materials manufactured by TeraPlast SA, and biodegradable and compostable packaging manufactured by TeraBio Pack SRL.

NO	SUSTAINABLE PRODUCTS	2022	2023
1	Total value (thousands of lei)	128.437	94.161
2	Total quantity (tons)	21.536	15.019

In the medium and long term, we anticipate a positive evolution in the demand for products within our portfolio that contribute to the transition to a circular economy and have a reduced environmental impact, due to the evolution of the European regulations and the increasing popularity of these products among the public. At the level of the European Union there is a strategy regarding plastics, aiming to protect the environment by transforming how plastic products are designed, produced, used, and recycled. Its goal is to raise awareness of the need of responsible plastic management, streamline recycling processes, develop products with higher recyclability, increase the percentage of recycled plastic used in products, and promote innovation and investments.

**Our initiatives in the short- and medium-term as regards sustainable products in our portfolio, are:**

- Implementing eco-labeling for products containing recycled materials such as Gri(n) pipes, by indicating the percentage of recycled content in the product, the product's specific carbon footprint, or its end-of-life treatment method
- Educating and raising consumer awareness about the importance of using responsibly manufactured products with a reduced environmental impact, using the Group's official communication channels

# Our care for the environment

## 3.1 Resource management

### Impact on the environment

- we reduce resource consumption in our own activities.

### Impact on the people

- we contribute to a more sustainable future for everyone.  
- we set an example and contribute to the sustainability education of the people directly working within the company.

### Impact on the economy

- we reduce operational costs, which leads to increased economic performance.

The importance of resource management in the strategies of the TeraPlast Group is particularly evident through our initiatives in using raw materials from renewable sources and manufacturing sustainable products such as biodegradable bags and waste bags, investments in generating electricity from renewable sources using photovoltaic panel technology, recycling rigid PVC from post-industrial and post-consumer sources at the end of product lifecycle, as well as investing in the recycling of flexible polyethylene packaging.

By effectively monitoring utility consumption, fuel consumption of the vehicles in our fleet, as well as the amounts of waste generated from our activities, we ensure that these activities are carried out under optimal conditions and with increased efficiency.

To provide top management with the necessary information and tools for the success of the activities of the TeraPlast Group and to contribute to its sustainable development in the long term from an environmental perspective, we have implemented and certified the environmental management system in accordance with the provisions of the ISO 14001 standard across all companies within the Group. It is part of the quality – environment – health and safety at work integrated management system.

Through scheduled and unscheduled inspections, as well as internal audits, we continuously ensure compliance with standard requirements, and during surveillance and recertification audits we confirm the effectiveness of the measures taken for the continuous improvement of our environmental performance. In 2023, we conducted the second surveillance audit following the recertification from 2021, and the improvement opportunities identified during the audit were analyzed and implemented.

In 2023, at the level of the TeraPlast Group, we developed a distinct environment policy, separate from the policies of the quality – environment – health and safety at work management systems existing in each company of the Group. The Environment Policy of the TeraPlast Group can be viewed [at this link](#). It expresses our firm commitment regarding pollution prevention and environmental protection and describes our actions in this regard.

In addition to complying with legal requirements for the waste we generate, we contribute to the transition towards a circular economy by collecting and recycling PVC waste from both national and European markets. We manufacture products with recycled content, procure raw materials from recycle, and produce biodegradable and compostable packaging.

Our manufacturing processes utilize state-of-the-art equipment comparable to those of major global manufacturers, resulting in high productivity and efficient electricity consumption. We monitor utility consumption, procure renewable electricity from our electricity provider, invest in green energy sources, and commit to increasing the proportion of renewable energy in our total consumption.

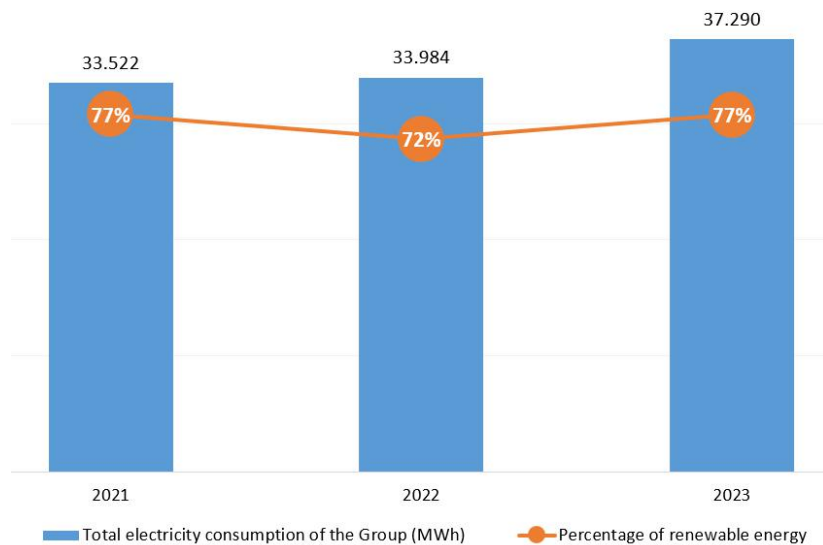
To reduce our environmental impact, we calculated the carbon footprint of the TeraPlast Group according to the GHG Protocol for Scopes 1, 2, and 3 for the past three years and assessed physical and transitional risks following the TCFD framework. For more information on risk assessment, please refer to the Risk management and compliance subchapter.

We report in accordance with Regulation no. 852/2020 on the establishment of a framework to facilitate sustainable investment (the EU Taxonomy).



## Energy

To further our commitment to environmental protection and sustainable development, in 2023 we initiated the certification process for the Energy Management System (EnMS) implemented according to the ISO 50001 standard within TeraPlast SA, and in the first quarter of 2024 we obtained the certification. Through continuous monitoring of electricity consumption by the energy manager, as well as monitoring performance indicators of consumed energy, we identify and prioritize opportunities to improve our energy performance. This demonstrates our commitment to reducing greenhouse gas emissions. Since 2021, all electricity procured by TeraPlast SA from its electricity provider has been from renewable sources, with Guarantees of origin[1].



We have over 6.500 photovoltaic panels mounted in 2020 on the production halls and covered warehouses, which in 2023 generated over 1.500 MW of green energy. In the fourth quarter of 2023, production began at the new stretch film factory in Sărățel, whose hall is equipped with more than 800 photovoltaic panels that generated over 8 MW of green energy in November and December 2023. Currently, we are underway with a project for a new photovoltaic plant with an installed capacity of over 4 MWp, which is still being implemented, and its completion is scheduled by the end of 2024. The investment also benefits from funding through the National Recovery and Resilience Plan (PNRR).

[1] Guarantees of origin are electronic documents that represent proof that a given percentage or amount of energy was produced from renewable sources, in accordance with art. 3, paragraph (9) of the 2009/72/EC Directive of the European Parliament and the Council of 13 July 2009 on common rules for the internal electricity market and repealing Directive 2003/54/EC. A guarantee of origin certifies that 1 MWh of procured electricity was produced from renewable energy sources.



The amount of electricity produced by the photovoltaic panels in 2023 was approximately 1.510 MWh, a decrease of 11,5% compared to the energy produced by the photovoltaic panels in 2022, which was 1.706 MWh. Among the causes for this decrease are operations to replace a portion of the panels, significant temperature fluctuations, and the proportion of sunny days versus cloudy days in 2023.

The entire amount of electricity that TeraPlast SA consumed in 2023, as in 2022, was from renewable sources, as evidenced by Guarantees of origin. The total percentage of electricity from renewable sources of the total electricity consumption increased by 5,3pp in 2023 compared to 2022, from 71,7% in 2022 to 76,9% in 2023. This is due to the increase in electricity consumed by TeraPlast SA following the expansion of production capacities, and thus the renewable energy procured from the energy supplier.

While in 2022, a total of 22.646 Guarantees of origin (GO; 1 GO = 1 MWh) were purchased, in 2023, 27.181 GO were purchased, recording a 20% increase in renewable energy purchased in 2023 compared to 2022. The electricity from renewable sources in 2023 consists of 5,26% solar energy from our own photovoltaic panels, totaling 5.436 GJ, and 94,74% hydroelectric energy from the electricity supplier, totaling 97.851 GJ. For the conversion factors from MWh to GJ, please refer to the Our performance in figures chapter.

The total electricity consumption increased by 9,7% compared to 2022, while the manufactured quantities of finished products increased by 1,4%. Energy consumption ratio per ton of finished product was 0,47 MW/ton in 2023, compared to 0,43 MW/ton in 2022.

This evolution was determined by the diversification of the product portfolio within TeraPlast, which involves testing new recipes, obtaining samples for customers, and recycling the resulting waste. Such processes are not included in the quantities of manufactured products but are reflected in the consumed electricity. The main product categories for which such activities were carried out in 2023 are TeraDuct, NeoTer, PVC pipes, corrugated PE pipes, and rotomolded products.



## Water

We live in the century of water, and responsible management of this vital resource is one of the major action areas of the TeraPlast Group for its medium- and long-term sustainable development. The safety and health of the water infrastructure directly impact its durability, potential water losses, water quality, and maintaining a low level of water stress in the region. At TeraPlast, we provide products that contribute to the transport and distribution of clean, uncontaminated water, and the safe transport of wastewater and rainwater. We contribute to the protection of surface and groundwater sources by recirculating water in production, responsibly consuming drinking water, monitoring the physical-chemical parameters of wastewater, household water and rainwater discharged into surface waters, where applicable, and periodically training our colleagues on responsible consumption and avoiding water waste.

The water supply of the Group's activities is done from the public water network, and consumption is monitored by the utility manager appointed at the Group level, through monthly readings of water meters, as well as by environment department personnel. According to the World Resources Institute map of water stress regions, Bistrița-Năsăud County, where we carry out all our production activities, is in an area with low to medium water stress (10-20%).

At the level of the TeraPlast Group, we achieve over 80% recirculation of technological water.

The personnel from the centralized environmental department monitor the physical-chemical quality indicators of treated wastewater and rainwater, in accordance with the requirements established by environmental permits and water management permits issued by state institutions, specific to each company within the Group. The physical-chemical quality indicators of treated wastewater are monitored quarterly, while those of rainwater are monitored semi-annually.

	Location	Wastewater and household water	Rainwater
TeraPlast	Sărățel	treatment in our own water	decantation and separation of
TeraPlast Recycling		treatment plants and discharge of	petroleum products and discharge
TeraBio Pack		treated water into the Șieu River	into the Șieu River
TeraPlast Recycling	Năsăud	discharge into the sewer network	discharge into the Valea Spinului
TeraBio Pack		of the city of Năsăud	stream, a tributary to the Someșul Mare River
TeraGlass Bistrița	Bistrița	discharge into the sewer network	discharge into the sewer network
		of the city of Bistrița	of the city of Bistrița



	Location	Water supply source*	2021 (megaliters)	2022 (megaliters)	2023 (megaliters)
TeraPlast	Sărățel	the Bistrița - Teaca supply pipeline	16,114	18,501	21,764
TeraPlast Recycling**		TeraPlast water network	80,96	77,613	31,117
TeraBio Pack			-	1,181	1,63
TeraPlast Recycling	Năsăud	distribution network of	-	0,568	0,785
TeraBio Pack		the city of Năsăud	1,598	0,568	0,79
TeraGlass Bistrița	Bistrița	distribution network of	2,043	1,754	1,204
		the city of Bistrița			

The quantities represent the actual water consumption read on water meters in cubic meters and converted into megaliters (ML) using the conversion factor  $1 \text{ m}^3 = 0,001 \text{ ML}$

\* The information is sourced from the Environmental Permits.

\*\* Until April 2023, TeraPlast Recycling carried out recycling activities at Sărățel, and afterwards, the recycling activity was moved to the location in Năsăud. Starting in the fourth quarter of 2023, the stretch film factory commenced production at Sărățel.

The impact on water is identified during the assessment of environmental aspects, periodically updated according to internal procedures. Managing the identified impact is done through preventive risk reduction measures centralized at TeraPlast SA in the Pollution Prevention and Control Plan, updated annually. Compliance with the measures is verified through periodic inspections conducted according to the annual inspection schedule, through unscheduled inspections, and during internal audits.

In 2023, no significant negative impact on water was identified, and the measures established in TeraPlast's Pollution Prevention and Control Plan were adhered to.

In 2023, there were no significant incidents associated with water permits reported against the internal significance threshold of 5.000 RON of financial penalties as a result of an incident or a significant impact on biodiversity, water security, and/or communities through pollution.



## Biodiversity

The industrial park at Sărățel is located in close proximity to the ROSCI0400 Șieu-Budac site, which is an integral part of the Natura 2000 ecological network. With each new investment, we ensure that protected species in the area and biodiversity are not affected by our activities, and we obtain the necessary permits from the competent state institutions in the field of protected areas.

The companies within the Group conduct their activities based on environmental permits and water management permits obtained from state institutions, which contain information regarding authorized activities, equipment, environmental protection measures, monitoring requirements and their frequency. Environmental permits are annually reviewed by the issuing institution to confirm that activities are carried out under the same conditions for which the permits were issued.

For carrying out investments within the industrial park at Sărățel, we obtain all the necessary permits and authorizations, including from the national authority responsible for protected areas, which certify that our activities have no negative effects on natural habitats and local biodiversity. Emissions to air, water, and soil are constantly monitored in accordance with the permits obtained for carrying out our activities.

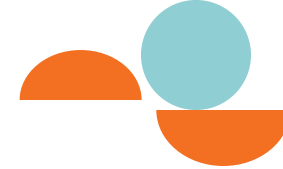
From our information, no protected species were affected by the activity of the TeraPlast Group.



### **In 2024, our primary initiatives for resource management are:**

- Recertification of the environment management system according to the ISO 14001 standard
- Increasing the percentage of energy from renewable sources relative to the total energy consumption
- Training sessions to increase employee awareness regarding the importance of resource conservation and avoiding waste





### 3.2 Greenhouse gas emissions and climate protection

#### Impact on the environment

- we reduce the impact on climate and the atmosphere by lowering our carbon footprint.

#### Impact on the people

- we contribute to a more sustainable future for everyone.  
 - we set an example and contribute to the sustainability education of the people directly working within the company.

#### Impact on the economy

- we reduce operational costs and ensure our company's competitiveness in terms of sustainability, which leads to increased economic performance.

Reducing greenhouse gas emissions (GHG) is crucial for the effective protection of the climate, as these emissions significantly contribute to global warming and climate change. By implementing sustainable practice, investing in alternative energy sources, and promoting environmental protection responsibility, we can mitigate the adverse impacts of GHG emissions to the atmosphere.

To further expand the analysis of the TeraPlast Group's environmental impact, in 2023 we completed the calculation of the Group's carbon footprint in accordance with the GHG protocol for Scope 3. This calculation, conducted for the period 2021-2023, complements the results obtained previously for Scopes 1 and 2 for the same period.

We calculated direct emissions from our own activities (Scope 1), the indirect emissions from the consumption of electricity associated with our activities (Scope 2), as well as the indirect emissions resulting from assets not owned or controlled by us, from both upstream and downstream value chain (Scope 3), in accordance with the requirements of the GHG Protocol – A Corporate Accounting and Reporting Standard. The base year for calculating the carbon footprint is the year 2021.

For information regarding emission factors used for calculating the carbon footprint, please refer to the Our performance in figures chapter.

In calculating TeraPlast Group's carbon footprint for Scopes 1, 2, and 3, we considered the following:

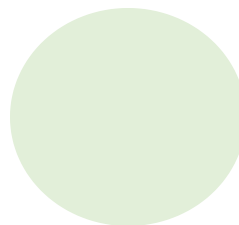
Scope 1	Scope 2
<ul style="list-style-type: none"> <li>❖ The quantity of fuels used by vehicles in our own fleet – diesel and petrol</li> <li>❖ The quantity of natural gas used in production and for facility heating</li> <li>❖ The quantity of refrigerant (R407C and R410A) loaded into air conditioning systems and chillers</li> </ul>	<ul style="list-style-type: none"> <li>❖ The quantity of electricity procured from the electricity supplier</li> <li>❖ The quantity of electricity produced by our own photovoltaic panel system</li> </ul>

Scope 3 upstream	Scope 3 downstream
<ul style="list-style-type: none"> <li>❖ Purchased goods and services</li> <li>❖ Capital goods</li> <li>❖ Other energy and fuel-related emissions, different from Scopes 1 and 2 emissions</li> <li>❖ Upstream transportation and distribution</li> <li>❖ Waste generated in operations</li> <li>❖ Business travel</li> <li>❖ Employee commuting</li> </ul>	<ul style="list-style-type: none"> <li>❖ Downstream transportation and distribution</li> <li>❖ Further processing of sold products</li> <li>❖ End-of-life treatment of sold products</li> </ul>

Scope 2 emissions were calculated considering both approaches of the GHG Protocol:

- Using the emission factor of the national electricity grid (location-based)
- Using the emission factor of the electricity supplier (market-based)

The carbon footprint of the TeraPlast Group for Scopes 1, 2, and 3 was calculated considering the approach that utilizes the emission factor of the electricity supplier (market-based). In calculating the carbon footprint, we also included Guarantees of Origin issued on behalf of TeraPlast SA.





The carbon footprint for Scope 1 belongs in a proportion of over 80% to TeraPlast SA, because TeraPlast is the only company in the Group that has its own fleet of freight transport vehicles, and that TeraPlast's fleet of automobiles is twice as large as the fleet of the other companies combined. Additionally, the proportion is due to the fact that TeraPlast SA is the only company in the Group that uses natural gas for production activities within the rotomolding process.

The Group's carbon footprint for Scope 1 has been continuously decreasing compared to the reference year 2021. In 2022, it decreased by 22%, and in 2023 it further decreased by an additional 12% compared to 2022. This is primarily due to the reduction in natural gas consumption used for facility heating. According to the Copernicus Climate Change Service of the EU, 2023 was the warmest year compared to the pre-industrial reference period. Additionally, at TeraPlast SA, the consumption of gas used for manufacturing rotomolded products also decreased by approximately 13% in 2023 compared to 2022, including as a result of the decrease in the quantity of rotomolded products manufactured in 2023.

Since TeraPlast SA purchased 100% green energy from its electricity supplier, supplemented with energy produced by its own photovoltaic panels, the carbon footprint for Scope 2 (market-based) is zero at TeraPlast in all three years.

Following TeraBio Pack's takeover of Somplast's production activities, starting from 2022, Somplast's contribution to the Group's Scope 1 carbon footprint decreased to zero, and to approximately 3% in the Group's Scope 2 carbon footprint. Somplast no longer carries out production activities and solely manages the location in Näsäud, which is why the Scope 3 carbon footprint of Somplast was not calculated.

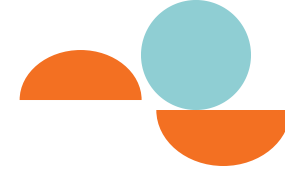
The carbon footprint of the TeraPlast Group for Scope 3 decreased by 4,6% in 2022 compared to 2021, and in 2023, it increased by 21,7% compared to 2022.

Among the reasons for the increase recorded in 2023 is the evolution of the product mix, specifically the commissioning of the Opal stretch film factory and the increased production for large-diameter polyethylene systems (up to 1200 mm), the latter resulting in an 88,5% increase in purchased polyethylene. Consequently, emissions related to upstream transportation and distribution increased. Another factor is the growth in the Group's exports, which had an impact on the increase in emissions related to downstream transportation and distribution.



In 2022 compared to 2021, the Group's carbon footprint for Scope 2 decreased by 57% due to a decrease in the emission factor of the electricity supplier by approximately 66% compared to the emission factor in 2021. In 2023, this emission factor increased by over 125%, consequently doubling the Group's carbon footprint for Scope 2.



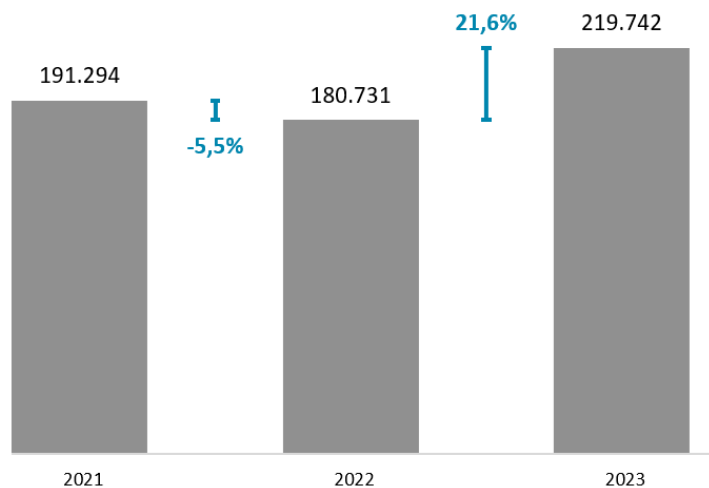


Within Scope 3, in all three years, over 73% of emissions are represented by emissions related to purchased goods and services. Upstream transport and distribution represents 7,1% of the emissions amount in 2022 and over 8,2% in 2021 and 2023, while processing of sold products accounts for over 7,7% of emissions in 2021 and 2022, and approximately 4,5% of emissions in 2023. The other emission categories represent less than 5% of the total emissions in Scope 3 for each year.

**Our key strategies to reducing greenhouse gas emissions in the medium- and long-term are:**

- Developing a climate change commitment following the calculation of the Group's entire carbon footprint across Scopes 1, 2, and 3
- Establishing a medium- and long-term plan to reduce the Group's carbon footprint and adapting business strategies to incorporate carbon footprint reduction targets

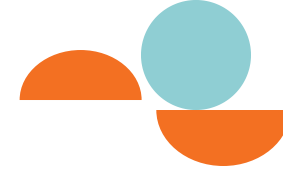
The total carbon footprint of the TeraPlast Group for Scopes 1, 2, and 3 [tCO<sub>2</sub>eq]



In the total carbon footprint of the TeraPlast Group across Scopes 1, 2 (market-based), and 3, Scope 3 emissions account for over 96%. The values recorded in 2023 are on the rise primarily due to recent investments, consequently influencing the total carbon footprint of the Group to increase by 21,7% in 2023 compared to 2022.

You can find more quantitative data related to the carbon footprint of the TeraPlast Group across Scopes 1, 2, and 3 in the Our performance in figures chapter.





### 3.3 Waste management and circular economy

#### Impact on the environment

- we reduce environmental impact by responsibly managing waste, preventing it from ending up in nature.
- we support product circularity and contribute to the transition towards a circular economy.

#### Impact on the people

- we contribute to a more sustainable future for everyone.
- we set an example and contribute to the sustainability education of the people directly working within the company.

#### Impact on the economy

- we reduce operational costs, which leads to increased economic performance, and we contribute to the transition towards a circular economy.

Because we believe that a circular economy is the key to a sustainable future, and because proper management of waste protects the environment and prevents pollution, at TeraPlast Recycling we recycle rigid post-industrial and post-consumer PVC from the national and European markets, at TeraBio Pack we recycle flexible packaging, at TeraPlast we recycle PVC, PP, and PE waste resulting from our own production activities, we integrate recycled material in manufacturing products such as Gri(n) pipes with up to 100% recycled content.

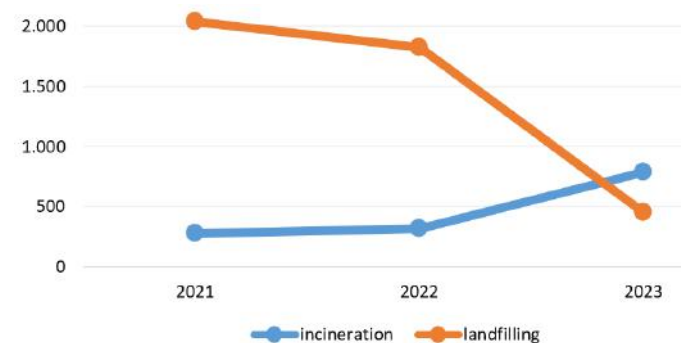
We selectively collect packaging and other recyclable waste generated by us across our activity sectors, ensuring they are picked up by authorized collectors. Non-recyclable waste is collected separately and handed over only to authorized collectors for safe transportation to licensed disposal facilities or storage sites. When picked up by collectors, both recyclable and non-recyclable waste is weighed, and the quantities are recorded on transport documents and registered in a centralized database by the personnel of the environmental department. Packaging waste quantities are monitored weekly to ensure compliance with the recycling percentages stipulated by specific legal requirements in the field of packaging waste.



Adjustments have been made for the waste quantities previously reported for the years 2021 and 2022. The quantities and proportions below for 2021 and 2022 reflect these updates. More details about these changes can be found in the Our performance in figures chapter.

In 2023, the TeraPlast Group generated a total of 2.410 tons of waste, a decrease of 31% compared to 2022 when 3.493 tons of waste were generated, despite the Group's production increasing by approximately 1,4% in 2023 compared to 2022. The reduction in the total amount of waste generated at the Group level is mainly due to the decrease in the amount of waste generated by TeraPlast Recycling in 2023. This decrease was achieved by imposing a purity requirement of over 98% for post-consumer and post-industrial rigid PVC that was purchased, consequently reducing the amount of waste disposed of. Thus, waste eliminated through landfilling and incineration decreased by approximately 59% in 2023 compared to 2022.

Of the total quantity of waste generated at Group level in 2023, 49% was recovered, and 51% was disposed of, while in 2022 only 39% of the generated waste was recovered while 61% was disposed of. At the level of the entire Group, in 2023 we reduced quantities of non-hazardous waste disposed of through landfilling, with a portion of it being incinerated with energy recovery by authorized companies.



More details about the types and quantities of waste, as well as the data sources, can be found in the Our performance in figures chapter.

#### In 2024, our primary objectives for advancing waste management and promoting a circular economy include:

- Reducing the proportion of disposed waste compared to recovered waste, reported against the total generated quantity
- Reducing the amount of waste disposed by landfilling
- Training sessions to increase employees' awareness regarding the importance of selective waste collection and the benefits of recycling



# Our care for the people

## 4.1 Caring for our employees

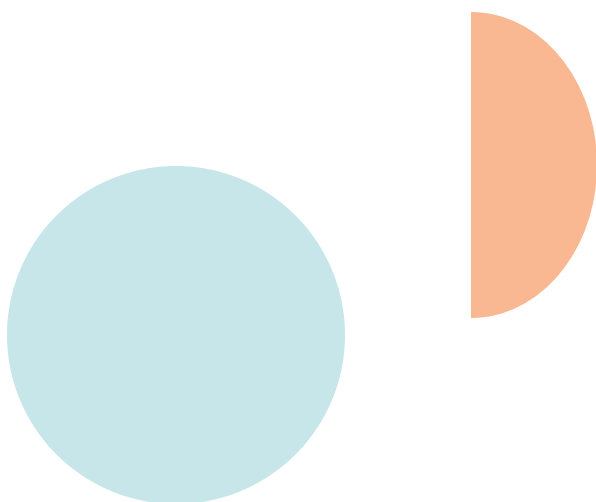
Our mission to provide efficient solutions for people and the environment is also reflected in our approach towards the employees of the TeraPlast Group.

Our priorities concerning the care for our employees focus on ensuring good employment conditions, a professional and equitable working environment, fair remuneration, performance recognition, and encouraging professional development, as well as health and safety for our employees at work every day. We also encourage dialogue both individually between the employees and the company, and at the union level. We believe that such an organizational climate fosters employee development and contributes to their retention, benefiting both the company and the community.

We do not tolerate behaviors that contravene TeraPlast Group's internal regulations and policies, human rights, or current legal provisions. Any such situation can be reported through the [integrity whistleblower system](#) available publicly on the websites of the companies of the Group.

In 2023, a total of 5 meetings took place where the revision of the remuneration policy and the improvement of the privacy and data protection policy within TeraPlast were discussed.

The following chapters explore in depth the material topics concerning our care for the employees.





## 4.1.1 Employee recruitment and retention

### Impact on the environment

- through the jobs available in our company, which are integrated into a responsible framework in terms of environmental protection, we encourage responsible behavior, and support and promote our employees' concern in this regard. They will apply the concepts they have learned in their personal lives, thereby contributing to environmental protection in the community they belong to.

### Impact on the people

- we create jobs.  
- we support the continuity of employment for our employees.

### Impact on the economy

- we maintain a stable framework for the company's development, which leads to increased economic performance and, consequently, a greater contribution to the state budget.

We are one of the largest employers in the county, so our approach to recruitment has a direct influence on the local community, including from the perspective of the values we promote and the skills we seek. We aim to build teams whose values intersect with those of our Group, where each colleague feels safe, appreciated, treated and remunerated fairly, where their rights are not violated, and where they are encouraged to continuously develop.

Our colleagues in the human resources department frequently conduct analyses concerning the company's positioning on the labor market, taking into consideration salary levels and benefits provided, as well as employee turnover compared to the average of the industry where we operate. We encourage our colleagues to actively participate in promoting available job positions and we offer referral bonuses (9 in 2023 vs 48 in 2022). Additionally, we value colleagues who have been with us for the long term and contribute to the success of our businesses, by also providing annual performance bonuses, attendance bonuses, additional days of annual leave based on seniority, etc.

### Performance

In 2023, our Group had an average of 996 employees, a decrease of 1% compared to 2022. Of these, 97% are permanent employees. From a diversity perspective, the proportion of women in the total number of employees increased from 22% in 2022 to 23% in 2023. The majority of our employees belong to TeraPlast SA, which had an average of 554 employees in 2023.

In terms of age groups, at the level of the Group, the highest proportion is of employees aged 30-50 years, comprising 52% of the workforce in 2023, which increased by 11pp compared to 2022. The categories of <30 years old and >50 years old experienced decreases in their proportions within the total number of employees at the Group level in 2023, by 2pp and 9pp respectively, compared to 2022. From the perspective of work location, 5 of the Group's employees carried out their activities in 2023 in Hungary, at the

TeraPlast distribution center in Berettyóújfalu. The team consists of 1 woman and 4 men, none of whom are under 30 years old, 3 colleagues belonging to the age group 30-50 years, while the other 2 colleagues are over 50 years old. The remaining employees of the Group carried out their activities in Romania in 2023. Detailed quantitative information concerning the Group's employees are available in the chapter Our performance in figures of this report.

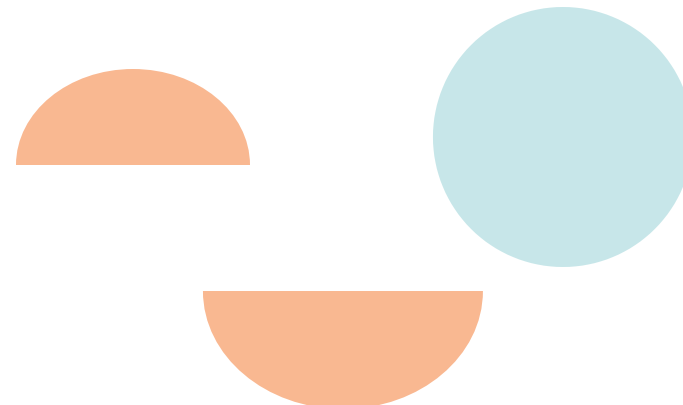
From an employee turnover perspective, 204 persons terminated their collaboration with our Group in 2023, 5% fewer than in 2022. This number excludes position discontinuations and independent reasons (e.g., retirement, death, disciplinary action, inaptitude). Therefore, in percentage terms, employee turnover in 2023 was 21%, remaining at the same level as in 2022. In terms of gender diversity for this indicator, 81% are male and 19% are female. Detailed information about turnover and new employees are available in the chapter Our performance in figures.

An important aspect in employee recruitment and retention is carrying out activities in an ethical climate, free from discrimination, harassment, and unequal treatment. Guidelines regarding accepted behavioral norms, as well as those that are not tolerated, are outlined in the Group's Code of Conduct and the internal regulation. Any deviations can be reported through the online integrity whistleblower, including those related to labor rights.

Detailed information about the employees of the Group are available in the Our performance in figures chapter.

### Initiatives for development:

- Designing and implementing a digitalized HR metrics system with monthly reports.
- Procuring salary and benefits studies to adapt to market demands and maintain our competitiveness as an employer.





## 4.1.2 Health and safety at work

### Impact on the environment

- the absence of workplace accidents ensures no disruptions in the company's operations, which supports efficiency and productivity, including in areas impacting the environment, such as resource consumption.  
 - by meeting basic workplace needs, we support employee development in other areas such as environmental protection education, where they can learn best practices to implement in their daily activities.

### Impact on the people

- we ensure a safe, healthy, and fair working environment for our employees, leading to improved quality of life and health protection.

### Impact on the economy

- we avoid incidents that could result in penalties, which could damage the company's reputation and financial stability, thereby endangering the company's development. This leads to increased economic performance, which in turn contributes to the state budget.

	2021	2022	2023	2023 VS 2022
Average no. of employees covered by the health and safety at work management system	905	993	976	-1,7%
Percentage of employees covered by the health and safety at work management system	100%	98%	98%*	

\* The 98% percentage is due to Somplast SA which no longer engages in production activities. The value does not include TeraPlast Hungary employees, who receive training and occupational health and safety measures, but not within a management system.

The health and safety at work, fire prevention and extinguishing, and emergency situations activities are coordinated by a centralized internal department at the level of the TeraPlast Group, composed of highly skilled and specialized individuals, ensuring that all necessary measures are taken to comply with specific legal and standard requirements.

Each employee is encouraged to report to their coordinator, or to any member of the centralized internal department, any situation or circumstance that could endanger their health or safety at work, as well as any incident or accident they are involved in or witness during their activities within the companies of the TeraPlast Group, or while commuting to and from the workplace.

In case of an incident that resulted in the injury of an employee or a third-party present on the premises of the companies of the TeraPlast Group, the supervisor of the workplace where the incident took place, or any other person who witnesses the incident, must notify the internal centralized health and safety department, which will then go to the scene of the incident. All necessary measures are taken to prevent any alteration of the actual state in which the incident occurred, and its occurrence is reported to the Territorial Labor Inspectorate. Classification of the incident as work accident or minor accident is done only after investigation is carried out according to legal provisions, specifically Law no. 319/2006 on occupational health and safety, and the Methodological Norms for the application of Law no. 319/2006 approved by Government Decision no. 1425/2006.

Following the completion of the investigation, measures are taken to prevent the occurrence of similar accidents by verifying the employees' knowledge and application of the provisions and measures outlined in the health and safety at work instructions and prevention plans. The employees are trained to know the causes of the accident, and a review of the risk assessment and the measures established for eliminating, reducing, or maintaining control over risks is conducted.

Each new employee undergoes a medical examination before employment, tailored to the activity they will perform. Monitoring employees' health is a continuous concern, and in 2023, a total of 787 individuals underwent medical examinations, both upon hiring and periodically.

Employees are the most valuable resource of any employer, and the importance that the TeraPlast Group places on its employees is evident through the measures taken to provide the best and safest working conditions, monitoring employee health, trainings to stimulate interest in every employee's health and safety, simulations organized for improving the capacity of response and involvement in case of potential emergency situations.

Separate from the existing policies of the quality – environment – health and safety at work integrated management systems, in 2023, at the level of the TeraPlast Group, we developed a distinct policy for occupational health and safety, fire prevention and extinguishing, and emergency situations, which can be viewed [at this link](#).

The policy reflects our firm commitments to ensuring safe and healthy working conditions, identifying hazards and assessing risks, eliminating or reducing risks to prevent workplace accidents and occupational illnesses, monitoring the working environment, reviewing our health and safety instructions for the activities we carry out, improving visual management, training employees and all individuals who have access to the premises of the companies of the TeraPlast Group, and monitoring the health status of our employees.

In 2023, within the companies of the Group we carried out the 2nd surveillance audit of the health and safety at work management systems according to the provisions of ISO 45001 standard, as part of the quality – environment – health and safety integrated management systems. Recertification audits for each health and safety at work management system take place every 3 years, and in the 2-year period between recertifications, surveillance audits are conducted to ensure the conditions for which the management system certification was obtained are maintained. In 2024, the recertification of the health and safety at work management system will be conducted according to the provisions of ISO 45001 standard.

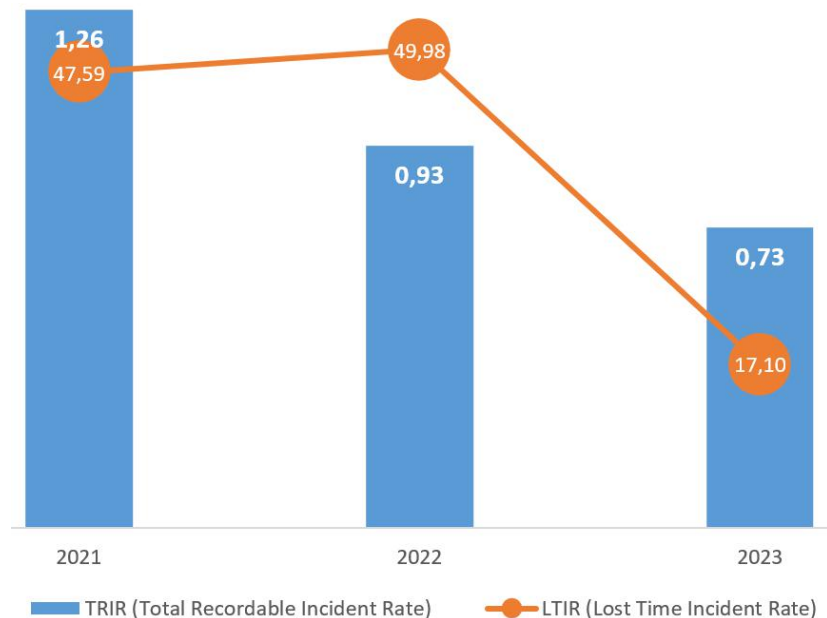


In 2023, 1.237 employees were trained to know the dangers and risks specific to the activities they carry out and benefited from general-introductory and workplace training on their first day at work in the TeraPlast Group team. Also in 2023, internal authorizations and courses were conducted for the personnel operating lifting equipment falling under the provisions of ISICR (such as forklifts, pallet trucks, etc.), totaling 896 trainings and courses.

Comparing these figures with the number of employees who underwent medical examinations, or who were trained in 2022 is not relevant since the number of individuals who joined the Group or who left our team are different each year. For more information about the personnel, please view the Our performance in figures chapter.

Throughout 2023, the entire Group underwent a refreshment of interior and exterior markings outside production and storage halls, as well as the improvement of visual management. This improvement included specific safety signs for activities and workplace risks, as well as traffic management measures and signs to enhance the circulation of vehicles within the premises of the companies of the Group.

At the level of the TeraPlast Group, in 2023 there were 4 work accidents, which is 3 fewer than the 7 work accidents recorded in 2022, and 2 minor accidents, which is 1 more than in 2022. The frequency of recorded accidents (TRIR) decreased by 21% in 2023 compared to 2022, while the severity of recorded incidents (LTIR) decreased by 66%.



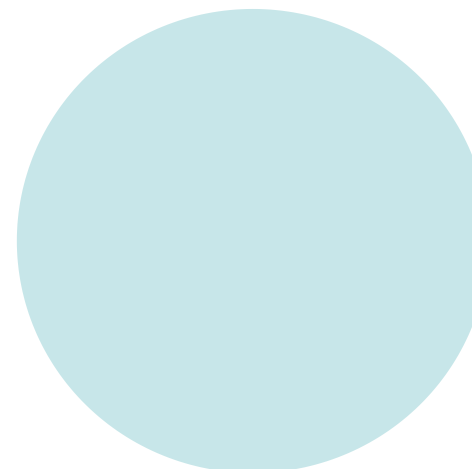
There were no recorded fatal accidents or accidents resulting in severe bodily harm (disability), nor were there any commuting or traffic accidents during working hours.

In each company within the TeraPlast Group, we identified hazards and assessed the risks of accidents and occupational illnesses based on their severity and likelihood of occurrence. Depending on the level of risk identified for each hazard, measures were established to eliminate or avoid hazards where possible. For hazards that cannot be eliminated or avoided, we established measures to reduce their impact or to control risks through individual or collective measures, such as providing personal protective equipment, monitoring the work environment, and others.

In 2023, within the TeraPlast Group, a total of 14 emergency simulations were conducted to train personnel in the use of fire extinguishers, emergency evacuation procedures, evacuation of goods, and response protocols in case of casualties. The coordination of simulations at the industrial park in Sărățel was carried out by the In-house Emergency Service (SPSU), consisting of specialized intervention personnel receiving specific periodic training. Coordination of simulations at TeraGlass Bistrița, and at the Năsăud location was conducted by the technical staff responsible for fire prevention and firefighting. One of the simulations was conducted jointly with the Bistrița-Năsăud Inspectorate for Emergency Situations (ISU).

**To ensure a safe and healthy working environment, our main directions of development in 2024 are:**

- Recertification of the health and safety at work management systems according to ISO 45001 standard
- Continuous improvement of measures established to prevent work accidents and occupational illnesses, as well as to prevent and extinguish fires, by simplifying the specific instructions, improving visual management, conducting practical trainings and exercises
- Conducting at least 15 simulations of emergency situations at the level of the TeraPlast Group





### 4.1.3 Equal opportunities, rights and freedoms

#### Impact on the environment

- by meeting basic workplace needs and educating employees on environmental issues, we encourage responsible behavior towards the environment, both in their personal life and in the workplace.

#### Impact on the people

- we ensure a safe, healthy, and fair working environment for our employees, increasing their confidence in the company, creating a pleasant organizational climate, and contributing to boosting their motivation to develop and perform.

#### Impact on the economy

- we avoid incidents that may lead to sanctions, we promote performance and the company's economic development.

At the Group level, we implemented policies and mechanisms to ensure that the rights of our employees are respected, their freedoms are not violated, and that we provide equal opportunities for all, free from discrimination and bias. These aspects contribute to the motivation of our colleagues and their orientation towards professional and personal development, encouraging free expression and the reporting of any actions or behaviors that do not adhere to conduct standards, without fear of reprisal. We also ensure freedom of association and have a union that covers all the employees within the Group.

Through our internal regulation, policies, and code of conduct, we clearly promote a zero-tolerance policy for discrimination based on sex, ethnicity, age, social class, religion, or affiliation with vulnerable groups. Additionally, we do not tolerate behaviors that create a tense work environment or allow acts of physical or moral harassment, disclosure of personal information, or actions contrary to moral and social norms. More details about our approach on this topic are available on our website [here](#).

In our recruitment, evaluation, and remuneration policy, the most important criteria in decision-making are related to the competencies of each candidate or employee. We ensure that we respect the principles of diversity and equal opportunities while focusing on attracting a qualified workforce with relevant skills for the available positions. Thus, we ensure that we have high-performing teams that consistently contribute with new ideas for the development of our businesses. At the same time, equal opportunities include the right to fair remuneration, unaffected by criteria related to age or gender.

The integrity whistleblower available on our website is a secure tool through which our employees and collaborators can report potential incidents concerning the violation by the companies within the Group or by our colleagues of the principles of equal opportunities, rights, and freedoms. In 2023, we did not record any incidents on the topics covered within this chapter, therefore no corrective measures were required.

#### Initiatives for progress:

- Within a maximum of 2 years, establishing a committee on equal opportunities and anti-harassment, and a dedicated policy.
- Accreditation of 3 persons as experts in equal opportunities.
- Zero incidents reported through the whistleblower system regarding equal opportunities, discrimination, and/or human and labor rights.
- Quarterly training sessions on anti-harassment policies and the whistleblower system.





#### 4.1.4 Employee well-being

##### Impact on the environment

- through the jobs available in our company, which are integrated into a responsible framework in terms of environmental protection, we support employees' concern in this area, which may motivate them to apply the concepts in their personal lives, thereby contributing to environmental protection in the community they belong to.

##### Impact on the people

- we provide a working environment that supports the well-being of employees, contributing to improving the quality of life for members of the community they belong to.

##### Impact on the economy

- we maintain a stable framework for the company's development by retaining employees, leading to increased economic performance.

As an employer, we have a direct influence on the well-being of our colleagues and their families. We promote and support the right to fair remuneration and a decent living. These translate into instruments through which we ensure the protection of our employees' health, as well as monitoring the attractiveness of the Group in terms of benefits packages offered, from salary levels to preventive medical packages. We believe that employees who feel fairly compensated are more motivated, thus increasing the likelihood that they will contribute further to the development of our businesses. Additionally, a decent standard of living increases the likelihood that employees will invest in their personal development.

In 2023, the benefits package remained in the same structure as in 2022, with only the amounts being modified where necessary. Throughout the past year, salaries increased (+9% on average compared to 2022), and the value of meal vouchers was raised to the maximum threshold provided by law, following the Group's policy in this regard. Gender pay gap between women and men reached 1% in 2023 (+1% women vs men), decreasing compared to 2022 (+6% women vs men). Additionally, at the group level, the average gross income is above the national average in 2023.

The TeraPlast Union covers 100% of the employees of companies TeraPlast SA, TeraGlass Bistrița SRL, TeraBio Pack SRL, and TeraPlast Recycling SA, and the provisions regarding consultation and negotiation periods are specified in the collective agreements. Individual negotiations take place within Somplast SA. Any operational and/or benefits scheme changes are communicated to our colleagues through official notifications and available workplace channels within 1-2 working days from their establishment.

##### Initiatives for progress:

- Negotiation of basic free medical analyses packages for our employees, with onsite collection and interpretation.
- Preparation in the next year of well-being courses dedicated to employees.

BENEFIT*	FULL TIME EMPLOYEES; PERMANENT EMPLOYEES	PART-TIME EMPLOYEES; FIXED-TERM EMPLOYEES
Life insurance	x	x
Health insurance	x	x
Disability coverage	x	x
Parental leave	x	x
Retirement allowance	x	x
Stock Option Plan	x	x
Presence bonus	x	
Performance rewards	x	
Meal vouchers	x	x
Gift vouchers	x	x
Easter/Christmas/Company Day rewards	x	x
Birthday anniversary rewards	x	x
Help in case of family events	x	x
Rest or treatment tickets expenses coverage	x	x
Transportation or fuel expenses coverage	x	x
Access to training programs	x	x
Other programs dedicated to employee well-being	x	x

\* Except for the Transportation or fuel expenses coverage, the above benefits cover employees from Romania, but not TeraPlast Hungary employees. For the location in Hungary, the benefits package will be tailored to the local labor market.



## 4.1.5 Professional development and promotion in the workplace

### Impact on the environment

- we support a culture of professional and personal development for each colleague, establishing the premises for acquiring new information, including in the context of environmental protection, information that can be subsequently applied by each individual.

### Impact on the people

- we contribute to improving the quality of life by developing learning and career advancement opportunities for our employees.

### Impact on the economy

- we ensure the company's development through well-trained employees with a solid set of knowledge, leading to increased economic performance of the company.

Undertaking qualification, specialization, or certification and skill development courses contributes to increasing the expertise of the TeraPlast Group teams, thus enhancing their performance and productivity.

### Performance

In 2023, at the group level, 54 training topics were covered, a decrease of 36% compared to the 84 topics in 2022. This trend is also reflected in the total number of training hours, as in 2023 the number of training hours was 24 hours/employee, 28% less than in 2022. This is due to the intensive on-the-job qualification process conducted in 2022, through which we achieved zero unskilled workforce within TeraPlast SA. Therefore, at present, within TeraPlast we only provide on-the-job training for new employees.

The main training topics in 2023 were: technical qualifications specific to production, leadership, digital skills, and negotiation techniques. Last year, 19 colleagues were promoted within the Group.

From a professional development perspective, in 2023 we continued the objectives from 2022 by qualifying unskilled workers for the occupation of "Plastic masses operator". Thus, in December 2023, the third group of 26 persons from TeraPlast completed the course and obtained the qualification which ensures a more efficient and higher-quality work in the targeted field. Another group consisting of 4 persons from TeraPlast Recycling and 24 persons from TeraPlast, participated in the course in 2022, taking the exam and obtaining the qualification in February 2023. Additionally, last year we certified 59 persons for the occupation of "Forklift operator" and 39 persons for the occupation of "Overhead crane operator".

Throughout 2023 we also continued on-the-job qualifications through assessment and qualification for the occupation of "CNC machine operator" for 31 colleagues in TeraGlass. Through the specialized course of "Environment specialist", knowledge was deepened in terms of environmental legislation relevant to the field of activity, as well as monitoring and recording waste management operations.

Another objective set for 2023 was the development of the Leadership competence and the managerial team, with 3 colleagues completing the "Project manager" course. Through this course, they developed skills in setting project objectives, specifications, and success criteria. Training programs also focused on the ESG field, with 1 person obtaining the International Business Advisor certification offered by IASE (International Association for Sustainable Economy).

Additionally, for the continuous development of skills, 26 colleagues from the sales department attended a sales and negotiations themed course.

### Evaluation

In 2023, the Group continued its direction towards digitizing the evaluation process and transitioning to a competency-focused evaluation system.

Evaluation based on the competency matrix continued in 2023 and will also extend into 2024. This encompasses a set of transversal/general competencies (e.g., teamwork, discipline, communication) and a more complex set of job-specific competencies. Besides individual assessment, this evaluation method also allows team-level competency and performance assessment. Moreover, it can serve as a continuous source of motivation towards achieving performance, and easily allows for the matrix visualization of all employees' competencies across all tasks of all positions. This is particularly useful for introducing job rotation, versatility, and quick replacement of temporarily absent persons without a significant decrease in product quality or delivery time to the customer.

Our Group has a performance-oriented organizational culture. Therefore, an important component in the evaluation process is assessing performance objectives set at the team level or, as appropriate, at the company level. Depending on the degree of achievement of sales objectives in the allocated business line, sales teams receive a monthly coefficient from the agreed sales bonus. For production teams, a production standardization procedure was implemented, which translates into monthly evaluation of operators' productivity at the production hall level and allocation of a coefficient from the agreed bonus based on monthly results. In the same direction, starting in 2024, a bi-annual performance evaluation program will be implemented for other categories of personnel (e.g., Technical, Economic and Social-Administrative (TESA) personnel, management).





## Dual learning

We believe that it is our responsibility to be directly involved in developing the future generations of professionals. Besides hosting students and interns for professional practice (54 in 2023 vs 69 in 2022), since 2020 we have had a partnership with the "Grigore Moisil" Technological High School from Bistrița, for the occupation of "CNC machine operators". In 2023, 39 persons were in training, with 21 completing the program in June 2023, and 18 scheduled to finish the program in June 2024.

After the project for the 3rd group of students in dual education began in TeraGlass during the 2022-2023 school year, we initiated the steps to establish the 4th group of students starting in the 2024-2025 school year.

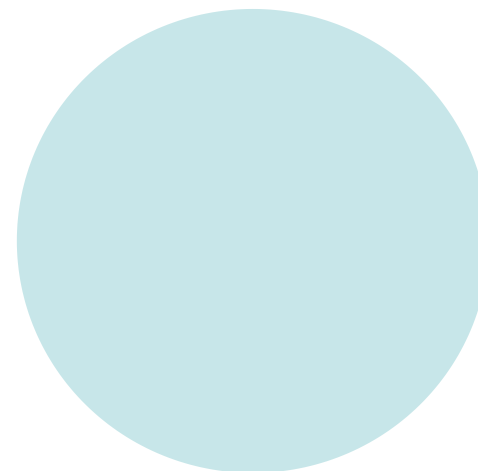
In 2023, the first skills competition took place, part of the series of 4 competitions proposed by the "Grigore Moisil" Bistrița High School. It was held within the TeraPlast industrial park in Sărățel, challenging the participating students to undertake two individual tests, one theoretical and one practical, with prizes awarded for the top 3 finishers. The evaluation committee consisted of three representatives from partner companies in the project. The students who participated in the "CNC operator" competition were from the "Grigore Moisil" Bistrița Technological High School and from the Beclean Agricultural Technological High School.

Also in the educational area, we have open doors for students who want to learn more about our activities. In 2023, we were visited by several groups of students from the Technical University of Cluj-Napoca.

### Initiatives for progress:

- Revision of the employee performance evaluation procedure.
- Developing collaborations with nearby higher education institutions through special internship programs, starting in 2024.
- Completion and implementation of job assessment in TeraPlast (job grading)
- Designing and implementing a program for developing new individual and team skills primarily dedicated to the sales team.
- Increasing employees' soft skills through quarterly courses on topics such as financial education and communication.

TeraPlast is currently developing transition assistance programs to support employees during periods of professional change. Our goal is to provide the necessary resources to ensure that our employees can successfully continue their career paths. To this end, our Human Resources team is working on implementing such career counseling services.





## 4.2 Caring for local communities

### Impact on the environment

- through social responsibility initiatives launched or supported in the community (especially those related to environmental awareness), we contribute to reducing the environmental impact in local communities.

### Impact on the people

- through our CSR initiatives, we contribute to improving the quality of life in local communities.

### Impact on the economy

- we support local communities through CSR initiatives, thereby contributing to the development of local markets.

Our responsibility extends beyond the gates of the TeraPlast Group companies; therefore, we support the development of the local community by providing financial support for projects that prevent or mitigate negative impacts, promote local heritage and environmental protection, but also by forming partnerships with educational institutions to develop tomorrow's professionals.

In 2023, the total value of group-wide sponsorships exceeded 1,1 million lei. Some of the largest community engagement projects supported in 2023 are detailed below.

### The road that unites

In 2023, we continued our long-standing partnership with Tășuleasa Social for Via Transilvanica. Following the inauguration of the 1.400 km trail in 2022, a process of numbering the trail markers with the help of Robo Tășu, a multifunctional robot, began. The project's goal is to enhance hiker safety on the trail by providing better orientation and more useful information, as well as the possibility to pinpoint their exact location in case of an emergency. The financial support provided by TeraPlast to the Tășuleasa Social association has enabled over time both the acquisition of the robot as well as the expenses required for the numbering process of the markers.



### We support excellence in sports

Throughout 2023, we sponsored multiple events promoting sports participation and athletic performance. We partnered with the Sports Festival, the TeraPlast Cup tournament in Bistrița, and we are sponsors of the Gloria 2018 Bistrița team.

Last year, we expanded our support for the local community and the sports club, aiming to nurture new talents, develop future professional athletes in a professional environment, and provide the best playing conditions. Thus, we participated in the auction for naming rights through which the new multipurpose hall in Bistrița is now called the TeraPlast Arena. The contract was signed for a period of 5 years, with a value exceeding 600 thousand lei per year.





## Involvement in education

We support educational projects that promote excellence and simultaneously encourage perseverance and the creation of a favorable learning environment.

In January 2023, as part of our collaboration with the “Grigore Moisil” Technological High School in Bistrița, the digital – CNC Operator competition took place, part of the county project “My craft – A job of the future”. The competition was held at the TeraPlast factory in Sărățel and involved two individual tests, one theoretical and one practical.

Additionally, over 100 students from the Faculty of Installations and Faculty of Constructions, electrical engineering specialization, of the Technical University of Cluj-Napoca, visited our factories. They had the opportunity to exchange information with our colleagues about our products.

In the spirit of encouraging educational progress, we continued to support the POV21 project, which rewards students with outstanding academic performance. During the event “Generații de POVeste” (former Comunitarium Gala), students are awarded laptops and have the opportunity to hear stories from professionals across various fields.

We also contribute to the tools available to students. In 2023 we once again supported the POV21 Library project, through which useful books for students in grades I-VIII are donated to a school library in the county.

We appreciate performance and initiatives that bring improvements to society. In 2023 we continued to support the seismic design team of the Technical University of Cluj-Napoca. The team has achieved multiple victories in the Seismic Design Competition in the USA over the years, and in 2023 they won first place at the 20th edition of the competition held in San Francisco.

An attractive school is one that keeps students engaged, sometimes directly influencing the dropout rate. Thus, last year we were involved in rehabilitating the roof of the Valea Spinului School in Năsăud, which was in a state of advanced decay. Over 100 students at the school now have better conditions for studying, especially during the cold and rainy periods of the year.

### Initiatives for progress:

In the next 3 years, we will continue our traditional partnerships with the Gloria 2018 Bistrița handball team and with Tășuleasa Social. Additionally, we will further develop partnerships with universities to implement programs through which students can interact with our Group and apply for the internship opportunities we offer. The directions we support remain focused on education, sports, and improving social conditions.





# About this report

This report is the 5th Sustainability Report of the TeraPlast Group, through which every year, until the end of June, we publish relevant information regarding the sustainability performance of the previous financial year. The information presented in this report pertains to the activities of the companies: TeraPlast S.A., TeraGlass Bistrița S.R.L., TeraPlast Recycling SA., TeraBio Pack S.R.L., Somplast SA.

This report has been prepared in accordance with the GRI (Global Reporting Initiative) Standards for the period January 1st, 2023 – December 31st, 2023, also taking into account the SASB (Sustainability Accounting Standards Board) reporting framework. The full list of indicators used, corresponding to the two reporting frameworks, can be found in the Content index at the end of the report. The provided information has not been audited or assured by a third party.

To improve the reporting process and to ensure alignment of quantitative information reported in accordance with the data used for calculating the carbon footprint of the TeraPlast Group, as well as to address some errors identified in the previous report, we made modifications compared to the 2022 Sustainability Report on the following topics:

## 1. Our progress

- updating certain energy and emissions values in accordance with the modifications mentioned below (pages 52-54 – Our performance in figures)

## 2. Supply chain and procurement from responsible sources

- including a group of procured auxiliary materials (page 25 – TeraPlast, Auxiliary materials)
- changing the unit of measurement for the procured auxiliary materials (page 25 – TeraBio Pack, Auxiliary materials)

## 3. Resource management

- correcting an error that occurred in calculating the total electricity consumed in years 2021 and 2022 (page 34 – Energy; page 52 – Our performance in figures)
- correcting an error that occurred in calculating the energy produced by the photovoltaic panels in 2022 (page 34 – Energy; page 52 – Our performance in figures)
- updating various values that were calculated based on the two modifications mentioned above (page 34 – Energy; page 52 – Our performance in figures)

## 4. Greenhouse gas emissions and climate protection

- updating emissions calculated for years 2021 and 2022 to reflect the modifications mentioned above in Resource management (pages 53-54 – Our performance in figures)

## 5. Waste management and circular economy

- updating waste quantities for years 2021 and 2022 to include certain types of waste that were not reported previously (page 40; page 56 – Our performance in figures)


## 6. Reporting according to the EU Taxonomy


- restating certain activities reported in the previous year which in the current reporting were included under main activities (page 61 – Reporting according to the EU Taxonomy, activities CCM 7.1 and CCM 7.7)
- including in 2022 an activity that was not included in the previous reporting (pages 61-67 – Reporting according to the EU Taxonomy, activity CCM 5.9)
- including in 2022 the activities from Delegated Regulation 2023/2486, to enable appropriate comparisons with the year 2023 (pages 61-67 – Reporting according to the EU Taxonomy, activities CE 1.1 and WTR 1.1)


The report is structured into four main sections (Our company, Our products, Our care for the environment, Our care for the people), that are aligned with the development directions defined at Group level. In the section “Our performance in figures”, extensive quantitative data can be found, while descriptive information and key quantitative data related to each material aspect are highlighted in the dedicated chapter.

For more information and feedback regarding this sustainability report, you can contact us at:

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# Our performance in figures

## Resource management

NO	ENERGY CONSUMPTION	2021	2022	2023	2023 VS 2022
1	Total electricity consumption of the Group (MWh) <sup>1)</sup>	33.522	33.984	37.290	9,70%
2	Electricity produced by the photovoltaic panels (MWh) <sup>2)</sup>	1.732	1.706	1.510	-11,50%
3	Electricity procured from renewable energy sources (for which were emitted Guarantees of Origin (GO), 1 GO = 1 MWh) (MWh) <sup>3)</sup>	24.075	22.646	27.181	20,00%
4	Percentage of renewable energy <sup>4)</sup>	77,00%	71,70%	76,90%	+5,3pp
5	Total production of the Group (tons) <sup>5)</sup>	80.059	78.549	79.644	1,40%
6	Electricity consumption per ton of finished product (MW/ton)	0,42	0,43	0,47	8,20%
7	Consumul total de combustibili (GJ) <sup>6)</sup>	23.243	21.567	19.748	-8,40%
8	Total energy consumption (GJ) <sup>7)</sup>	175.154	168.524	175.105	3,90%
9	Total energy consumption per ton of finished product (GJ/ton) <sup>8)</sup>	2,188	2,145	2,199	2,50%

1) The values for 2021 and 2022 were updated to correct a calculation error that previously resulted in a doubled quantity of electricity in the total consumption.

2) The value for 2022 was updated to eliminate a previously erroneously summed quantity of renewable energy.

3) The values for 2021 and 2022 were updated in accordance with modifications mentioned in note 1).

4) The percentage for 2022 was updated in accordance with the modification mentioned in note 2).

5) The values for 2021 and 2022 were replaced because the amounts reported previously represented total products sold.

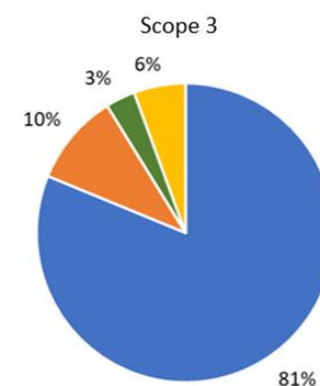
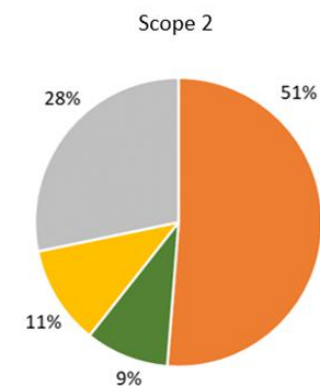
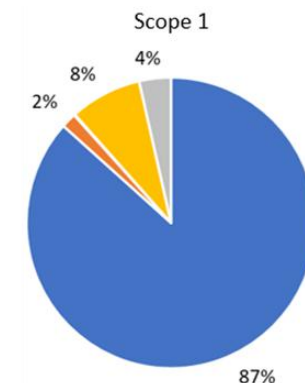
6) The fuels used within the Group are diesel and petrol, from non-renewable sources.

7) The total energy consumption includes electricity consumption, natural gas consumption, and fuel consumption for vehicles in the own fleet. The conversion factors used are: 1 MWh electricity = 3,6 GJ, 1 m<sup>3</sup> natural gas = 0,0373 GJ, 1 liter of diesel = 0,0386 GJ, 1 liter of petrol = 0,0342 GJ. The values from 2021 and 2022 were updated in accordance with modifications mentioned in note 1).

8) The values from 2021 and 2022 were updated in accordance with modifications mentioned in notes 5) and 7).

## Greenhouse gas emissions and climate protection - 2021

NO	EMISSIONS IN KG CO <sub>2</sub> EQ FOR YEAR 2021	TERAPLAST GROUP	TERAPLAST	TERAPLAST RECYCLING	TERABIO PACK	TERAGLASS BISTRIȚA	SOMPLAST
1	<b>SCOPE 1 EMISSIONS</b>						
2	Diesel	1.539.240	1.386.867	62.169	3.991	56.047	30.166
3	Petrol	50.392	41.742	0	0	7.684	967
4	Natural gas	1.762.440	1.427.538	0	0	234.213	100.689
5	Refrigerant type R407C	125.048	125.048	0	0	0	0
6	Refrigerant type R410A	230.820	230.820	0	0	0	0
7	<b>Total Scope 1 emissions</b>	<b>3.707.940</b>	<b>3.212.015</b>	<b>62.169</b>	<b>3.991</b>	<b>297.943</b>	<b>131.822</b>
8	<b>SCOPE 2 EMISSIONS *</b>						
9	Procured electricity (location-based)	6.784.041	5.137.583	844.194	154.447	182.848	464.969
10	Procured electricity (market-based)	2.205.821	0	1.130.998	206.919	244.968	622.936
11	Electricity from photovoltaic panels	0	0	0	0	0	0
12	<b>Total Scope 2 emissions (location-based)</b>	<b>6.784.041</b>	<b>5.137.583</b>	<b>844.194</b>	<b>154.447</b>	<b>182.848</b>	<b>464.969</b>
13	<b>Total Scope 2 emissions (market-based)</b>	<b>2.205.821</b>	<b>0</b>	<b>1.130.998</b>	<b>206.919</b>	<b>244.968</b>	<b>622.936</b>
14	<b>SCOPE 3 EMISSIONS</b>						
15	Purchased goods and services	136.066.882	117.430.722	8.087.494	2.188.948	8.359.719	n/a
16	Capital goods	7.370.972	4.023.191	508.107	2.830.517	9.156	n/a
17	Other energy and fuel-related emissions, different from Scopes 1 and 2 emissions	2.418.305	1.615.667	165.676	28.582	608.381	n/a
18	Upstream transportation and distribution	15.417.426	11.464.158	3.235.791	165.609	551.869	n/a
19	Waste generated during operations	1.214.809	664.871	434.534	49.909	65.495	n/a
20	Business travel	16.503	14.840	455	1.204	5	n/a
21	Employee commuting	476.994	338.990	52.529	54.917	30.559	n/a
22	Downstream transportation and distribution	6.762.949	5.276.046	521.577	167.033	798.293	n/a
23	Further processing of sold products	15.067.892	9.594.235	5.473.657	0	0	n/a
24	End-of-life treatment of sold products	567.297	103.880	0	463.417	0	n/a
25	<b>Total Scope 3 emissions</b>	<b>185.380.030</b>	<b>150.526.598</b>	<b>18.479.819</b>	<b>5.950.136</b>	<b>10.423.477</b>	<b>n/a</b>
26	<b>Total Scope 1, Scope 2 (market-based) and Scope 3 emissions</b>	<b>191.293.791</b>	<b>153.738.613</b>	<b>19.672.987</b>	<b>6.161.046</b>	<b>10.966.388</b>	<b>754.758</b>

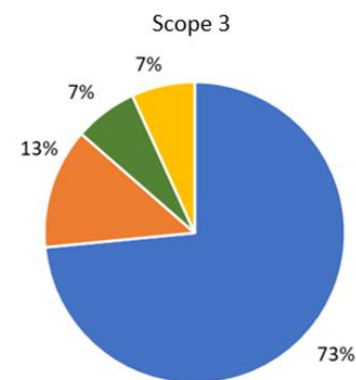
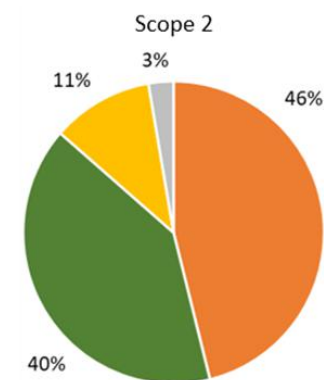
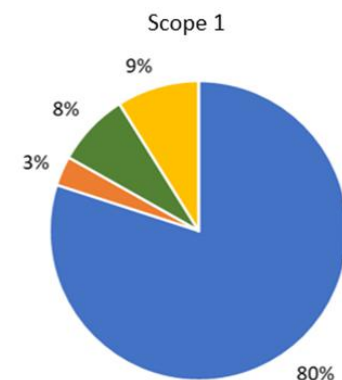


■ TeraPlast ■ TeraPlast Recycling ■ TeraBio Pack ■ TeraGlass Bistrița ■ Somplast

\* Values reported previously and marked with italic text were updated according to modifications mentioned for the energy consumption table.

## Greenhouse gas emissions and climate protection - 2022

NO	EMISSIONS IN KG CO <sub>2</sub> EQ FOR YEAR 2022	TERAPLAST GROUP	TERAPLAST	TERAPLAST RECYCLING	TERABIO PACK	TERAGLASS BISTRIȚA	SOMPLAST
1	<b>SCOPE 1 EMISSIONS</b>						
2	Diesel	<b>1.265.145</b>	1.077.768	74.200	44.437	68.740	0
3	Petrol	<b>207.139</b>	184.781	0	15.340	7.019	0
4	Natural gas	<b>1.396.687</b>	1.045.767	0	169.144	181.710	66
5	Refrigerant type R407C	<b>17.864</b>	0	17.864	0	0	0
6	Refrigerant type R410A	<b>0</b>	0	0	0	0	0
7	<b>Total Scope 1 emissions</b>	<b>2.886.835</b>	<b>2.308.316</b>	<b>92.064</b>	<b>228.920</b>	<b>257.468</b>	<b>66</b>
8	<b>SCOPE 2 EMISSIONS *</b>						
9	Procured electricity (location-based)	<b>6.888.118</b>	<i>4.832.760</i>	947.755	828.489	224.083	55.031
10	Procured electricity (market-based)	<b>942.922</b>	<i>0</i>	434.795	380.080	102.801	25.246
11	Electricity from photovoltaic panels	<b>0</b>	0	0	0	0	0
12	<b>Total Scope 2 emissions (location-based)</b>	<b>6.888.118</b>	<b>4.832.760</b>	<b>947.755</b>	<b>828.489</b>	<b>224.083</b>	<b>55.031</b>
13	<b>Total Scope 2 emissions (market-based)</b>	<b>942.922</b>	<b>0</b>	<b>434.795</b>	<b>380.080</b>	<b>102.801</b>	<b>25.246</b>
14	<b>SCOPE 3 EMISSIONS</b>						
15	Purchased goods and services	<b>131.559.333</b>	103.661.056	11.791.435	6.229.651	9.877.190	n/a
16	Capital goods	<b>6.113.819</b>	3.981.731	141.716	1.981.622	8.751	n/a
17	Other energy and fuel-related emissions, different from Scopes 1 and 2 emissions	<b>2.416.911</b>	1.243.906	152.391	536.024	484.591	n/a
18	Upstream transportation and distribution	<b>12.577.150</b>	7.919.081	3.520.170	473.799	664.100	n/a
19	Waste generated during operations	<b>1.311.668</b>	677.048	417.671	131.418	85.532	n/a
20	Business travel	<b>36.373</b>	30.971	2.004	3.398	0	n/a
21	Employee commuting	<b>670.006</b>	455.900	85.066	68.673	60.366	n/a
22	Downstream transportation and distribution	<b>6.568.267</b>	4.173.278	852.706	676.300	865.983	n/a
23	Further processing of sold products	<b>13.653.856</b>	7.751.584	5.902.272	0	0	n/a
24	End-of-life treatment of sold products	<b>1.993.985</b>	85.439	0	1.908.546	0	n/a
25	<b>Total Scope 3 emissions</b>	<b>176.901.368</b>	<b>129.979.993</b>	<b>22.865.430</b>	<b>12.009.432</b>	<b>12.046.512</b>	<b>n/a</b>
26	<b>Total Scope 1, Scope 2 (market-based) and Scope 3 emissions</b>	<b>180.731.125</b>	<b>132.288.309</b>	<b>23.392.289</b>	<b>12.618.433</b>	<b>12.406.781</b>	<b>25.312</b>

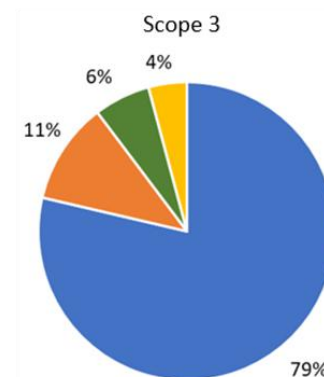
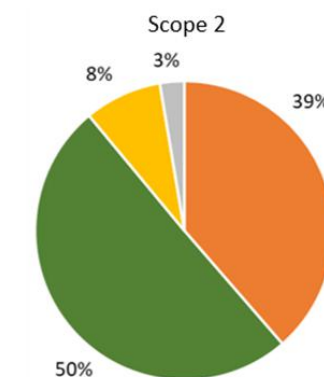
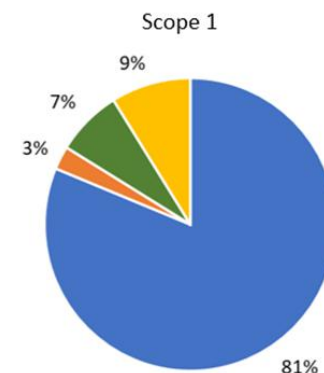


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\* Values reported previously and marked with italic text were updated according to modifications mentioned for the energy consumption table.

## Greenhouse gas emissions and climate protection - 2023

NO	EMISSIONS IN KG CO <sub>2</sub> EQ FOR YEAR 2023	TERAPLAST GROUP	TERAPLAST	TERAPLAST RECYCLING	TERABIO PACK	TERAGLASS BISTRIȚA	SOMPLAST
1	<b>SCOPE 1 EMISSIONS</b>						
2	Diesel	1.197.361	1.035.179	51.769	48.760	61.653	0
3	Petrol	151.407	129.924	115	11.666	9.702	0
4	Natural gas	1.192.725	899.602	13.697	125.941	153.485	0
5	Refrigerant type R407C	0	0	0	0	0	0
6	Refrigerant type R410A	0	0	0	0	0	0
7	<b>Total Scope 1 emissions</b>	<b>2.541.494</b>	<b>2.064.705</b>	<b>65.581</b>	<b>186.368</b>	<b>224.840</b>	<b>0</b>
8	<b>SCOPE 2 EMISSIONS</b>						
9	Procured electricity (location-based)	7.986.088	6.066.782	741.148	966.417	161.098	50.643
10	Procured electricity (market-based)	1.897.808	0	732.846	955.592	159.294	50.076
11	Electricity from photovoltaic panels	0	0	0	0	0	0
12	<b>Total Scope 2 emissions (location-based)</b>	<b>7.986.088</b>	<b>6.066.782</b>	<b>741.148</b>	<b>966.417</b>	<b>161.098</b>	<b>50.643</b>
13	<b>Total Scope 2 emissions (market-based)</b>	<b>1.897.808</b>	<b>0</b>	<b>732.846</b>	<b>955.592</b>	<b>159.294</b>	<b>50.076</b>
14	<b>SCOPE 3 EMISSIONS</b>						
15	Purchased goods and services	162.789.456	139.679.339	6.921.377	8.968.613	7.220.127	n/a
16	Capital goods	9.358.827	790.237	8.311.456	245.814	11.320	n/a
17	Other energy and fuel-related emissions, different from Scopes 1 and 2 emissions	1.717.182	1.348.605	119.156	174.956	74.465	n/a
18	Upstream transportation and distribution	17.723.250	13.101.801	3.039.552	799.687	782.209	n/a
19	Waste generated during operations	2.394.800	1.416.145	669.107	158.260	151.288	n/a
20	Business travel	68.634	53.414	8.310	5.216	1.695	n/a
21	Employee commuting	665.600	461.212	68.390	93.912	42.086	n/a
22	Downstream transportation and distribution	8.090.143	6.249.234	483.316	641.680	715.913	n/a
23	Further processing of sold products	9.623.443	6.108.289	3.515.154	0	0	n/a
24	End-of-life treatment of sold products	2.871.420	93.766	662.939	2.114.715	0	n/a
25	<b>Total Scope 3 emissions</b>	<b>215.302.754</b>	<b>169.302.041</b>	<b>23.798.756</b>	<b>13.202.852</b>	<b>8.999.104</b>	<b>n/a</b>
26	<b>Total Scope 1, Scope 2 (market-based) and Scope 3 emissions</b>	<b>219.742.056</b>	<b>171.366.746</b>	<b>24.597.183</b>	<b>14.344.812</b>	<b>9.383.238</b>	<b>50.076</b>



Emission factors used for calculating the carbon footprint were taken from the following sources:

- Scope 1, fuels for transport and natural gas – from the calculation tools associated with the GHG Protocol
- Scope 1, refrigerants – from IPCC AR5 and 2006 IPCC Guidelines (table 7.8)
- Scope 2 (market-based) – from the electricity supplier
- Scope 3 – from the Ecoinvent and Exiobase databases

■ TeraPlast 
 ■ TeraPlast Recycling 
 ■ TeraBio Pack 
 ■ TeraGlass Bistrița 
 ■ Somplast



## Waste management and circular economy

values in tons\*

NO		TERAPLAST			TERAPLAST RECYCLING			TERAGLASS			TERABIO PACK***		
		2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
1													
2	<b>Waste generated by the organization:</b>												
3	paper and cardboard packaging waste	109,33	129,04	108,89	0,28	1,38	0	5,46	8,55	4,99	14,15	3,80	27,55
4	plastic packaging waste	181,75	180,06	212,29	13,55	34,41	27,06	1,19	6,81	4,57	72,28	207,27	85,09
5	wood packaging waste	572,71	447,56	375,76	18,20	28,54	29,52	0	13,84	5,14	0	2,72	22,61
6	other non-hazardous waste	<i>1.178,70</i>	<i>1.071,07</i>	<i>774,49</i>	<i>1.025,59</i>	<i>999,71</i>	<i>410,27</i>	<i>149,79</i>	<i>218,45</i>	<i>186,10</i>	<i>394,03</i>	<i>113,43</i>	<i>124,82</i>
7	hazardous waste	<i>11,93</i>	<i>22,38</i>	<i>6,31</i>	0	0	0	2,62	2,49	2,98	2,03	1,76	1,34
8	<b>Waste recovered internally:</b>												
9	paper and cardboard packaging waste	0	0	0	0	0	0	0	0	0	0	0	0
10	plastic packaging waste	0	0	0	0	0	0	0	0	0	42,30	41,74	48,98
11	wood packaging waste	215,27	62,50	89,22	0	0	0	0	0	0	0	0	0
12	other non-hazardous waste	<i>180,40</i>	<i>87,33</i>	<i>126,44</i>	0	0	0	0	0	0	0	0	0
13	<b>Waste recovered by third parties</b>												
14	paper and cardboard packaging waste	109,33	129,04	108,89	0,28	1,38	0	5,46	8,55	4,99	14,15	3,80	27,55
15	plastic packaging waste	181,75	180,06	212,29	13,55	34,41	27,06	1,19	6,81	4,57	29,98	165,52	36,10
16	wood packaging waste	357,44	385,07	286,54	18,20	28,54	29,52	0,00	13,84	5,14	0	2,72	22,61
17	other non-hazardous waste	<i>131,42</i>	<i>26,50</i>	<i>17,88</i>	<i>34,51</i>	<i>72,33</i>	<i>29,07</i>	<i>65,52</i>	<i>98,86</i>	<i>94,85</i>	<i>34,78</i>	0	0,69
18	<i>hazardous waste**</i>	3,65	2,55	1,25	0	0	0	0	0,18	0	0	0	0
19	<b>Disposed hazardous waste:</b>												
20	incineration	8,28	19,83	5,06	0	0	0	2,62	2,31	2,98	2,03	1,76	1,34
21	landfilling	0	0	0	0	0	0	0	0	0	0	0	0
22	others	0	0	0	0	0	0	0	0	0	0	0	0
23	<b>Disposed non-hazardous waste:</b>												
24	incineration	263,08	281,12	469,84	0	0	247,58	0	0	40,56	0	10,03	15,84
25	landfilling	<i>603,80</i>	<i>676,11</i>	<i>160,33</i>	<i>991,08</i>	<i>927,38</i>	<i>133,62</i>	<i>84,27</i>	<i>119,59</i>	<i>50,69</i>	<i>359,25</i>	<i>103,40</i>	<i>108,29</i>
26	others	0	0	0	0	0	0	0	0	0	0	0	0

Note: The quantities for years 2021 and 2022 marked with italic text in the table above were updated to provide a more accurate representation in line with the information used for calculating the TeraPlast Group Scope 3 carbon footprint. Specifically, certain types of waste that were not previously reported have been included, namely: scrap waste recycled internally, household waste disposed in waste landfills, used oil recovered through reprocessing, glass waste recovered through melting.

\* The data regarding the quantities of waste are taken from the documents prepared for each waste transport, which is weighed, and the quantity is recorded in the accompanying transport documents, such as goods transport notices, and the specific forms for the transport of non-hazardous waste and hazardous waste, drafted according to the environment legislation in force.

\*\* The hazardous waste category was added to include quantities of used oil recovered by third parties.

\*\*\* In 2021, TeraBio Pack took over the entire production activity of Somplast. As a result, the data for 2021 represents the accumulation of quantities from both TeraBio Pack and Somplast.



## Information about employees

NO	COMPANY	YEAR	Number of employees			Full-time employees			Part-time employees			Permanent employees			AGE GROUPS		
			Total	Women	Men	Total	Women	Men	Total	Women	Men	Total	Women	Men	<30 years	30-50 years	>50 years
1	TeraPlast Group																
2		2019	717	141	576	676	114	562	36	26	10	708	139	569	15%	58%	26%
3		2020	771	135	636	744	117	627	27	17	10	761	132	629	14%	58%	27%
4		2021	905	187	718	857	160	698	47	27	20	877	181	706	14%	52%	34%
5		2022	1.009	223	786	958	194	764	51	29	22	993	218	775	16%	41%	43%
6		<b>2023</b>	<b>996</b>	<b>226</b>	<b>770</b>	<b>936</b>	<b>192</b>	<b>744</b>	<b>60</b>	<b>34</b>	<b>26</b>	<b>975</b>	<b>221</b>	<b>754</b>	<b>14%</b>	<b>51%</b>	<b>34%</b>
7		<i>2023 vs 2022</i>		<i>-1%</i>	<i>1%</i>	<i>-2%</i>	<i>-2%</i>	<i>-1%</i>	<i>-3%</i>	<i>18%</i>	<i>17%</i>	<i>18%</i>	<i>-2%</i>	<i>1%</i>	<i>-3%</i>	<i>-11%</i>	<i>23%</i>
8	TeraPlast	2019	526	98	428	512	90	422	9	7	2	517	96	421	14%	59%	26%
9		2020	548	96	452	543	92	451	5	4	1	539	93	446	14%	59%	27%
10		2021	532	92	440	521	86	435	11	6	5	520	88	432	14%	51%	35%
11		2022	520	85	435	517	83	434	3	2	1	509	82	427	13%	35%	52%
12		<b>2023</b>	<b>554</b>	<b>91</b>	<b>463</b>	<b>550</b>	<b>88</b>	<b>462</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>539</b>	<b>88</b>	<b>451</b>	<b>14%</b>	<b>53%</b>	<b>36%</b>
13		TeraGlass	2019	140	34	106	124	22	102	16	12	4	34	104	13%	58%	29%
14	2020		172	32	140	159	23	136	13	9	4	171	32	139	15%	55%	30%
15	2021		179	36	143	164	27	137	15	9	6	175	35	140	17%	53%	30%
16	2022		207	47	160	194	38	156	13	9	4	205	46	159	22%	51%	27%
17	<b>2023</b>		<b>186</b>	<b>47</b>	<b>139</b>	<b>172</b>	<b>38</b>	<b>134</b>	<b>14</b>	<b>10</b>	<b>4</b>	<b>184</b>	<b>46</b>	<b>138</b>	<b>19%</b>	<b>53%</b>	<b>28%</b>
18	TeraPlast Recycling	2019	51	9	42	40	2	38	11	7	4	51	9	42	24%	57%	20%
19		2020	51	7	44	42	2	40	9	4	5	51	7	44	16%	65%	20%
20		2021	66	10	56	56	4	53	9	6	3	55	10	55	11%	62%	27%
21		2022	105	14	91	89	6	83	16	8	8	104	14	90	14%	58%	28%
22		<b>2023</b>	<b>89</b>	<b>16</b>	<b>73</b>	<b>69</b>	<b>6</b>	<b>63</b>	<b>20</b>	<b>11</b>	<b>9</b>	<b>88</b>	<b>17</b>	<b>71</b>	<b>15%</b>	<b>52%</b>	<b>34%</b>
23	TeraBio Pack	2021	49	21	28	44	18	26	5	3	2	48	20	28	14%	51%	35%
24		2022	161	70	91	147	64	83	14	7	7	159	69	90	17%	38%	45%
25		<b>2023</b>	<b>147</b>	<b>64</b>	<b>83</b>	<b>131</b>	<b>57</b>	<b>74</b>	<b>16</b>	<b>6</b>	<b>10</b>	<b>144</b>	<b>62</b>	<b>82</b>	<b>12%</b>	<b>50%</b>	<b>38%</b>
26	Somplast	2021	79	28	51	72	25	47	7	3	4	79	28	51	13%	38%	49%
27		2022	16	7	9	11	3	8	5	3	2	16	7	9	19%	38%	44%
28		<b>2023</b>	<b>15</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>2</b>	<b>7</b>	<b>6</b>	<b>4</b>	<b>2</b>	<b>15</b>	<b>7</b>	<b>8</b>	<b>7%</b>	<b>40%</b>	<b>53%</b>
29	TeraPlast Hungary	<b>2023</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>1</b>	<b>4</b>	<b>0%</b>	<b>60%</b>	<b>40%</b>

The above values represent the headcount and the sum of the average number of employees for each month during the period from January to December of each year.



## Information about employees - by area of activity

AT THE LEVEL OF THE TERAPLAST GROUP		2023	2022	2021	% IN 2023					% IN 2022					% IN 2021				
NO					% women	% men	<30 years	30-50 years	>50 years	% women	% men	<30 years	30-50 years	>50 years	% women	% men	<30 years	30-50 years	>50 years
1	Management	112	101	64	33%	67%	1%	61%	38%	33%	67%	0%	64%	36%	38%	63%	1%	71%	28%
2	Administrative/support personnel	140	140	133	58%	41%	17%	54%	29%	54%	46%	19%	59%	22%	55%	45%	14%	65%	21%
3	Direct productive personnel	454	492	426	13%	87%	19%	47%	34%	14%	86%	21%	45%	34%	12%	88%	19%	49%	32%
4	Indirect productive personnel	227	221	213	9%	91%	10%	47%	43%	9%	91%	12%	45%	43%	8%	92%	14%	46%	40%
5	Sales personnel	63	55	69	41%	59%	10%	80%	11%	43%	57%	6%	83%	11%	36%	64%	12%	71%	17%

## Information about employees - at the management level

AT THE LEVEL OF THE TERAPLAST GROUP			2023	2022	2021	IN 2023			IN 2022			IN 2021		
NO						<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years	<30 years	30-50 years	>50 years
1	TeraPlast	women	31%	30%	36%	0%	21%	10%	0%	11%	19%	0%	24%	10%
		men	69%	70%	64%	0%	40%	29%	0%	26%	44%	0%	45%	21%
2	TeraGlass	women	41%	44%	40%	0%	29%	12%	0%	31%	13%	0%	30%	0%
		men	59%	56%	60%	6%	18%	35%	0%	38%	19%	10%	30%	30%
3	TeraPlast Recycling	women	33%	30%	40%	0%	33%	0%	0%	40%	0%	0%	40%	0%
		men	67%	70%	60%	0%	42%	25%	0%	40%	20%	0%	60%	0%
4	TeraBio Pack	women	37%	35%	60%	0%	21%	16%	0%	20%	15%	0%	40%	20%
		men	63%	65%	40%	0%	31%	32%	0%	35%	30%	0%	40%	0%
5	Somplast	women	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
		men	100%	100%	100%	0%	100%	0%	0%	100%	0%	0%	50%	50%
6	TeraPlast Hungary*	women	0%	n/a	n/a	0%	0%	0%	n/a	n/a	n/a	n/a	n/a	n/a
		men	100%	n/a	n/a	0%	0%	100%	n/a	n/a	n/a	n/a	n/a	n/a

\*TeraPlast Hungary started its activity at the beginning of year 2023.



## Board of Directors - Diversity

NO	BOARD OF DIRECTORS	2023	2022	2021	% IN 2023	% IN 2022	% IN 2021
1	men	4	4	4	80%	80%	80%
2	women	1	1	1	20%	20%	20%
3	<b>By age groups</b>						
4	<30 years	0	0	0	0%	0%	0%
5	30-50 years	2	2	3	40%	40%	60%
6	>50 years	3	3	2	60%	60%	40%

\* Until September 2023, the Board of Directors consisted of 4 men and 1 woman. As of September 2023, following the decision of the General Shareholders Meeting (AGM), the Board of Directors is now composed of 5 men, with 2 members in the 30-50 age group, 3 members over 50 years old, and no members under 30 years old.

## Information about employees - New employees

NO	NEW EMPLOYEES	2023	2022
1	Employee average	996	1.009
2	Total new employees	379	396
3	women	27%	18%
4	men	73%	82%
5	<30 years	28%	41%
6	30-50 years	45%	41%
7	>50 years	27%	19%

## Information about employees - Training

NO	TERAPLAST GROUP	2020	2021	2022	2023	EVOLUTION 2023/2022
1	Total no of training topics	32	47	84	54	-36%
2	Total training hours	1.088	4.517	31.564	22.628	-28%
3	Training hours/employee	1,41	5	31,28	24,00	-23%
4	No of trained persons	203	351	255	231	-9%
5	of which women	50	143	52	19	-63%
6	of which men	153	208	203	212	4%
7	Managers	14	23	39	0	n/a

## Information about employees - Turnover

NO	TERAPLAST GROUP	2023	2022
1	Turnover ratio	21%	21%
2	<b>By gender:</b>		
3	men	82%	81%
4	women	18%	19%
5	<b>By age:</b>		
6	<30 years	27%	31%
7	30-50 years	44%	48%
8	>50 years	29%	22%



## Information about employees - Health and safety at work

NO		2021	2022	2023	2023 VS 2022
1	TeraPlast SA	7 + 1 minor	3	3 + 2 minor	+67%
2	TeraPlast Recycling SA	0	1	1	-
3	TeraGlass Bistrița SRL	1	1 + 1 minor	0	-100%
4	TeraBio Pack SRL (took over the production activity of Somplast SA in 2021)	0	2	0	-100%
5	Somplast SA (no production activity since 2021)	0	-	-	-
6	TeraPlast Hungary (started activity at the beginning of 2023)	-	-	0	-
7	<b>TeraPlast Group - Total work accidents and minor accidents</b>	<b>9</b>	<b>8</b>	<b>6</b>	<b>-25%</b>
8	<b>TeraPlast Group - Total days lost due to work accidents</b>	<b>339</b>	<b>429</b>	<b>140</b>	<b>-67%</b>
9	<b>TeraPlast Group - Total hours worked by all employees</b>	<b>1.424.554</b>	<b>1.716.843</b>	<b>1.637.029</b>	<b>-5%</b>
10	TRIR (Total Recordable Incident Rate, frequency of recorded accidents)*	1,26	0,93	0,73	-21%
11	LTIR (Lost Time Incident Rate - severity of recorded accidents)**	47,59	49,98	17,10	-66%

Note: We define minor accidents as those accidents that result in superficial injuries, requiring only basic first aid treatment, and which have led to work incapacity lasting less than 3 days, in accordance with the national legislation.

\* TRIR calculation formula =  $\frac{\text{number of accidents at work} \times 200.000}{\text{number of hours worked by all employees}}$

\*\* LTIR calculation formula =  $\frac{\text{number of lost days due to accidents at work} \times 200.000}{\text{number of hours worked by all employees}}$

## Information about employees - Parental leave

NO	TERAPLAST GROUP		2023	2022	2021
1	Number of employees that were entitled to parental leave	women	18	11	7
2		men	3	4	2
3	Number of employees that took parental leave	women	18	11	7
4		men	3	4	2
5	Number of employees that returned to work after parental leave	women	5	1	7
6		men	2	0	2
7	Number of employees that returned to work after parental leave and were still employed 12 months after their return to work	women	4	1	6
8		men	2	0	2



# Reporting according to the EU Taxonomy

Regulation 2020/852 on the EU Taxonomy establishes a common classification system for determining activities that are environmentally sustainable, by defining 6 environmental objectives that reflect the main challenges and priorities of the European Union concerning sustainability and combating climate change:

- climate change mitigation (CCM);
- climate change adaptation (CCA);
- the sustainable use and protection of water and marine resources (WTR);
- the transition to a circular economy (CE);
- pollution prevention and control (PPC);
- the protection and restoration of biodiversity and ecosystems (BIO).

The European Union has issued delegated regulations to define the technical criteria and detailed requirements that must be met for an activity to be considered environmentally sustainable. Thus, through Delegated Regulation 2021/2139, as amended by Delegated Regulation 2022/1214 and Delegated Regulation 2023/2485, the criteria for the first two environmental objectives listed above are established, and through Delegated Regulation 2023/2486, the criteria for the other four environmental objectives are set.

Delegated Regulation 2021/2178, as amended by Delegated Regulation 2022/1214 and Delegated Regulation 2023/2486, establishes how to present information regarding environmentally sustainable activities and the methodology for complying with this information disclosure obligation.

According to Delegated Regulation 2021/2178, in the context of the EU Taxonomy, three types of activities can be distinguished:

- **aligned** with the taxonomy criteria – if it substantially contributes to one of the environmental objectives listed above, does not significantly harm any of these objectives, and meets the technical criteria established by the delegated regulations;
- **eligible** under the taxonomy – if it is described in the delegated regulations, regardless of whether the economic activity meets all the technical criteria in those delegated regulations;
- **non-eligible** – if the description of the activity is not found in the delegated regulations that contain the technical criteria.

The TeraPlast Group reports consolidated non-financial information in accordance with Article 29a of Directive 2013/34, providing details on the proportions of its activities that are eligible and non-eligible, as well as aligned and non-aligned, according to the requirements of the EU Taxonomy and the aforementioned delegated regulations.

Compared to the previous report, we made the following changes:

- We restated activities CCM 7.1 Construction of new buildings and CCM 7.7 Acquisition and ownership of buildings, and amounts related to these activities were included under the activities conducted within these buildings.  
In our view, the impact of the TeraPlast Group within the scope of sustainable development is more closely associated with the activities carried out within these buildings, rather than the constructions themselves. Therefore, for our companies, this approach aligns more closely with the objectives of the EU Taxonomy for determining environmentally sustainable activities.
- We considered activity CCM 5.9 Material recovery from non-hazardous waste as eligible and, consequently, restated amounts from the previous report to include this activity. This involves reporting amounts that are also included under activity CCM 3.17 Manufacture of plastics in primary form and, as a result, the restated turnover, CapEx and OpEx for 2022 will differ from those in the previous report.  
We carry out material recovery activities from non-hazardous waste in 3 of the companies of the Group to obtain secondary raw materials. Those obtained at TeraPlast and TeraBio Pack are reused internally to manufacture new products, while at TeraPlast Recycling, we sell the secondary raw materials obtained through recycling rigid PVC waste to our partners in the markets of Romania and the European Union.
- To enable proper comparisons between the current and previous report, the activities considered eligible in 2023 under Delegated Regulation 2023/2486 were analyzed, and the corresponding amounts have been included for 2022 as well.

For the year 2023, no activities are reported as aligned.



## Turnover

For calculating the turnover, the denominator includes the consolidated turnover of the TeraPlast Group from the published financial statements for 2023. The numerator includes the consolidated turnover from 2023 related to each activity within the TeraPlast Group identified as eligible according to the EU Taxonomy:

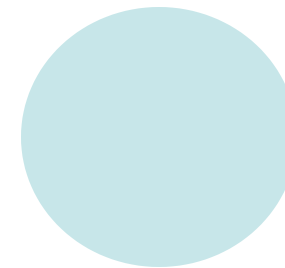
- Manufacture of plastics in primary form (CCM 3.17) – the turnover includes sales of finished products pertaining to the Granules business line of TeraPlast, and those of TeraPlast Recycling.
- Manufacture of energy efficiency equipment for buildings (CCM 3.5) – the turnover includes sales of finished products of TeraGlass Bistrița, specifically PVC and aluminum thermal insulation joinery.
- Material recovery from non-hazardous waste (CCM 5.9) – the turnover includes sales of finished products (secondary raw materials) of TeraPlast Recycling, obtained by recycling rigid PVC.
- Freight transport services by road (CCM 6.6) – TeraPlast, the parent company of the Group, is the only entity within the Group providing freight transportation services to customers using its own transportation means. These services are not invoiced separately to the customer but are included in the sales price of the finished products. To calculate the turnover related to this activity, we used the distance traveled (in km) by each transportation vehicle to customers and the average annual cost per km (market price) of transportation with the same type of vehicle charged by third parties to TeraPlast. Thus, for each transportation vehicle, we obtained the theoretical turnover that TeraPlast would have achieved if it had separately invoiced these services to customers at market price.
- Manufacture of plastic packaging goods (CE 1.1) – the turnover includes sales pertaining to the Flexible packaging business line of TeraBio Pack and those pertaining to the Stretch film business line of TeraPlast Recycling.
- Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems (WTR 1.1) – the turnover includes sales of water meter chambers pertaining to the Installations business line of TeraPlast.

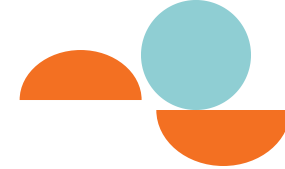
Non-eligible activities – turnover related to all the other activities of the Group, except those mentioned above.

In 2023, the total turnover decreased by 8,3% compared to the total turnover in 2022, from 740,2 million RON in 2022 to 678,6 million RON in 2023. The proportion of eligible turnover in the total turnover decreased by 9,5pp in 2023 compared to 2022, from 37,3% to 27,8%, respectively from 276,2 million RON in 2022 to 188,9 million RON in 2023.

The decrease in the eligible turnover is due mainly to the decrease in the turnover pertaining to the manufacture of plastics in primary forms (CCM 3.17) in TeraPlast and TeraPlast Recycling. While in the Granules segment of TeraPlast the decrease was recorded due to customer activity restrictions, in TeraPlast Recycling this is primarily due to the decline in prices of virgin raw materials, which in turn led to a decrease in demand for secondary raw materials obtained through waste recycling. Other eligible activities that have recorded decreases in turnover in 2023 compared to 2022 include CCM 5.9 at TeraPlast Recycling, where the reported values are the same as those reported for activity CCM 3.17 at TeraPlast Recycling. Additionally, activity CCM 3.5 at TeraGlass Bistrița has also seen a decrease, attributable to reduced volumes in the specific retail segment. The increases recorded in 2023 in eligible turnover occurred for activities CE 1.1, WTR 1.1, and CCM 6.6.

For more information regarding the turnover of the TeraPlast Group, please refer to the 2023 Annual Report, which can be accessed at [this link](#).





## CapEx

For calculating capital expenditures, the denominator includes the total increase in tangible and intangible assets of the TeraPlast Group from the published financial statements for the year 2023. The numerator includes the increase in tangible assets related to each activity identified as eligible within the TeraPlast Group:

- Manufacture of plastics in primary form (CCM 3.17) – CapEx related to this activity includes increases recorded for tangible assets pertaining to the Granules business line of TeraPlast, those pertaining to the production activity in TeraPlast Recycling and those pertaining to the Granules business line of TeraBio Pack. Increases in tangible assets unrelated to the productive activities of the companies (e.g., vehicles, employee laptops, mobile phones, etc.) have been excluded. Additionally, increases related to tangible assets used across multiple business lines in common have also been excluded as they are considered non-eligible.
- Manufacture of energy efficiency equipment for buildings (CCM 3.5) – for calculating CapEx we considered increases recorded for tangible assets of TeraGlass Bistrița, except for increases of tangible assets that are unrelated to the production activity of the company (e.g., vehicles, employee laptops, mobile phones, etc.).
- Material recovery from non-hazardous waste (CCM 5.9) – the CapEx includes amounts from investments for the recycling activity within TeraPlast Recycling.
- Freight transport services by road (CCM 6.6) – CapEx includes amounts from investments for the acquisition of 4 utility vehicles for the TeraPlast SA fleet.
- Installation, maintenance and repair of renewable energy technologies (CCM 7.6) – CapEx includes amounts from investments for the new photovoltaic plant.
- Close to market research, development and innovation (CCM 9.1) – the increases in tangible assets include investments in equipment for the research department.
- Manufacture of plastic packaging goods (CE 1.1) – the increases in tangible assets mainly encompass investments in equipment for the stretch film factory of TeraPlast Recycling, as well as investments in productive equipment for TeraBio Pack. These values also include the amounts related to the buildings/structures where these activities take place.

Non-eligible activities – the CapEx related to non-eligible activities includes increases recorded in the tangible assets of the Group excluding those mentioned above, along with increases related to intangible assets that are entirely non-eligible.

In 2023, total capital expenditures have increased by 12,9% compared to those from 2022, from 94,7 million RON in 2022 to 106,9 million RON in 2023. The eligible CapEx was 28,9 million RON in 2022, while in 2023 it was 86,6 million RON, thus the proportion of eligible capital expenditures in the total capital expenditures increased by 50,6pp in 2023 compared to 2022, from 30,5% to 81,1% in 2023.

The increase in eligible capital expenditures is primarily due to the growth related to the manufacture of plastic packaging goods (CE 1.1), specifically to investments made in the new stretch film factory at TeraPlast Recycling and investments made in the manufacture of flexible packaging at TeraBio Pack, which together represent 74,2% of the total CapEx recorded in 2023 and over 90% of the eligible CapEx in 2023. CapEx also increased in 2023 for activity CCM 7.6, while decreases were recorded for activities CCM 3.17, CCM 5.9, and CCM 3.5.

For more financial information, please refer to the 2023 Annual report of the TeraPlast Group, at [this link](#).





## OpEx

To calculate operating expenses, the denominator includes the repair and maintenance expenses of the TeraPlast Group, both those carried out by third parties and those performed by internal staff, based on internal reports from the accounting records for the year 2023. The numerator includes the repair and maintenance expenses related to the productive sector of the TeraPlast Group from internal reports for 2023, broken down by each activity separately:

- Manufacture of plastics in primary form (CCM 3.17) – the OpEx is determined by repair and maintenance expenses of production equipment of the Granules business line of TeraPlast and those of TeraPlast Recycling. The OpEx related to production assets serving multiple business lines in common have been excluded as they are considered non-eligible.
- Manufacture of energy efficiency equipment for buildings (CCM 3.5) – the OpEx includes repair and maintenance expenses of TeraGlass Bistrița.
- Material recovery from non-hazardous waste (CCM 5.9) – the OpEx includes maintenance expenses for the production activity within TeraPlast Recycling.
- Freight transport services by road (CCM 6.6) – repair and maintenance expenses of this activity are those related to TeraPlast's transport vehicles and used for the transportation of goods to customers.
- Installation, maintenance and repair of renewable energy technologies (CCM 7.6) – expenses include those made for replacing some of the panels from the first photovoltaic park of TeraPlast.
- Manufacture of plastic packaging goods (CE 1.1) – OpEx include repair and maintenance expenses of production equipment of TeraBio Pack.

Non-eligible activities – OpEx pertaining to the other activities except for those mentioned above.

The total operational expenses in 2023 increased by 0,5% compared to 2022, from 16,5 million RON in 2022 to 16,6 million RON in 2023, while the proportion of eligible OpEx in the total OpEx decreased in 2023 by 6,9pp, from 72,2% in 2022 to 65,3%, specifically from 11,9 million RON in 2022 to 10,9 million RON in 2023.

The decrease in the proportion of eligible OpEx within the total OpEx in 2023 is mainly due to reduced operating costs recorded for eligible activities, namely CCM 3.17, CCM 5.9, CCM 3.5, and CCM 6.6. Increases in eligible OpEx were recorded for activity CE 1.1, and for activity CCM 7.6 which recorded OpEx in 2023, but not in 2022. The largest increase in OpEx in 2023 was recorded within the total OpEx for non-eligible activities under the EU Taxonomy.

For more financial information, please refer to the 2023 Annual report of the TeraPlast Group, at [this link](#).

The breakdown of each activity's amounts, namely for turnover, CapEx, and OpEx, follows in this section.



## TURNOVER

Financial year N Economic activities	2023		Substantial contribution criteria							Minimum safe-guards	Proportion of taxonomy-aligned (A.1.) or -eligible (A.2.) turnover, year N-1
	Code	Turnover	Proportion of turnover, year N	CCM <sup>1</sup>	CCA <sup>2</sup>	WTR <sup>3</sup>	PPC <sup>4</sup>	CE <sup>5</sup>	BIO <sup>6</sup>		
		RON	%	Y;N;N/EL <sup>7</sup>	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	%
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>											
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>											
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		0	n/a							n/a	n/a
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>											
Manufacture of plastics in primary form	CCM 3.17	80.394.147	11,8%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		19,7%
Manufacture of plastic packaging goods	CE 1.1	45.661.642	6,7%	N/EL	N/EL	N/EL	N/EL	EL	N/EL		5,4%
Manufacture of energy efficiency equipment for buildings	CCM 3.5	45.374.337	6,7%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		7,1%
Manufacture, installation and associated services for leakage control technologies enabling leakage reduction and prevention in water supply systems	WTR 1.1	9.109.676	1,3%	N/EL	N/EL	EL	N/EL	N/EL	N/EL		1,0%
Material recovery from non-hazardous waste	CCM 5.9	6.244.324	0,9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		3,9%
Freight transport services by road	CCM 6.6	2.121.025	0,3%	EL	N/EL	N/EL	N/EL	N/EL	N/EL		0,2%
<b>Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>188.905.152</b>	<b>27,8%</b>								<b>37,3%</b>
<b>A. Turnover of Taxonomy-eligible activities (A.1 + A.2)</b>		<b>188.905.152</b>	<b>27,8%</b>								<b>37,3%</b>
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>											
<b>Turnover of Taxonomy-non-eligible activities</b>		<b>489.669.761</b>	<b>72,2%</b>								<b>62,7%</b>
<b>TOTAL</b>		<b>678.574.913</b>	<b>100,0%</b>								<b>100,0%</b>

<sup>1</sup>CCM = Climate Change Mitigation

<sup>2</sup>CCA = Climate Change Adaptation

<sup>3</sup>WTR = Water and Marine Resources

<sup>4</sup>PPC = Pollution Prevention and Control

<sup>5</sup>CE = Circular Economy

<sup>6</sup>BIO = Biodiversity and ecosystems

<sup>7</sup>Y = Yes, Taxonomy-eligible and Taxonomy-aligned activity with the relevant environmental objective

N = No, Taxonomy-eligible but not Taxonomy-aligned activity with the relevant environmental objective

EL = Taxonomy-eligible activity for the relevant objective

N/EL = Taxonomy-not-eligible activity for the relevant objective



## CAPEX

Financial year N	2023		Substantial contribution criteria							Minimum safe-guards	Proportion of taxonomy-aligned (A.1.) or -eligible (A.2.) CapEx, year N-1
	Economic activities	Code	CapEx	Proportion of CapEx, year N	CCM <sup>1</sup>	CCA <sup>2</sup>	WTR <sup>3</sup>	PPC <sup>4</sup>	CE <sup>5</sup>		
		RON	%	Y;N;N/EL <sup>7</sup>	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	%
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>											
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>											
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		0	n/a							n/a	n/a
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>											
Manufacture of plastic packaging goods	CE 1.1	79.287.321	<b>74,2%</b>	N/EL	N/EL	N/EL	N/EL	<b>EL</b>	N/EL		2,2%
Manufacture of plastics in primary form	CCM 3.17	2.893.901	<b>2,7%</b>	<b>EL</b>	N/EL	N/EL	N/EL	N/EL	N/EL		23,6%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	2.191.830	<b>2,1%</b>	<b>EL</b>	N/EL	N/EL	N/EL	N/EL	N/EL		2,0%
Material recovery from non-hazardous waste	CCM 5.9	1.084.550	<b>1,0%</b>	<b>EL</b>	N/EL	N/EL	N/EL	N/EL	N/EL		2,6%
Freight transport services by road	CCM 6.6	985.520	<b>0,9%</b>	<b>EL</b>	N/EL	N/EL	N/EL	N/EL	N/EL		-
Close to market research, development and innovation	CCM 9.1	169.011	<b>0,2%</b>	<b>EL</b>	N/EL	N/EL	N/EL	N/EL	N/EL		-
Manufacture of energy efficiency equipment for buildings	CCM 3.5	0	<b>0,0%</b>	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL		0,1%
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>86.612.132</b>	<b>81,1%</b>								<b>30,5%</b>
<b>A. CapEx of Taxonomy-eligible activities (A.1 + A.2)</b>		<b>86.612.132</b>	<b>81,1%</b>								<b>30,5%</b>
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>											
<b>CapEx of Taxonomy-non-eligible activities</b>		<b>20.239.074</b>	<b>18,9%</b>								<b>69,5%</b>
<b>TOTAL</b>		<b>106.851.206</b>	<b>100,0%</b>								<b>100,0%</b>

<sup>1</sup>CCM = Climate Change Mitigation

<sup>2</sup>CCA = Climate Change Adaptation

<sup>3</sup>WTR = Water and Marine Resources

<sup>4</sup>PPC = Pollution Prevention and Control

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N/EL = Taxonomy-not-eligible activity for the relevant objective



## OPEX

Financial year N Economic activities	2023		Substantial contribution criteria							Minimum safe-guards	Proportion of taxonomy-aligned (A.1.) or -eligible (A.2.) OpEx, year N-1
	Code	OpEx	Proportion of OpEx, year N	CCM <sup>1</sup>	CCA <sup>2</sup>	WTR <sup>3</sup>	PPC <sup>4</sup>	CE <sup>5</sup>	BIO <sup>6</sup>		
		RON	%	Y;N;N/EL <sup>7</sup>	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	%
<b>A. TAXONOMY-ELIGIBLE ACTIVITIES</b>											
<b>A.1. Environmentally sustainable activities (Taxonomy-aligned)</b>											
<b>OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		0	n/a							n/a	n/a
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>											
Manufacture of plastics in primary form	CCM 3.17	5.107.838	<b>30,7%</b>	<b>EL</b>	N/EL	N/EL	N/EL	N/EL	N/EL		33,6%
Material recovery from non-hazardous waste	CCM 5.9	4.839.463	<b>29,1%</b>	<b>EL</b>	N/EL	N/EL	N/EL	N/EL	N/EL		32,2%
Manufacture of energy efficiency equipment for buildings	CCM 3.5	388.688	<b>2,3%</b>	<b>EL</b>	N/EL	N/EL	N/EL	N/EL	N/EL		3,2%
Manufacture of plastic packaging goods	CE 1.1	271.530	<b>1,6%</b>	N/EL	N/EL	N/EL	N/EL	<b>EL</b>	N/EL		1,4%
Freight transport services by road	CCM 6.6	205.599	<b>1,2%</b>	<b>EL</b>	N/EL	N/EL	N/EL	N/EL	N/EL		1,8%
Installation, maintenance and repair of renewable energy technologies	CCM 7.6	39.643	<b>0,2%</b>	<b>EL</b>	N/EL	N/EL	N/EL	N/EL	N/EL		-
<b>OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>10.852.760</b>	<b>65,3%</b>								<b>72,2%</b>
<b>A. OpEx of Taxonomy-eligible activities (A.1 + A.2)</b>		<b>10.852.760</b>	<b>65,3%</b>								<b>72,2%</b>
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>											
<b>OpEx of Taxonomy-non-eligible activities</b>		<b>5.763.732</b>	<b>34,7%</b>								<b>27,8%</b>
<b>TOTAL</b>		<b>16.616.492</b>	<b>100,0%</b>								<b>100,0%</b>

<sup>1</sup>CCM = Climate Change Mitigation

<sup>2</sup>CCA = Climate Change Adaptation

<sup>3</sup>WTR = Water and Marine Resources

<sup>4</sup>PPC = Pollution Prevention and Control

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# GRI Index

<b>Declaration of use</b>	TeraPlast SA reported in accordance with the GRI standards for the period January 1, 2023 – December 31, 2023
<b>GRI 1 used</b>	GRI 1: Foundation 2021
<b>Applicable GRI sectorial standards</b>	N/A

GRI standard reference / Alternative source	GRI information element number and name	Page	OMISSION*			Sectorial standard GRI ref. no.*
			OMITTED(E) REQUIREMENT(E)	REASON	EXPLANATION	

## General disclosures

<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	6	A grey cell indicates that reasons for omission are not allowed or that a GRI Sector Standard reference number is not available.			
	2-2 Entities included in the organization's sustainability reporting	6, 51				
	2-3 Reporting period, frequency and contact point	51				
	2-4 Restatements of information	51				
	2-5 External assurance	51				
	2-6 Activities, value chain and other business relationships	17, 18, 23				
	2-7 Employees	42, 57, 58, 59				
	2-8 Workers who are not employees		2-8 Workers who are not employees	<i>Incomplete/unavailable information</i>		
	2-9 Governance structure and composition	9, 10				
	2-10 Nomination and selection of the highest governance body	9, 10				
	2-11 Chair of the highest governance body	9				



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GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts	9, 10, 11, 12			
	2-13 Delegation of responsibility for managing impacts	11, 12, 13, 14			
	2-14 Role of the highest governance body in sustainability reporting	11, 12			
	2-15 Conflicts of interest	10			
	2-16 Communication of critical concerns	10			
	2-17 Collective knowledge of the highest governance body		2-17 Collective knowledge of the highest governance body	<i>Incomplete/unavailable information</i>	
	2-18 Evaluation of the performance of the highest governance body		2-18 Evaluation of the performance of the highest governance body	<i>Constraint of confidentiality</i>	
	2-19 Remuneration policies	10			
	2-20 Process to determine remuneration	10			
	2-21 Annual total compensation ratio	10			
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# GRI Index

<b>GRI 2: General Disclosures 2021</b>	2-25 Processes to remediate negative impacts		2-25 Processes to remediate negative impacts	<i>Incomplete/unavailable information</i>			
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	2-27 Compliance with laws and regulations	14, 15, 45					
	2-28 Membership associations	22					
	2-29 Approach to stakeholder engagement	19					
	2-30 Collective bargaining agreements	46					
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<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	20, 21	<i>A grey cell indicates that reasons for omission are not allowed or that a GRI Sector Standard reference number is not available.</i>				
	3-2 List of material topics	20, 21					
<b>Corporate governance</b>							
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	9					
<b>GRI 201: Economic Performance 2016</b>	201-1 The impact of investments on the local and national economy / Direct economic value generated and distributed	7					
<b>GRI 415: Public Policy 2016</b>	415-1 Political contributions	22					
<b>Risk management and compliance</b>							
<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	13					
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	14					



# GRI Index

<b>GRI 205: Anti-corruption 2016</b>	205-3 Confirmed incidents of corruption and actions taken	14				
<b>GRI 201: Economic Performance 2016</b>	201-1 The impact of investments on the local and national economy / Direct economic value generated and distributed	7				
	201-2 Financial implications and other risks and opportunities due to climate change	13, 14				
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	13, 43, 44				
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<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	15				
<b>GRI 206: Anti-competitive Behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	15				
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<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	16				



# GRI Index

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<b>GRI 204: Procurement Practices 2016</b>	204-1 Proportion of spending on local suppliers	18, 26				
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	25, 26				
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<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	27				
<b>GRI 301: Materials 2016</b>	301-2 Recycled input materials used	28				
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<b>GRI 416: Customer Health and Safety 2016</b>	416-1 Assessment of the health and safety impacts of product and service categories	29, 30				
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	30				
<b>GRI 417: Marketing and Labeling 2016</b>	417-1 Requirements for product and service information and labeling	30				
	417-2 Incidents of non-compliance concerning product and service information and labeling	30				
	417-3 Incidents of non-compliance concerning marketing communications	30				



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<b>GRI 303: Water and Effluents 2018</b>	303-1 Interactions with water as a shared resource	35					
	303-3 Water withdrawal	35					
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<b>GRI 304: Biodiversity 2016</b>	304-2 Significant impacts of activities, products and services on biodiversity	36					
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<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	37, 53, 54, 55					
	305-2 Energy indirect (Scope 2) GHG emissions	37, 53, 54, 55					
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	305-5 Reduction of GHG emissions	38, 39					



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	306-2 Management of significant waste-related impacts	40				
	306-3 Waste generated	40, 56				
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<b>GRI 3: Material Topics 2021</b>	3-3 Management of material topics	42				
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	42, 59				
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\* A grey cell indicates that reasons for omission are not allowed or that a GRI Sector Standard reference number is not available.



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SASB-RT-CH-140a.3 / RT-CP-104a.2	Description of water management risks and discussion of strategies and practices to mitigate those risks	35
SASB-RT-CH-130a.1 / EM-CM-130a.1 / RT-CP-130a.1	Total energy consumed (GJ), percentage grid electricity (%), percentage renewable (%), total self-generated energy (GJ).	34, 52
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SASB-RT-CH-140a.1 / EM-CM-140a.1 / RT-CP-140a.1	Total water withdrawn (m <sup>3</sup> ), total water consumed (m <sup>3</sup> ), percentage of each in regions with High or Extremely High Baseline Water Stress	35
SASB-RT-CH-140a.2 / RT-CP-140a.3	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	35
SASB-RT-CH-110a.1 / EM-CM-110a.1 / RT-CP-110a.1 / IF-WM-110a.1	Gross global Scope 1 emissions (tons CO <sub>2</sub> ), percentage covered under emissions-limiting regulations (%).	37, 38, 39, 53, 54, 55
SASB-RT-CH-110a.2 / EM-CM-110a.2 / RT-CP-110a.2 / IF-WM-110a.3	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	37
SASB-RT-CH-150a.1 / EM-CM-150a.1 / RT-CP-150a.1	Amount of hazardous waste generated (t), percentage hazardous waste from total generated waste (%), percentage recycled hazardous waste from total generated hazardous waste (%).	40, 56
SASB-RT-CP-000.C	Number of employees.	57
SASB-RT-CH-320a.2	Description of efforts to assess, monitor, and reduce exposure of employees and contract workers to long-term (chronic) health risks	43, 44
SASB-RT-CH-320a.1 / IF-WM-320a.1	Total recordable incident rate (TRIR), fatality rate and potential accident rate for (a) direct employees and (b) contract employees.	44, 60
SASB-IF-WM-310a.1	Percentage of active workforce covered under collective bargaining agreements (%).	46

The TeraPlast Group Sustainability Report for the year 2023 has been prepared in good faith and with a sense of responsibility, through the collection, centralization, analysis, and reporting of available information. We have made every effort to ensure that the information is accurate and complete, to the best of our knowledge. The information presented in this report reflects the vision and opinions of the TeraPlast Group on the material topics addressed.

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