



Sustainability Report 2021

Environment

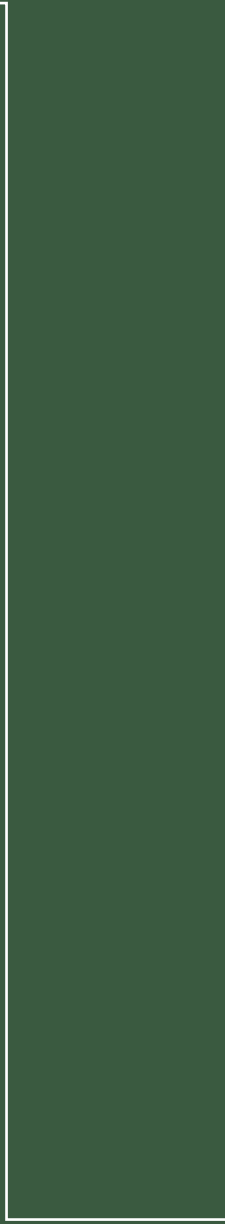


Society

People

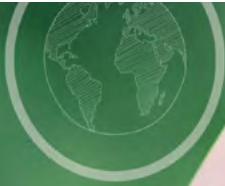


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# Introduction



## About the Report

The markets and stakeholders' dynamics, the increase of the expectations regarding the companies' transparency and involvement, and the economic considerations are factors that convinced us the inclusion of the sustainability principles in the Romcarbon Group strategies, in our communications and business model can contribute to improve the Group's reputation among its clients, suppliers and investors and can play an important role in increasing employee involvement and reducing staff turnover.

Our first Sustainability Report for 2021 has been prepared in accordance with the GRI Standards: Core option, but also with the provisions of MPF Order No. 1938/2016 and Order No. 2844/2016 which transpose in Romania EU Directive No. 95/2014 on non-financial reporting.

The principles set out in the GRI Standards on Materiality, Inclusiveness, Sustainability Context and Completeness have been taken into account in determining the content of this report. The quality of the report content has been ensured through compliance with the GRI Standards principles of Balance, Comparability, Accuracy, Regularity, Clarity and Reliability.

Also, the methodology underlying the materiality analysis allowed us to present to our stakeholders the double materiality

perspective as recommended by the "Guidelines on Non-Financial Reporting" published by the European Commission. In this sense, the result of the materiality analysis encompasses both the priorities of Romcarbon Group and the priorities of our stakeholders, highlighting the internal and external sustainability impact.

The information included in this report covers the period from 1 January 2021 to 31 December 2021.

Romcarbon Group operates companies with diversified business lines:

- manufacturers of plastic packaging, waste recycling (Romcarbon S.A. and Livingjumbo Industry S.A.);
- service providers and works of installations, heating and air conditioning (RC Energo Install SRL);
- business services and business consulting providers (Recyplat LTD);
- information technology services (InfoTech Solutions SRL).

The main companies with production activities of the Group are Romcarbon S.A. and Livingjumbo Industry S.A., holding 72%, respectively 14% of the total fixed assets.

The scope of the report includes the sustainability performance of Romcarbon S.A. and Livingjumbo Industry S.A., being

the most significant companies within the Romcarbon Group.

In order to provide a complete picture of how the Group manages sustainability issues, more indicators have been disclosed than those required to comply with the "Core" option of the GRI Standards.

In this report, the terms "Romcarbon Group" and "Group" are used for convenience when referring to the Romcarbon Group. The terms "Romcarbon", "Company" and "Livingjumbo" also refer to Romcarbon S.A. and Livingjumbo Industry S.A. respectively.

The content of the report was not audited by a third party through an assurance process. The company's auditor, Deloitte Audit S.R.L, informed that, for the year 2021, the Group will issue until 30.06.2022 its first sustainability report, prepared in accordance with GRI standards, CORE variant, in accordance with the provisions of art. 48 of the MPF Order no. 2844/2016.

In preparing the report, the Romcarbon Group benefited from the support of INNOVA Project Consulting, an external sustainability consultant.

### Sustainability Indicators

Within the sustainability report are presented the main sustainability indicators for each material aspect identified. Also, in the section "Sustainability indicators" there are other sustainability indicators that complement the sustainability performance of the Romcarbon Group.

**Publication date:** June, 30 2022.

**Contact point for sustainability aspects:** [sustainability@romcarbon.com](mailto:sustainability@romcarbon.com)

**Headquarters:** 120012 Buzău, no.132 Transilvaniei street, Romania.

## CEO Message



### Dear Readers,

We invite you to go through our first sustainability report that presents our activities and performances in 2021, in terms of sustainability.

In 2021, we faced a hostile environment, in which the restrictions caused by the pandemic affected sales and generated large increases in commodity prices. We have continued to operate responsibly and develop new initiatives throughout the year.

At the same time, we are committed to protecting the health and well-being of our employees and the local community, implementing digitization projects for support functions, developing flexible work or work-from-home programs, and other measures to providing IT equipment and solutions.

To these, we have added the efforts to maintain jobs, in a context marked by an increased volatility in the labor market.

Despite the financial impact, we have managed to protect and maintain our business while providing stability and ongoing support to employees, clients, business partners, local and central authorities.

All planned development programs continued on schedule. In addition, production and trade flows have never been interrupted. We managed to show our resilience and dedication in the good times, but also in the ones with trials when we adapted on the way to face the major challenges, from the invisible threat of the SARS-CoV-2 virus to the price increases of main commodities and increases in utility prices, caused by the constraints imposed by the evolution of the pandemic and the constant financial pressure.

However, 2021 has come with good parts. It showed us our strength, the fact that we are more ingenious and full of resources and ideas than we thought. We look to 2022 with confidence and have ambitious development and sustainability plans, which is why we have prepared this report, with a strong focus on developing extensive projects for the environment and green energy projects.

In the current socio-economic and geopolitical context, the main priorities remain:

- **Securing the workforce**, vital for future development, considering we are a large employer with over 1,400 employees in our Group of companies. Looking ahead, we support the development of local

vocational education, train qualified staff and promote formal and non-formal education.

• **Identifying alternative solutions**, as a result of the reshaping of the supply chain, as consequence of the pandemic, the global logistics problem, and the unusual geopolitical context, which none of us has ever faced.

As I mentioned, we are very focused on making the transition to the circular economy as smooth as possible and aligning ourselves with the EU's sustainability goals. To this end, we continue to grow and invest, making the transition to the circular economy a top priority, not only because we aim to be a long-term sustainable business, but also because we care deeply about the environment and the legacy we leave to future generations.

This year we decided to elaborate the first Sustainability Strategy of the Romcarbon Group, which includes objectives and targets related to the time horizon of 2022-2030. Therefore, we have set ourselves ambitious but credible goals, by achieving them we want to become more and more sustainable and to generate a positive impact in all three aspects of sustainability, namely society,

environment and corporate governance. In this sense, through the Group's Sustainability Strategy we aim to align as closely as possible to the best practices of corporate governance, by developing policies in the field of governance and organizing actions to inform/raise awareness of the group's stakeholders about the benefits of their application, a better management of the impact of our activity on the environment by managing GHG emissions, energy and water management and especially by waste management and promoting the circular economy and, last but not least, we aim to develop our activity by developing human resources and thus contribute to economic development, being convinced that in this way we contribute intrinsically to the improvement of both the quality of life of employees and their families and to raising the level of the local community.

In this report, you will find the appropriate objectives and targets for each sustainability material aspect we identified, and we will present you the progress in the future reports.

## HUANG LIANG NENG

CEO



## 2021 At a Glance

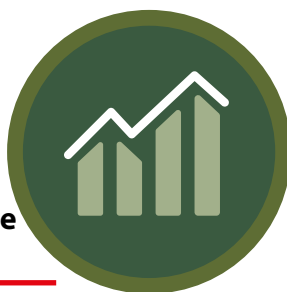
Sales	2021	Comparative with 2020
Romcarbon	264,737,646 lei	+ 46%
Livingjumbo	133,415,290 lei	+ 21%
<b>Romcarbon Group</b>	<b>338,977,704 lei</b>	<b>+ 32%</b>



EBITDA Operational	2021	Comparative with 2020
Romcarbon	13,987,048 lei	+ 13%
Livingjumbo	2,349,885 lei	- 54%
<b>Romcarbon Group</b>	<b>16,824,568 lei</b>	<b>- 5%</b>



Profit (loss) from operating activities	2021	Comparative with 2020
Romcarbon	7,560,432 lei	+137%
Livingjumbo	-1,203,221 lei	-2,769,177 lei
<b>Romcarbon Group</b>	<b>6,833,936 lei</b>	<b>+12%</b>



Net Profit (loss)	2021	Comparative with 2020
Romcarbon	-1,447,458 lei	-2,316,562 lei
Livingjumbo	-2,319,221 lei	-2,857,472 lei
<b>Romcarbon Group</b>	<b>1,782,018 lei</b>	<b>+1,865,984</b>





## Romcarbon Group

Romcarbon Group is one of the main players in the national and European market in the field of plastics processing. With more than **70 years** of experience in processing polyethylene, polypropylene, PVC and polystyrene, Romcarbon Group is the largest plastic packaging producer in Romania and one of the largest employers in Buzău County. Romcarbon Group is also one of the most important recyclers of plastic waste, with an annual recycling capacity of cc. **15,000 tons**, operating in this field since 2012.

### Romcarbon S.A.

The parent company of the Romcarbon Group is Romcarbon S.A. which is mainly active in the plastics processing sector, serving mainly the food and agricultural sectors with the plastic packaging it produces.

Within Romcarbon, in 2012, we set up a new development direction in the field of plastics recycling and the production of virgin and recycled raw materials and compounds.

Romcarbon's manufacturing range is diversified, including processed plastic products, filters and filter elements, individual respiratory protection equipment, activated carbon needed in the food, chemical and pharmaceutical industries, and, as a separate sector, the recycling of plastic waste, regranulation and manufacture of compounds.

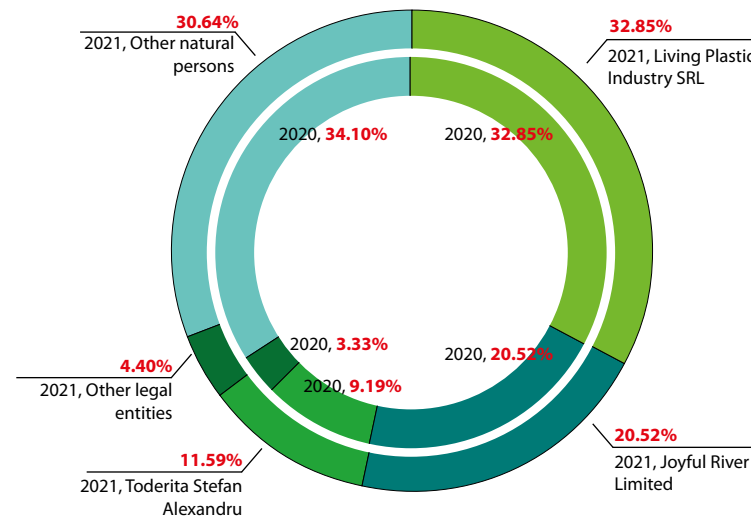
In 2021, Romcarbon carried out its main activities in seven profit centres:

**1. Filters sector** where air, oil and fuel filters for cars, trucks and tractors, railway equipment and industrial plants are produced.

**2. Individual Respiratory Protection Equipment Sector** which produces personal respiratory protective equipment - masks and filter cartridges - for the chemical industry, the mining industry, the defense industry, civil defense and collective protection equipment. The **Active Carbon workshop** produces the charcoal-semi finished necessary for protective equipment, as well as coal used in the oil, food, chemical and pharmaceutical industries.

**3. Polyethylene sector** where are manufactured polyethylene packaging of various sizes (bags, pouches, sleeves, by extrusion, printing, welding), general purpose foil, solar foil, shrink foil, foil for greenhouse, heat shrinkable foils, and since 2019, biodegradable and compostable packaging (bags) have been added to our manufacturing range.

### Romcarbon S.A. Shareholders Structure



### Information about Romcarbon

	2020	2021
<b>Operations</b>	1	1
<b>Net sales (RON)</b>	181,146,472	264,737,646
<b>Profit (RON)</b>	869,104	-1,447,458
<b>Equity (RON)</b>	138,212,543	134,144,881
<b>Debt (RON)</b>	93,141,638	109,341,416



**4. PVC pipes Sector** whose activity is the production of pipes - semi-finished products for domestic consumption. PVC Supports sector in which pressed PVC supports are made for the use in the field of road signs.

**5. Expanded Polystyrene Sector** in which are made, by extrusion and thermoforming, casseroles for the food industry and construction products in the form of plates and rolls.

**6. Polypropylene sector** where polypropylene products are manufactured: laminated or non-laminated woven bags, in different types of dimensions for packaging agricultural and industrial products.

**7. Recycling sector** in which plastic waste is treated by separating the recyclable fractions, grinding, extruding and filtering the separate fractions. The finished products of this sector are plastics in the form of grinding or granules, compounds and composites plastic products.

## The main products realized and commercialized by Romcarbon



Polypropylene packaging (raffia)

Romcarbon is the leader in the Romanian market for small polypropylene bags. The product portfolio includes laminated, non-laminated, polyethylene lined, valve bags, polypropylene fabric and polypropylene tape.

The bags are intended for the packaging of powdery or granular products, with a capacity of 5-50 kg, such as sugar, rice, flour, cereals, salt, nitrates, fertilizers, lime, cement, fodder, animal feed, etc.



Polyethylene foils and packaging

Romcarbon is the first Romanian manufacturer of coextruded 3 layers foil of large dimensions, between 2 and 12 m wide. The product portfolio includes basic foil, general purpose polyethylene foil, construction foil, solarium foil, printed foil and heat-shrinkable covers, transparent foil for plant germination, household bags and other destinations, bags.

In 2019, the company started the production of **biodegradable and compostable packaging**.



Expanded polystyrene packaging and construction materials

Romcarbon produces expanded polystyrene casseroles - classic or absorbent, which are used for packaging meat, fruit, vegetable, bakery products.

For the construction sector we produce insulation materials, in the form of XPS boards and rollers.

### The main sectors served:



**Agriculture**



**Chemical Industry**



**Food Industry**



**Public Catering**



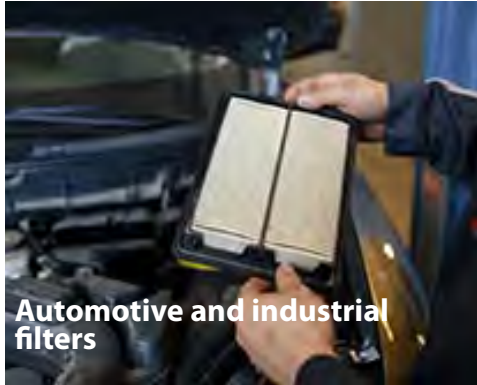
**Recycling Industry**



**Construction**



> The main products realized and commercialized by Romcarbon



**Automotive and industrial filters**

Romcarbon started the production of filters in 1962, being one of the first car filter manufacturers in Romania.

The product portfolio includes both automotive filters (air, oil, fuel, cabin) and industrial filters (for agricultural machinery, marine vessels, compressors, etc).



**Individual respiratory protection equipment**

Romcarbon is the only manufacturer of individual respiratory protection equipment in Romania.

The product portfolio includes the following categories: insulating devices, filter cartridges, equipment for civil protection and military use, full face masks, semi-masks, special purpose equipment and accessories.



**Plastic compounds and regenerated polymers**

The product portfolio is designed to include standard compounds and customized products alike, both based on primary polymers with the addition of talc, chalk, glass fibre, elastomers and other materials depending on the final application of the product.

Polypropylene/polyamide plastic compounds reinforced with mineral spun bond, glass fibre (up to 30%) natural or coloured. Compounds based on other types of polymers, "tailor-made" according to client requirements: with flame retardants, additives, UV stabilizer, etc. Regenerated plastics are obtained by processing post-consumer and post-industrial plastic waste.



**PVC road traffic supports**

The product is realized of recycled PVC and is used to support temporary road signs, beacons to mark or demarcate areas of road work or other boundaries, such as parking lots.

**The main sectors served:**

 **Automotive Industry**

 **Railway industry**

 **Chemical Industry**

 **Mining Industry**

 **Plastics Industry**

 **Automotive Industry**

 **Construction**

## Romcarbon Certification



The Integrated Quality and Environment Management System is certified according to the standards **ISO 9001:2015, ISO 14001-2015 and ISO 45001:2018**.

ISO 45001:2018 is implemented for the whole company and certified for the Individual respiratory protection equipment sector.

The packaging made of Polyethylene, Polystyrene and Polypropylene produced by Romcarbon, is in line with national and EU regulatory requirements in the field of food safety, the compatibility with food being attested by the results obtained in accredited laboratories.

Furthermore, Polypropylene bags are certified by **LABORDATA-Germany** for the transport of hazardous substances. Filters produced by Romcarbon are certified by **RRA and RAR**.



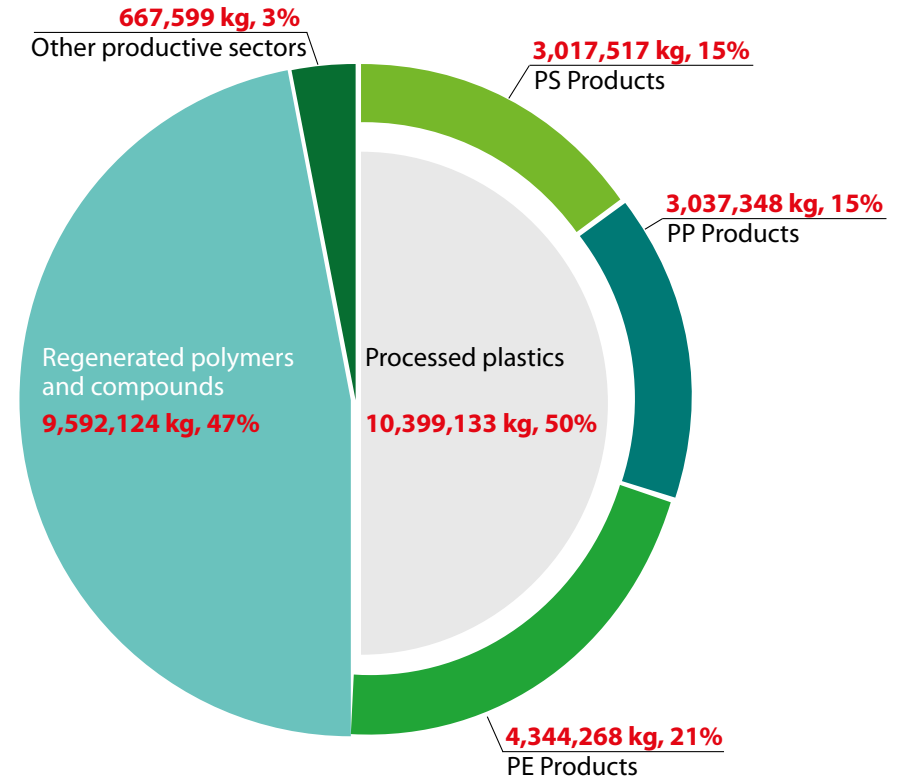
**EuCertPlast**

In 2021, the Plastics Compounds Division was certified **EuCertPlast**. The certification is based on the European standard EN 15343:2007.

This certification provides the company's suppliers and clients with the assurance that the pre-and post-consumer plastics processed are treated according to best practices and with respect for the environment. Obtaining EuCertPlast certification enables the company to meet the requirements of the REACH Directive and contributes to the application of best practices on the traceability of recycled plastics (throughout the recycling process and supply chain) and on the quality of the recycled content in the final product.

EuCertPlast aims to encourage eco-friendly plastics recycling through standardisation and seeks to increase the transparency of the European plastics industry by establishing best practices in recycling and marketing.

## Quantities of products sold (in kilograms) in 2021



**Livingjumbo Industry S.A.**

Livingjumbo is active in plastics processing for polypropylene packaging. The activity in this field started in 2002, consisting in the production of flexible packaging (big-bag type). Over the years, the company has steadily increased its capacity, quantitatively and from the point of view of assortment, and in 2016 it opened a new production sector, namely the sector related to the production of PET rigid film/ trays and multilayer barrier films for food packaging. The main shareholders are Romcarbon S.A. (99.86%) and Living Plastic Industry S.R.L (0.14%).

The company's sectors of activity are the following:

**1. Polypropylene processing:** extruded thread, weaving and manufacture of packaging. Products sold are flexible containers (big-bag type) in various designs, for packaging bulk products up to 2,000 kg, fabric, thread, cord, strap. Polypropylene big bags, known as "FIBCs", "bulk bags", "jumbo bags", are defined as large containers made of flexible fabric bodies for the transport and storage of bulk goods.

Usually made of laminated or non-laminated PP fabric, big bags type are made of different fabrics with different structures, densities and weights, depending on the load capacity and the safety factor of the container. Polypropylene big bags are designed to be lifted from the top using specially attached devices: polypropylene straps (handles).

These bags have a wide range of practical applications for packaging different products: iron alloys, chemicals, stone dust, sand, gravel, cement, food (sugar, salt, flour, dextrose, starch, additives), ceramics, clay, lime (unburned), rubber, carbon black, agriculture (seeds, wheat, corn, beans), minerals, etc.

Big bags are easy to recycle, thus helping to protect the environment, and their popularity is also due to reduced handling costs, reduced potential losses to the client, and compatibility with truck or container transport.

**2. PET processing:** extrusion and thermoforming. Products sold are rigid thermoforming films, laminated and unlaminated, and trays for modified atmosphere packaging, transparent and in various colours.

To serve a fast-growing market, Livingjumbo has created the **LivingFresh** brand, which has the following product categories in its portfolio:

**LIVING FORM:** range of PET trays for meat and FFS (form-fill-seal) films. The range of PET meat trays is perfect to serve a booming fresh products market. The trays are made using efficient processes that combine mechanical strength and flexibility to offer a superior packaging solution. The State-of-the-art technology enables packaging with excellent properties in line with environmental protection requirements.



**LIVING FLEX:** Range of multilayer films for sealing, flowpack and flexible thermoforming. **LIVING FLEX is the first domestic brand of 9-layer co-extruded film for special packaging.**

The multiple layers improve the mechanical strength of the packaging and allow multiple material combinations serving a wide range of applications.

The **EVOH barrier** provides optimal gas protection and significantly extends the shelf life of the packaged product.



## Livingjumbo Certification



Livingjumbo has implemented and maintains the Integrated Quality and Environmental Management System certification in accordance with **ISO 9001:2001 and ISO 14001-2015**.

The Polypropylene sector is certified for food safety by implementing the **ISO 22000-2018** standard.

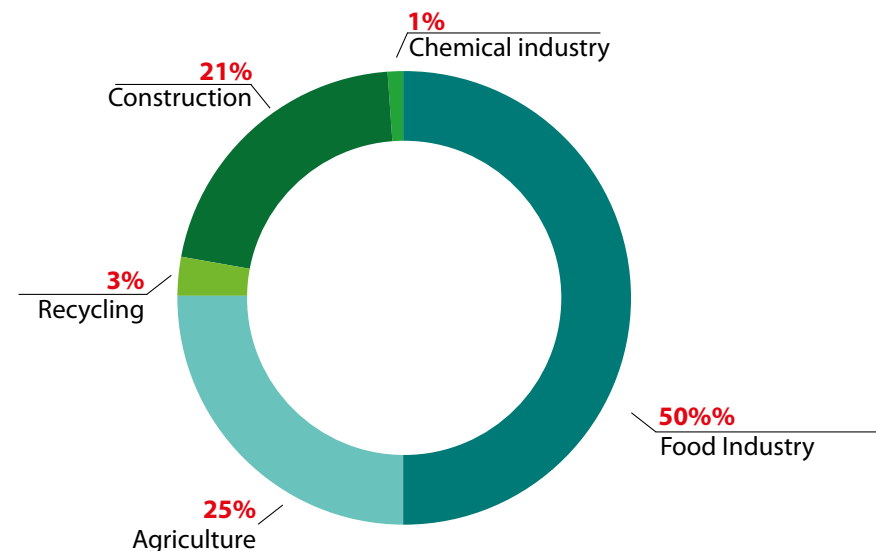
Furthermore, certain types of large Polypropylene bags are certified by **LABORDATA-Germany** for the workload and the safety factor.

Starting with 2016, the PET sector holds the certification of **BRC Packaging and Packaging materials issue 6**. This certification certifies the quality, legal compliance and safety of food and of the products coming in contact with food by applying a mixed management system for product quality, HACCP and Good Manufacturing Practices (GMP). Geniende simuscus

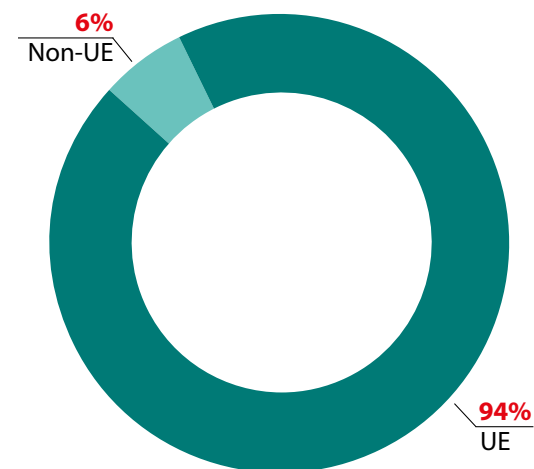
### Information about Livingjumbo

	2020	2021
Operation	1	1
Net Sales (RON)	110.666.945	133.415.291
Profit (RON)	538.251	-2.319.221
Equity (RON)	658.755	-1.660.466
Debt (RON)	63.095.869	76.238.390

### Marked served in 2021 depending on the value of sales



### Sales of finished products in 2021 depending on the value of sales



## Sustainability within Romcarbon Group

As a manufacturer of plastic products, we are aware of the impact our activities and products can have on the environment. Plastics are an important material in our economy and in our daily lives. However, it can have serious negative effects on the environment and human health. For this reason, we are fully committed to finding the best solutions that can help us reduce our negative impact on the environment and people.

Executive management at all levels has clear responsibilities and is constantly involved in managing as effectively as possible all the resources at our disposal, whether financial, human or material. Thus, it is a permanent objective for the Group's management to keep the consumption of resources at a level that ensures the long-term sustainability of the company's activities.

At the same time, management is constantly looking for ways to reduce the consumption of finite resources, to reduce the impact of the activities on the environment and incorporate resources from renewable sources into the products we produce.

Since 2005, we have been among the promoters of the circular economy in Romania, as founder of Green-Group, which over the years has become the largest integrated recycler in S-E Europe.

In 2012, Romcarbon started a new direction of development in the field of plastics recycling and production of virgin and recycled compounds. We have developed and perfected the process of transforming polyethylene, polypropylene, polystyrene, PVC, ABS, etc. waste taken from collectors or primary users into re-granulated raw materials.

In 2021, we managed to take over 12,000 tonnes of waste from the market and process it, in addition to processing our own waste. We also delivered in Romania and on the international market over 9,500 tons of re-granulated material and compounds, 32% more than the quantity delivered in 2020, our clients being part of the automotive (Romcarbon is an approved supplier for automotive manufacturers in Romania and Europe), construction, plastic products manufacturers, etc.

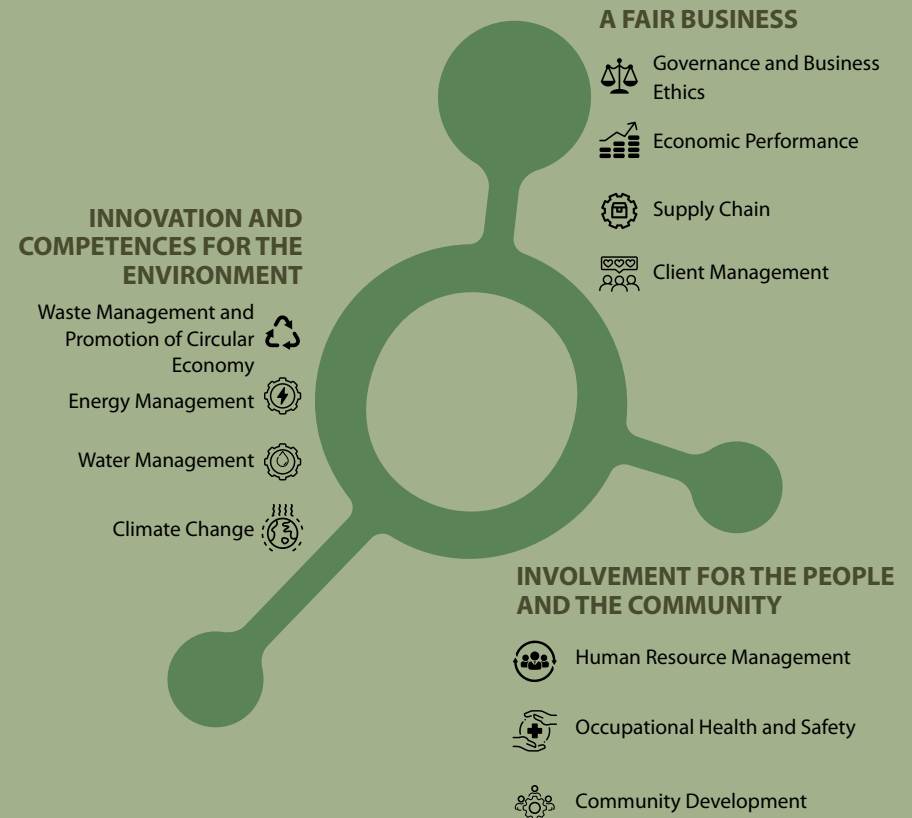
This year, the report also includes information on Romcarbon Group's Sustainability Strategy for the period 2022-2030, which represents our commitment to contribute to a **SUSTAINABLE FUTURE**.

Each year, within the sustainability report, we will report on the progress made in its implementation.

### Our Sustainability Strategy 2022-2030

Romcarbon Group's mission is to deliver eco-efficient plastic packaging to serve various areas of industrial and agricultural activity and to close the circle by recycling the resulting plastic waste, turning it into secondary raw materials.

**Through our values, honesty, involvement, innovation and competence, we are committed to working for a SUSTAINABLE FUTURE**



## Stakeholder engagement

Regarding the consultation with the interested parties, at the level of the Romcarbon Group there are regular consultations with the employees' representatives, organized at least once every two years during the negotiation of the Collective Labor Agreement at company level, occasions on which issues of common interest are debated. In order to improve employee performance, working relationships, work environment, employee protection measures, etc.

The Romcarbon Group, being a major employer in the Municipality and Buzău County, is also regularly invited to consultations with public authorities on various issues of general, social and/or economic interest.

The Group's representatives participate in various committees and commissions organized at the level of local authorities, such as the County Committee for Emergency Situations, the Commission for the transition to the circular economy, budget, finance, agriculture, tourism and international relations of Buzău City Hall, etc.

There are also occasional consultations on capital market issues, the initiative belonging to the regulatory authority in the field, FSA and BSE. Conferences organized by the company for the presentation/debate of financial results are also occasions when shareholders and investors are invited to express their views on the company and Group's performance by entering into dialogue with our management.

As members of NGOs and Professional Associations (ARIR, ASAPLAST, ARMD, etc.) we have open channels of consultation with members of these organisations, who either work in the same industry or have common points of interest.

## Identifying sustainability material aspects

In order to develop the sustainability strategy and to determine the content of this report, we conducted a comprehensive materiality analysis that allowed us to identify those sustainability issues on which we need to focus in order to meet the expectations of our stakeholders, but also to protect our business from those sustainability risks that may affect our development and market position.

An important step in conducting this analysis was to identify and prioritise stakeholders. This allowed us to establish the categories of stakeholders that are influenced by our business and that most influence our activities.

### The main Stakeholder Categories of the Romcarbon Group

 Employees	 Suppliers
 Financial Institutions	 Association / Networks
 Mass-media	 Central and Local Authorities
 Competitors & Peers	 Certification & Regulatory Bodies
 Capital Market Participants	 Local Community
 Clients	 Education, science and research organizations





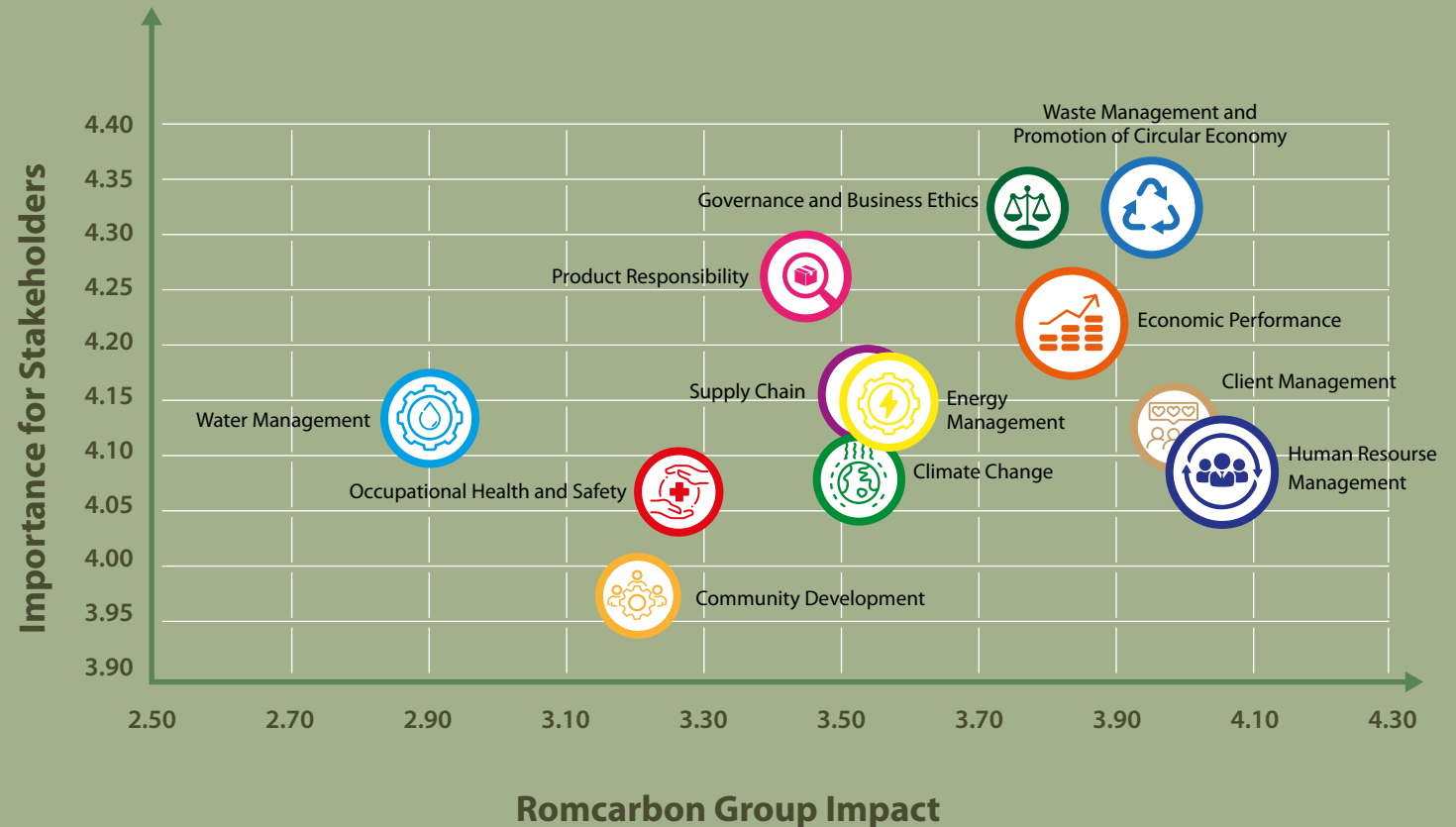
The materiality analysis was also based on the results of a study carried out to understand the sustainability trends in our sector. In doing so, we looked at our competitors and sustainability leaders internationally. In addition, we also analysed the most important international standards and guidelines in the field.

This activity helped us to structure the discussion topics for the stakeholder consultation process in order to identify the priority level of the topics considered most important by the stakeholders in the relationship with Romcarbon Group.

The consultation process was conducted through an online questionnaire and involved more than 400 stakeholders, following the principles of GRI standards and the AA1000 Stakeholder Engagement Standard.

In order to align ourselves with the latest proposed changes to the GRI Standards in terms of materiality analysis, as well as with the recommendations proposed by the "Guidelines on Non-Financial Reporting" published by the European Commission, we have analysed the external impact of our activities and the impact of sustainability factors on our business.

### Romcarbon Group Materiality Matrix



\*Sustainability aspects that may have the potential to influence the Romcarbon Group are presented in the form of a bubble chart.





# A Fair Business



## Governance and Business Ethics

### Corporate Governance

As the Group's parent company, Romcarbon, is a listed company to BVB since 2008, we have established a unitary and strong corporate governance system that allows us to perform in compliance with the law and create value for all our shareholders. Thus, at company level we have implemented the "Corporate Governance Regulation" which regulates all aspects of corporate governance: main structures, powers and responsibilities, etc. We also have adhered to the Corporate Governance Code of the Bucharest Stock Exchange adopted by the BSE Board in 2015. More information on the status of implementation of this code can be found in the Annual Report for 2021. (<https://www.romcarbon.com/wp-content/uploads/2022/04/ROCE-Annual-report-2021-EN.pdf>).

### General Meeting of Shareholders

The General Meeting of Shareholders is the governing body of the company and decides on its activities, ensures its economic and commercial policy. General Meetings are convened by the Board of Directors. Ordinary General Meetings of Shareholders are held at least once a year, within 4 months from the end of the financial year, to examine the financial statements for the previous year and to establish the activity programme and the income and expenditure budget for the current year. The General Meeting of

Shareholders is held at the company's headquarters or in other places in Buzău, with precise indication of these places.

### Board of Directors

In accordance with the company's Articles of Association, the Board of Directors consists of three members, elected or appointed by the Ordinary General Meeting of Shareholders by secret vote for a period of four years, with the possibility of re-election. The election of directors shall be made from among candidates for the position of director nominated by the current members of the Board of Directors or by the shareholders.

In the process of nominating directors, their personal experience and qualifications are taken into account. Persons who, according to the law, are incapable or have been convicted of fraudulent management, breach of trust, forgery, fraud, embezzlement, perjury, giving or taking bribes, as well as other crimes, are incompatible with the quality of member of the Board of Directors.

The members of the Board of Directors are obliged to exercise their mandate with prudence and diligence, with loyalty and in the interest of the company.



### Objectives

**Ensuring good corporate governance within the Group and improve the ESG management framework.**

### Targets

At least **1 training programme** on ethics, anti-corruption, human rights, diversity and equal opportunities implemented annually for all employees.

**100% of employees** trained on the system for the submission of complaints and warnings.

Publication on the web pages of the two companies (Romcarbon and Livingjumbo) of information regarding the channel for submitting complaints and warnings.

Establish **one Sustainability Committee/ Service** by 2025.



> The Board of Directors is chaired by a Chairperson elected by the members of the Board of Directors for a mandate which may not exceed the Director mandate. The Board of Directors shall meet at the headquarter of the Company or elsewhere, monthly and whenever necessary, at the call of the Chairman, at the motivated request of at least two of its members or of the Chief Executive Officer, the Chairman being obliged to attend such a meeting convened at such request. In 2021, the Board of Directors held 14 meetings.

The Board of Directors is responsible for conducting a self-assessment of its structure and performance and for assessing the independence of the non-executive members of the Board of Directors.

#### Audit Committee

In addition to the Board of Directors, the company's corporate governance system is reinforced by the Audit Committee, which is composed of two members appointed by the Board of Directors.

The Audit Committee is responsible for conducting an annual assessment of the internal control system, taking into account the effectiveness and scope of the internal audit function, risk management and internal control reporting to the Audit Committee of the Board, as well as the responsiveness and effectiveness of the management in addressing deficiencies or weaknesses in the internal control system identified and presented to the Board through relevant reports. The

audit committee should reconsider the conflict of interest in the transactions of the organisation and its subsidiaries with stakeholders.

The Audit Committee is responsible for reviewing the Corporate Governance Statement in the Annual Report on Risk and Internal Control, as well as assessing corporate governance and monitoring the application of legal standards and generally accepted internal auditing standards.

#### Company's Management

The management of the Company is delegated by the Board of Directors to the CEO, who is responsible to implement all the necessary measures for the management of the Company, within the scope of the Company's activity and in accordance with the exclusive powers granted by the Law or the Articles of Association, the Board of Directors or the General Meeting of Shareholders.

The CEO shall be appointed or removed from office by the Board of Directors, which shall also determine his remuneration, as well as his duties, responsibilities and powers, and the powers of representation of the Company may be delegated by the CEO to a third person only with the prior written consent of the Board of Directors.

#### Board of Directors Composition of Romcarbon S.A.

Name	Executive / Non- Executive	Independent (Yes/No)	Gender	Role
Huang, Liang Neng	Executive	No	Male	Chairman of the Board of Directors, General Manager
Wey Jiann Shyang	Non-Executive	Yes	Male	Deputy Chairman
Toderiță Ștefan-Alexandru	Non-Executive	No	Male	Member

#### Management Composition of Romcarbon S.A.

Name	Gender	Role
Huang, Liang Neng	Male	Chairman of the Board of Directors, General Director
Mănăila Carmen	Female	Deputy General Manager for Administrative Operations
Dobrotă Cristinel	Male	Deputy General Manager for Development
Crețu Victor	Male	Polypropylene Profit Centre Manager
Constantinescu Gabriel	Male	Filters, EIP and Active Carbon Profit Centre Manager
Ungureanu Ion	Male	Expanded Polystyrene Profit Centre Manager
Titi Mihai	Male	Technical Manager
Zăinescu Viorica Ioana	Female	Chief Financial Officer



### Risk Management

A company-wide risk management system is implemented in accordance with **SR EN ISO 31010 - Risk management**.

Using assessment techniques, risks have been identified and analysed in all functional departments within the organisation. Were issued risk registers for each functional department, a risk register for the whole organisation and an Action Plan to deal with the risks. Risk factors include general issues, potential political instability, risks of temporary instability of the legislative framework, risks related to instability of exchange rates and inflation rates, as well as capital market and liquidity risks and sustainability risks.

Romcarbon approaches risks prudently in line with its long-term strategy. Prudent risk management is becoming increasingly important given the prolonged economic and financial uncertainties and the prominent manifestation of market volatility. The strategic risk management vision is set by the Board of Directors and is implemented through policy actions at the level of the company's executive management.

The risk control and management activity is ensured through a series of specific structures regulated by the specific provisions of the capital market, the Articles of Association, the Collective Labour Agreement and the organisational structure, as follows: financial auditor; internal auditor; organisational and functional structure configuration.

More information on the sustainability risks identified in the materiality analysis is presented in the "Sustainability Indicators" section.

### Business Ethics

All our actions, as a leader in the industry, are guided by the set of principles, values and rules of conduct set out in the "Code of Conduct and Business Ethics". All these are a reference in the activities that directors, executive management and employees in all departments carry out.

The Code is a pillar of our business ethics foundation and governs the decision-making and operational approach of the Group and our workforce in the interests of our stakeholders. Through the Code we aim to promote social responsibility, quality culture that contributes to superior performance and is a way to address business ethics issues. It aims to prevent the occurrence of illegal and unlawful acts that may arise in the course of our activities.

Specific measures are implemented at company level to ensure that all employees are aware of and adhere to the Code of Business Conduct and Ethics. In all companies in which Romcarbon S.A. holds shares, sustained efforts are made to ensure that our ethical standards or equivalent policies are adopted.

We also require all suppliers, contractors, distributors, partners with whom we have contracts or who are sponsored or supported by us, and other stakeholders to



act in accordance with this Code.

The Code of Conduct and Business Ethics is available in both Romanian and English for consultation by clients, suppliers, contractors, agents, intermediaries, competitors, political and governmental stakeholders, local communities, non-governmental organizations, etc. on the company's website: <https://www.romcarbon.com/wp-content/uploads/2021/01/ROCE-2019-Professional-Ethics-code.pdf>

Another very important instrument that guides us and is part of our internal policies is the Internal Regulations.

This regulation defines the rules governing the development of employment relations,

the rules of the company's operation in terms of professional and disciplinary aspects. It is a communication instrument between the company as an employer and employees and establishes the rules of discipline of employees and the measures/ means for their protection.

Last but not least, the Internal Regulations of the company include the principles for ensuring equal opportunities, combating discrimination, protecting personal dignity and maternity in the workplace.



## Values and Principles

**Legality:** we comply with rules, regulations and the law, including legislative requirements, industry codes and organisational standards relating to our business activities.

**Competence:** we constantly strive for excellence in all aspects and constantly strive to increase our level of competence and reliability by providing reliable products and services.

**Objectivity:** we constantly strive to consider the impact of our actions on all stakeholders from a business, social, environmental and health perspective. We strive to achieve our business objectives in a way that causes the least harm and as much good across our value chain, in our communities, in society and in the wider environment.

**Personal and social responsibility:** we take responsibility for the impact of our activities and we consider the needs and expectations of all internal stakeholders as well as those of external ones. We are honest in all communications and actions and believe that honesty is the cornerstone of mutual trust, on which we build and protect the good reputation and morality of the company.

**Professionalism:** we recognize and accept corporate and personal responsibility for the ethical quality of our actions and operations.

The Internal Regulations and other internal norms of conduct are discussed periodically in scheduled training sessions that end with the signing of training minutes for both existing employees and new employees.

### Ethics counseling

Mechanisms to ensure advice on the application of ethical principles as well as rules of conduct, including legal compliance, are internalised.

Within the company, there are several specialized structures such as the Legal Office, the Human Resources Service, the Internal Service for Prevention and Protection & Environment, the Private Emergency Service, the Office of Quality and Environmental Management, which, as the case may be, either individually or in collaboration, analyse and issue advisory opinions addressed to the company's management in order to support decision-making in various situations involving the application of ethical principles, as well as the rules of conduct, respectively compliance with legal provisions.

The Internal Regulation also includes rules of conduct for notifying/reporting situations of unethical or illegal behaviour or behaviour affecting organisational integrity. Reporting issues or concerns helps us to protect our culture of integrity and ethics, the reputation and financial health of our company and our business partners, and ultimately protects the jobs of our employees and the well-being of our communities.

### Anticorruption

Romcarbon does not tolerate corruption in any form (including bribery, payments to facilitate certain services, financial support, extortion, abuse of power for personal gain, misuse of power or gifts with the intent to influence), regardless of whether it occurs in the public or private sector and regardless of its size. We maintain this view even if our commitments to this policy place the company in an uncompetitive business position or if speaking out against these activities results in business losses.

Across our value chain, including community involvement, charities and sponsorships, we are committed to a zero-tolerance policy on corruption and bribery. Fraud, including falsification of financial or non-financial information records, money laundering and insider trading are prohibited. Romcarbon fights fraud and does not tolerate fraudulent practices. To protect the company's values, assets and reputation, each of us is personally responsible to act in good faith, in compliance with relevant rules and regulations and to be alert to any indication of fraud. Even ignoring suspicions of fraud can lead to liability for the company and the individual.



**Conflict of interests**

Romcarbon being a company whose financial instruments are traded on the regulated market administered by the BSE, complies with the BSE Corporate Governance Code and has adopted in its own Corporate Governance Code rules on the management of conflict of interest. Thus, the members of the Board of Directors of Romcarbon submit the Declaration of Interests when taking office.

Also, based on the rules of conduct for managing conflicts of interest, each member of the Board of Directors shall avoid any direct or indirect conflict of interest with the organisation or any subsidiary controlled by it. Each Director is required to inform the Board of Directors of any conflicts of interest, in which case he/she shall abstain from discussion and voting on the matters in question.

It is also prohibited for any person in possession of inside information:

- To use such information for the purpose of acquiring or disposing of, or intending to acquire or dispose of, for its own account or the account of a third party, directly or indirectly, the financial instruments to which such information relates;
- to recommend to third parties to deal in securities held by the company if it has information to that effect;
- to disclose internal information for purposes other than those falling

within the scope of its duties and functions;

- to disseminate information in any way that creates or is likely to create a false or misleading impression;
- to engage in conduct that creates a false or misleading impression regarding the demand, supply, price or value of investments;
- to engage in market manipulation activities.

These obligations apply to any person who possesses inside information in circumstances where such persons know or ought to know that such information is sensitive.

There are no situations where Board members hold similar positions in the Boards of Directors of the company's suppliers or in the corporate governance structures of other stakeholders.



## Remuneration policy

In 2021, Romcarbon has adopted a Remuneration Policy based on the following objectives:

- contributing to the long-term sustainability of company;
- maintaining company's competitiveness on the labour market;
- ensuring adequate conditions for attracting managers/employees with the necessary and useful skills to fulfil the company's purpose;
- creating a satisfactory level of retention of managers/employees;
- supporting/facilitating the successful implementation/development of the company's strategy in the short, medium and long term;

- providing tools to reward exceptional performance/achievement.

The Remuneration Policy also respects the following principles:

- **The principle of adequacy of remuneration to the activity profile of the company**, according to which the company's Remuneration Policy is designed to comply with the principles applied in the administration/management of the company's activities, respectively prudence, diligence, solid/sustainable development and effective risk management, without encouraging the assumption of risks incompatible with the company's business profile, internal rules or Articles of Association.

- **The principle of proportionality of remuneration**, according to which the Remuneration Policy is elaborated to comply with the provisions of labour legislation and those agreed by the collective labour agreement applicable at company level, which will always respect the principles of remuneration established by the applicable legal regulations on the remuneration of work, in a manner adequate to its size, internal organisation and the nature and complexity of its activities.

- **The Principles regarding the recovery of the variable remuneration (component) of adjustment type (malus) and of refund type (claw - back)**, whereby

the company is entitled, rather than obliged, to claw back variable remuneration (component) already awarded in certain circumstances.

The Remuneration Policy sets out how remuneration is determined for members of the Board of Directors, the CEO, Deputy CEOs/Managers and staff.

The internal structures responsible for setting remuneration are the Board of Directors and the Human Resources Service.

More information on the Remuneration Policy can be found at the following link: [https://www.romcarbon.com/wp-content/uploads/2021/04/ROCE\\_Remuneration-policy\\_EN.pdf](https://www.romcarbon.com/wp-content/uploads/2021/04/ROCE_Remuneration-policy_EN.pdf)





## Supply Chain

**At Group level, we are aware that the way we manage the supply chain can influence both our financial performance and sustainability performance. With a Group-wide supply chain that includes over 1,500 suppliers in 2021, we have established a supplier management system that allows us to optimise our entire procurement process, resulting in a positive impact throughout our supply chain.**

The diversity of the products manufactured by Romcarbon Group is translated into a diversity of suppliers and items purchased. Mainly, most of the suppliers are manufacturers of the goods purchased. Purchases through traders (intermediaries) are realized only in specific situations and for certain materials, when market conditions offer no alternative.

The main raw materials we purchase are polymers - polypropylene, polyethylene, polystyrene, PET - and plastic waste. Polymers are used in the plastics processing business.

In the last years, our field of activity has been influenced by the exploitation of production capacities and the market availability business behaviour adopted by the major polymer producers. In this respect, we have taken all necessary measures to reduce the negative effects on our performance. The plastic waste that we

purchase is used for the activity carried out within the recycling sector.

In 2021, at Group level we have purchased over 8,000 tonnes of polypropylene, 5,000 tonnes of polyethylene, 3,000 tonnes of polystyrene, 4,000 tonnes of PET and over 12,000 tonnes of waste.

In addition, we also purchased other raw materials (additives, fillers, dyes, inks and thinners, rubber and metal parts, etc.), packaging materials (cardboard boxes and tubes, foils, pallets, tape, labels, etc.), auxiliary materials and consumables for production and other departments (laboratory materials, work and protective equipment for employees, office equipment, etc.), spare parts, fuel for internal transport.



### Objectives

### Targets

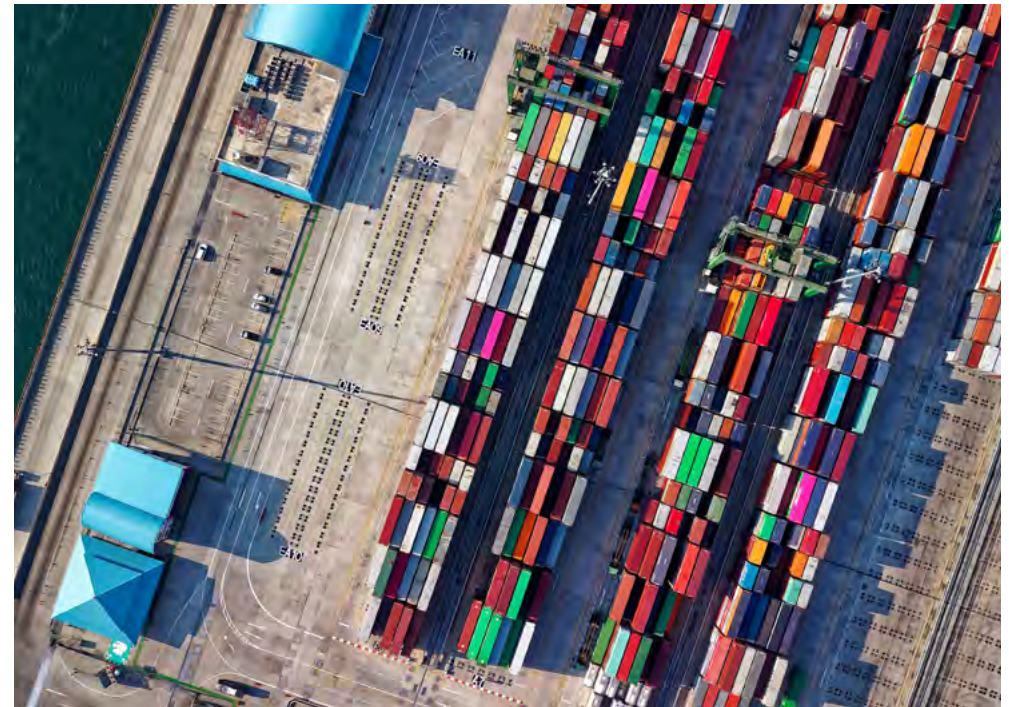


**Ensure good corporate governance within the Group and improve the ESG management framework.**

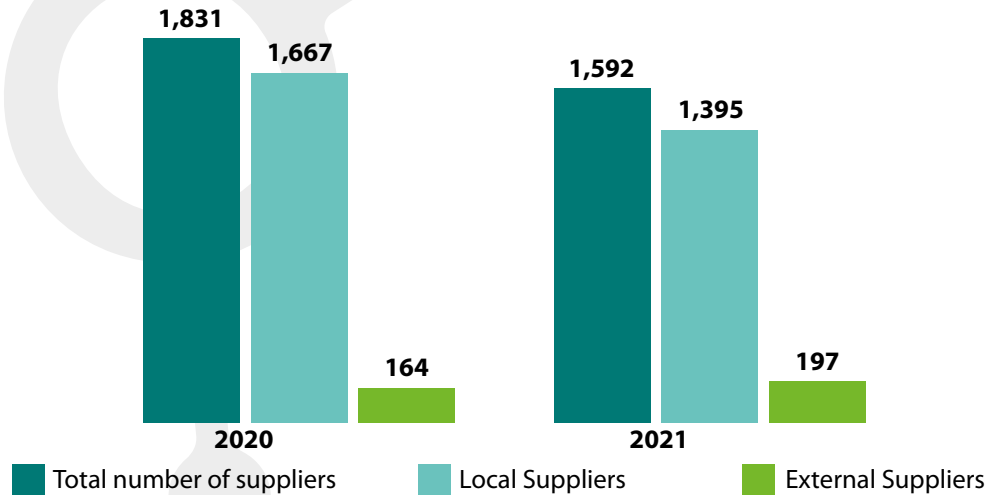
100% of our relevant suppliers (with a turnover > 50,000 euro/year) will adhere to the Supplier Code of Ethics and Conduct by 2024.

**Sustainable sourcing**

100% of our relevant suppliers (with a turnover > 50,000 €/year) will be assessed for environmental impact by 2025.



## Romcarbon Group Supply Chain



### Difficulties and changes in the supply chain

The year 2021 was full of challenges both in terms of the availability of raw materials and materials necessary for our activities and in terms of purchase prices. It has been a year of continuous increase in commodity prices, amid the effects of pandemic waves, low quantitative availability, difficulties and bottlenecks in international transport.

Against the background of declining availability of raw materials - the number of force majeure events declared in turn or simultaneously by polymer producers (Polypropylene and, especially, Polyethylene) in 2021, does not compare with any of the last years - prices have

risen to unprecedented levels, effectively changing the reference level. In a short time, during April - May 2021, the prices for all the polymers used doubled. Even if in the summer months the prices were slightly reduced, the end of 2021 found the prices of polymers above the level of October 2020 (when this process of continuous increase began) by 79% in the case of PP, by 99% in the case of PE, 106% for GPPS and 110% for HIPS.

Similarly, auxiliary raw materials, dyes, filler, cardboard and wood packaging, etc. followed the same tendency to increase the price, considering their more and more limited availability. In Livingjumbo, in the PET sector, the reduction in availability, transformed in some cases into a lack of material on the market, has allowed

producers and distributors to increase prices at a chaotic pace under the motto "take it or leave it".

It all culminated in the disappearance of certain commodities needed for our production, which were bought entirely from the Asian or US market. Given the fact that we had to adapt to the drastic changes in the market, we used every opportunity to ensure the need for raw materials, even if the market offer has decreased. We have maintained close relationships with relevant suppliers, who have been able to provide us with secure quantities and delivery times. For basic raw materials and sensitive materials, we have increased safety stocks, in order to avoid any risk of blocking the production in the conditions of market unpredictability.

The number of suppliers from which we purchased in 2021 has decreased compared to 2020 by 15% in Romcarbon and by 7% in Livingjumbo, being changes in the distribution of suppliers internally and externally. Thus, in Romcarbon, the number of external suppliers increased by 23%, while for internal suppliers, the number decreased by 19%. In Livingjumbo we had the same trend, reducing the number of internal suppliers (-10%) and increasing the number of external suppliers (+ 13%).

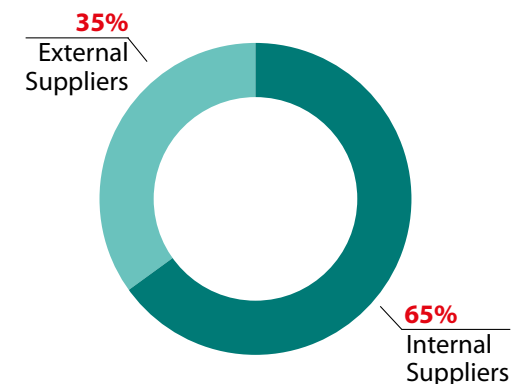
The supply chain also includes service providers who contribute to the smooth running of our business. We mainly work with service providers for repairs and maintenance, regulated checks and inspections, laboratory analysis, etc., and

a special category is represented by the utility suppliers. In 2021, at the Romcarbon level, the purchases realized represented 86% products, 7% services and 7% utilities (compared to 2020: 80% products, 10% services and 10% utilities). At the Livingjumbo level, purchases realized in 2021 represented 90% products, 6% services and 4% utilities (compared to 2020: 86% products, 8% services and 6% utilities).

### Local Suppliers

Mainly at Group level we work with local suppliers (in 2021, 88% of total suppliers in Romcarbon S.A. and 87% in Livingjumbo industry S.A.). External purchases are necessary for certain raw materials and spare parts, for which local sources are not available.

### Proportion of expenditures with local and external suppliers in 2021 for the Romcarbon Group



### Supply chain policies and procedures

The procurement policy and procedures of Romcarbon Group companies are regulated by the quality (SR EN ISO 9001), environmental (SR EN ISO 14001) and occupational health and safety (ISO 45000: 2018) standards, which impose general conditions for the evaluation of all suppliers, quality assurance of purchased products and services, compliance of products and services with legal regulations and standards, their safe use for employees, clients and the environment.

At Romcarbon and Livingjumbo level, the structures responsible for the procurement activity are the Procurement-Logistics Service and the Import-Export Office. These structures ensure the supply of all materials necessary for the activity of the companies. Procurement activities are carried out on the basis of a specific procedure, according to which any procurement is made on the basis of the necessary supply transmitted by the production sectors and/or other departments, approved at the level of section head/department head and Profit Center Manager. The supply requirements are transmitted only after checking stocks, in relation to the planned production activity, the level of safety stocks, the information transmitted by the Purchasing-Logistics Service on the availability of materials on the market and price trends. Safety stocks are sized and updated as often as necessary to avoid the risk of any production stoppage, so as not to tie up financial resources unnecessarily.

The initiation, approval and transmission of the required supplies is done through the company's ERP system, ensuring visibility and the possibility of real-time checks.

Procurement agents send requests for tenders to accepted suppliers, informing the departments concerned of the tenders received and analysing with them technical aspects, price, delivery time and any other element necessary to make a decision. For new products or alternatives to existing materials, the technical and financial analysis is coupled with production tests.

Following the purchasing decision, the purchase order is released to the supplier, this document being also initiated and approved in the ERP system. An order approval/sign-off matrix is implemented, according to department, product, value, with responsibilities up to top management level. Purchasing agents then follow up the order confirmation, delivery, receipt of goods, ending the purchasing cycle by registering in the same ERP system. The company also operates a Transport Office, which organises outsourced transport both for materials purchased in delivery condition (ex works/FCA) and for our deliveries to clients. We are constantly striving to make transport more efficient, with on-time delivery and ensuring that the goods arrive at their destination in good condition being the basic criteria for selecting carriers.



## Supplier assessment

Suppliers with whom we wish to establish a business relationship are evaluated on the basis of a questionnaire, which takes into account general information, the field of activity, capacity, financial data, system and/or product certifications, authorizations, accreditations, certifications required by law, information about the quality, environmental, health and safety at work management system, information about the documents provided for the products delivered (Declarations of conformity/Declaration of food contact and Certificate of guarantee, if applicable; EC Certificate of Conformity; Product Datasheets/Specifications; Instructions

for Storage, Handling, Transport, Use of Products; Analysis Bulletins/Test Reports); information on compliance with legal requirements on environmental protection, health and safety at work and human rights; how to evaluate complaints and reports on non-conformities found. Selected suppliers are entered in the "List of accepted suppliers". The evaluation is done for each new supplier, and every year, accepted suppliers are re-evaluated, taking into account criteria related to price, delivery time, product quality, response to complaints, payment terms and communication. **In 2021, 355 suppliers were evaluated.**

## Romcarbon Supplier Code of Conduct and Business Ethics

To ensure that the values and ethical principles that underpin our activities are shared by the suppliers with whom we do business, we have developed a Supplier Code of Conduct and Business Ethics.

Reflecting Romcarbon's Code of Ethics and Conduct, the provisions of this Code set out the minimum requirements and expectations, which are non-negotiable, for current and future suppliers of goods and services, sub-contractors, consultants with whom we work. We expect suppliers to understand, share and abide by the principles of this code governing business ethics. The Supplier Code of Ethics and Conduct can be accessed at this link: <https://www.romcarbon.com/wp-content/uploads/2022/06/CODUL-DE-ETICA-SI-CONDUCTA-AL-FURNIZORILOR-CODE-OF-ETHICS-AND-CONDUCT-OF-SUPPLIERS.pdf>

## Materials used for the production and packaging of products and services

Materials used (t)	2020	2021
Romcarbon	24,202	27,367
Livingjumbo	13,457	14,174
<b>Total</b>	<b>37,659</b>	<b>41,541</b>

## Proportion of expenditure with local and external suppliers

Proportion of expenditure		2020	2021
Romcarbon	Local suppliers	71.00%	72.00%
	External suppliers	29.00%	28.00%
Livingjumbo	Local suppliers	73.00%	76.00%
	External suppliers	27.00%	24.00%

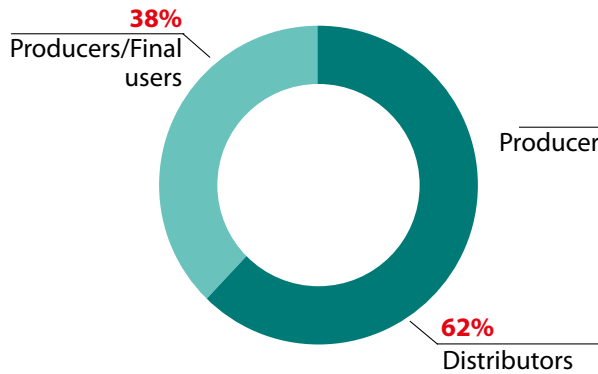


## Client Management

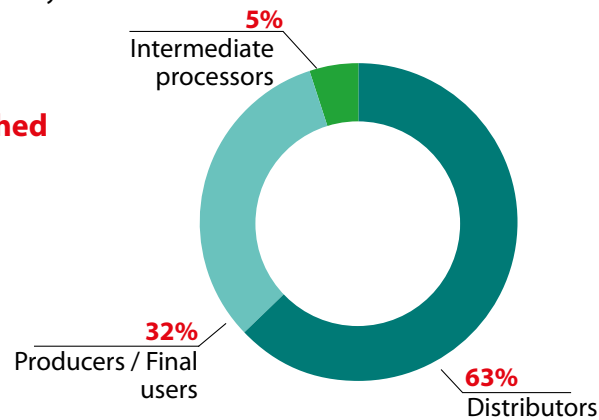
Our products are designed and realized taking into account the needs of our clients, so that we can have a positive impact on different sectors of activity. We particularly value the relationship of trust that we have established with our clients. In this sense, we try to continuously improve the processes through which we realize our products. This allows us to have a high level of clients satisfaction.

At Romcarbon Group level, clients are mostly legal entities, but some sales are also directed to individuals, both directly and through distributors.

**Top 20 total sales of finished Romcarbon products**



**Top 20 in total sales of finished Livingjumbo products**



### Objective

Continuous delivery of quality and safety for the clients

### Target

Ensuring a relevant clients satisfaction level of over 85%.



## Policies and procedures for client relationship management

Within Romcarbon and Livingjumbo a procedure is implemented that establishes the principles, methods of verification and methods of recording the activity undertaken concerning: the planning and sale of products, the delivery process of the finished product ensuring compliance with the delivery conditions specified in the order/contract; evaluation of clients satisfaction consisting of the tasks and responsibilities, calculation methodology, measure and evaluate clients satisfaction in order to understand their needs and expectations.

Client relations are managed by the Sales Office (the sales teams of each Profit Center), which is also responsible for planning deliveries to our clients. The planning of deliveries depends on the specific requirements of the products sold and the way of working with clients. In this respect, product requirements include:

- client-specified requirements, including requirements for delivery and post-delivery activities;
- requirements not specified by the client, but necessary for the specified or intended use when known;
- legal and regulatory requirements applicable to the product (these include applicable governmental regulations relating to safety and the environment that apply to the supply, storage, handling, recycling, disposal or end-of-life of materials);
- any additional requirements deemed

necessary.

Product requirements may be expressed by the client in a quotation, order and/or contract.

Delivery scheduling can be done on a daily basis or over a fixed period depending on the specifics of each sector. The planning carried out is also passed on to the other sectors concerned: the relevant Production Section, Finished Goods Warehouse/ Logistics, Commercial Invoicing and Transport Service.

Products shall be loaded only into means of transport that ensure their protection and preservation in accordance with the requirements of the technical specifications. If the means of transport does not meet the requirements, the loading of the products into the means of transport is stopped and the carrier is required to clean the means of transport or replace it.

If the delivery date of the order cannot be met due to technical or other reasons, the Production Department shall immediately notify in writing (by e-mail) the sales office/sales agent who issued the order of the number of days of delay and the reason for the delay. The salesperson who issued the order has to modify the electronic order register.

If the proposed delivery time for the internal order can only be achieved by postponing another order, this shall be stated in writing. In this case, the sales agent who issued the order shall

amend the delivery time. All changes in the delivery time after the order is placed for any reason (technical defects, priority execution of another order) are immediately updated in the Order Register (electronic) by the sales agent who issued the order and are notified to the Client.

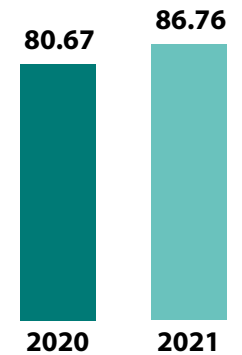
New or modified product orders require analysis to understand the best solution. To this end, the Sales Manager completes a Order/Offer/Contract Analysis Sheet mentioning all the sectors involved in the analysis of that offer/order/contract (Production, Technical, Quality, IPP&Environment, Legal, etc.). For operationality, the analysis can be done on paper and/or electronically.

Post-delivery activities include any after-sales service for the product provided as part of the client contract or supply order. This includes recycling, environmental impact and characteristics identified as a result of product knowledge and manufacturing processes).

### Clients Satisfaction

Client satisfaction information is collected on an ongoing basis. Client satisfaction is assessed using evaluation questionnaires. This evaluation is preferably carried out during client visits, as far as possible through discussions with the end user of the product.

### Romcarbon Clients Satisfaction Level (%)



### Livingjumbo Clients Satisfaction Level (%)



The collection and processing of the answers to the questionnaires is done by December 15 of the current year.

The annual report on the results of the clients satisfaction assessment is realized using:

- information from questionnaires completed by clients;
- direct communication with the clients;
- data from the clients on the quality of the products delivered;
- compliments received from clients;
- complaints received from the clients;
- damages/discounts claimed by clients;
- information related to invoices.

The sales manager reports on clients satisfaction compared to previous years. The report also contains proposals for actions to improve clients satisfaction. The report and the programme of improvement actions are submitted to the Quality and Environmental Management office by 31 December and are analysed by management.

**Product labelling**

Products must be accompanied by batch declarations of conformity, food contact declarations for products used as food packaging, technical data sheets (where applicable), product analysis bulletins (at the client’s request), instructions for use (for products in regulated areas i.e., individual respiratory protective equipment and filters), safety data sheets (where applicable). Food contact declarations contain all the data required

by EU Regulation no. 10/2011 as amended and supplemented with regard to the content of the product and the substances introduced into the product, as well as the tests and analyses necessary to prove the data in the declaration.

Products in the regulated areas, i.e. individual respiratory protective equipment and filters, are marked and labelled according to legal requirements with all necessary data for strict identification.

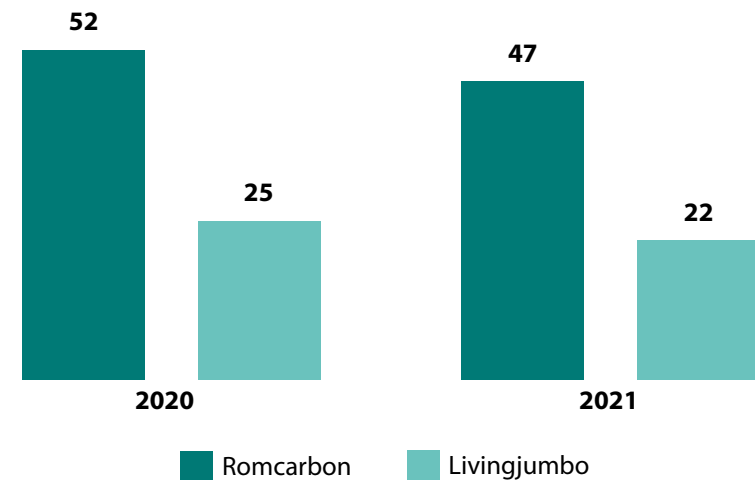
Plastic products are marked with international recycling symbols to facilitate separate collection from end users.

**100% of our products meet the labeling requirements.**

In 2021, we did not have any non-conformities with regard to the way products were marked and/or labelled, nor with regard to the accompanying documentation. We also did not have any non-compliances in terms of marketing communication about our products. 100% of our products comply with labelling requirements. In addition to the educational programs, we have for our employees, we are continually raising awareness among our clients on the topic of waste separation by marking special waste recycling codes on each of our products.



**Number of complaints received**



### **Client health and safety**

For sectors that produce packaging that can be used in the food industry, we carry out and analyse the risks that may arise due to the presence of threats and vulnerabilities for all raw materials/ materials or groups of raw materials/ materials to assess the potential risk of fraud. Hazards relevant to food safety are those hazards that may be transferred directly or indirectly to food through the use of the products and/or services supplied and thus have the potential to cause an adverse effect on the human health. In 2021, as in 2020, we did not receive any health and safety complaints from the clients.

### **Client privacy**

To ensure client privacy, we have implemented specific policies on the protection of personal data at both supplier and client level. The platform we have in place, Microsoft 365 Business, provides us with the tools that ensure the protection and privacy of the data in our IT system.

During 2021, we did not receive any complaints, claims or referrals in relation to the privacy of our client's data.





### Research and Development

The research and development activity is carried out by the Technical-Investment Department in collaboration with the internal departments involved and with approved service providers. The main activities carried out are the following:

- certification of products regulated in accordance with national and European legislation;
- obtaining the annual Health Certificate for expanded polystyrene packaging required for export to non-EU countries;
- registration of the Romcarbon brand with a new logo at EUIPO, at European level;
- development of new products and technologies in parallel with the development of existing ones (e.g., the range of polypropylene woven packaging has been extended by more than 350 products);
- acquisition of new technological equipment to increase work productivity and product quality (separate feeding system for polypropylene fractions on the existing densiometric separation line, in the recycling sector);
- updating technical, technological and control documentation for products in the polystyrene, polyethylene, plastics recycling and protective equipment sectors;
- installation of a photovoltaic system for self-consumption with an installed capacity of 60 kW, consisting of the placement of solar panels on the roof

of the administrative building, which will save energy costs and help protect the environment by reducing GHG emissions;

- obtaining non-reimbursable European funds amounting to 200,000 euros for the implementation of an intelligent energy monitoring system, co-financed by the European Fund through the Large Infrastructure Operational Program 2014 - 2020, Priority Axis Promoting clean energy and energy efficiency in order to support a low emission economy specific objective 6.2 - Reducing energy consumption at the level of industrial consumers, having as general objective the identification and implementation of energy efficiency measures and technology in order to record savings in energy consumption and avoid greenhouse gas emissions at the level of company.

During 2021, certifications were extended within the Workshop Filters and personal protective equipment for air filters, oil filters, locomotive filters, locomotives; the technical approval was extended for XPS insulating boards produced in the EPS sector, used for the installation of the parquet; EuCertPlast certification has been obtained in the recycling sector, the purpose of which is to recognize the company as a recycler that complies with the standards imposed in the field. The expenditures related to research and development activities in 2021 were **601,446 lei** and for 2022 they are estimated at **712,487 lei**.

### New product realized in 2021

In 2021 the range of filters has been expanded with 53 new filters, of which 7 industrial filters, 29 automotive filters, 7 locomotive filters, 3 natural gas filters, 7 bacteriological filters. Twenty-two new compound recipes from recyclable and virgin plastic fractions were produced, which included optimization to lower cost and make the use of raw materials more efficient. The products were sent to beneficiaries for testing. 5 of them are used by clients operating in the automotive industry.

In the polyethylene sector we have continued to assimilate products and gain new clients for products with recyclable content.





# Innovation and Competences for the Environment



## Waste Management and Promotion of Circular Economy

**We are aware that a significant environmental impact from our activities is strictly related to the way we manage the waste we produce, but also to the waste that is produced downstream of our activities, especially after the use of the products we put on the market. For this reason, we are committed to identifying concrete solutions that can help improve our waste management performance and reduce the environmental impact of plastic products.**

Within Romcarbon and Livingjumbo, waste management is a very important topic. This process has reached a level of maturity and is regulated internally through a specific procedure that sets out clear responsibilities for each sector of activity for the collection, sorting, selection, registration and reporting of waste generated.

Romcarbon's production activity mainly generates technological and sorting waste sorting, packaging waste, waste resulting from water use, forklift use, equipment maintenance, etc. Romcarbon is also aware that it is a producer of plastic products that will become waste after use. To this end, the company has established and implemented mechanisms to ensure waste reduction, traceability of waste at all stages and correct reporting to the authorities. In addition, the company recovers a large

part of the waste generated on site: plastic packaging waste, technological plastic waste and coarse waste resulting from the adjustment of equipment is recycled within the Recycling sector. Also, we reduce wood packaging waste (pallets) by reconditioning (minimal repairs) in a specific workshop, in order to reuse the pallets.

At Romcarbon level, we annually process significant quantities of polymers, polypropylene, polyethylene, polystyrene - approx. 8,300 tons in 2021 - from non-renewable sources, mostly transformed into packaging for products for the food, chemical, agricultural, construction industries, etc.

### Objective

Improving the environmental performance

### Targets



Increase the use of recycled materials in traditional plastics processing by 2030 - to reach **35%** of total raw materials)

**15%** increase in recycled polymer production by 2025

Reduction in the amount of technological waste generated/total production output (t) = **2%**

At least **2 partnerships** established for promoting the circular economy along the value chain.



## Recycled input materials used in the production process

Recycled input materials	2020	2021
Romcarbon	28.00%	31.00%
Livingjumbo	30.90%	17.10%

In our plastics processing sectors (packaging, foils, panels), more than 4,200 tonnes of recycled material was used in 2021, in the form of regrind and regranulate, an 11% increase over the previous year, replacing virgin raw materials and saving resources. We produce and deliver 100% recycled or virgin-recycled mix products. We aim to increase our capacity to incorporate as much recycled material as possible in our products, while ensuring the quality required by the client and the purpose of use.

At Romcarbon level, in 2021 the proportion of recycled materials used for production in the plastics processing sectors increased to 31% (2020: 28%): out of a total of 13,843 tonnes of base materials used for production, 4,242 tonnes (2020: 3,787 tonnes) were recycled materials. The increase in the share of recycled material in total basic materials compared to 2020 was visible in all production sectors: Polyethylene Processing Sector - 43.27% (2020: 38.64%); PVC Processing Sector - 95.3% (2020: 94.2%); Polystyrene Processing Sector -

29.62% (2020: 28.45%); Polypropylene Processing Sector - 1.26% (2020: 0.55%).

Concerns have been raised about replacing virgin raw materials with recycled materials as much as possible, while continuing to look for innovative solutions to increase the capacity of equipment and products to incorporate recycled material and to expand the source of plastic waste.

The ability of different sectors to incorporate recycled material differs depending on the type of products manufactured, the equipment, but also the availability of materials, especially waste, in the market. The Recycling-Compounds sector uses waste in the production process, which it transforms into intermediate products such as grinding or regranulate found in the final recycled products.

This sector provides part of the recycled material needed by the other sectors, processing domestic and market purchased waste, with the difference being sold in Romania and abroad.



In the Recycling-Compounds Sector, of the total amount of raw materials and materials consumed, 91% (2020: 92%) were waste and 6% (2020: 5%) recycled products.

At Livingjumbo level, in 2021, against the background of the crisis caused by the SARS-COV-2 pandemic, the reduction in the availability of raw materials, implicitly recycled, the significant increase in their price and, above all, the limitation and increase in the cost of shipping, have created difficulties in purchasing PET flakes.

Under these conditions, in 2021, on the total company, the proportion of recycled materials used for production decreased to 17.1% (2020: 30.9%): out of a total of 14,174 tonnes (2020: 13,457 tonnes) feedstock used for production, 2,419 tonnes (2020: 4,159 tonnes) were recycled materials.

In the Polypropylene Processing sector, the share of recycled material remained roughly constant compared to 2020 - 3.2%, the significant difference being in the PET and Flexible Films Processing sector, where the share decreased to 26.6%. During 2021, solutions were identified to increase the quantities of recycled material purchased, so that, starting with the fourth quarter of 2021, the situation has improved.

We remain concerned about replacing virgin raw materials with recycled materials as much as possible, testing and assimilating in production materials from several suppliers.



> We collaborate with sanitation companies in the selective waste collection activity, producing and supplying them with specific packaging for this purpose. We are one of the producers of the “yellow bag”, which is the packaging distributed to individual households for sorting recyclable waste. For the same purpose, we supply individualized polypropylene bags for recyclable waste (paper, plastic, glass), but also for construction waste.

Since 2019 we have started the production of bags and sacks made of biodegradable materials, providing part of the domestic market consumption of such packaging. Our products are certified “**OK Compost Home**” and “**OK Compost Industrial**” according to EN 13432 by TUV Austria.

In the field of polystyrene packaging, in 2021, a product segment fell under the scope of GEO no. 6/2021, which transposed the provisions of EU Directive 2019/94 on the reduction of the environmental impact of certain plastic products. We have aligned with the legal provisions by changing the manufacturing structure.

In the Polypropylene sector of Livingjumbo, we produce flexible big-bags used for packaging bulk products for agriculture (grain packaging), chemical industry (especially fertilizers), food industry (sugar, salt, etc.).

The high strength of the fabric from which these bags are made guarantees packaging and safe transport and storage for large quantities of products (up to



2 tonnes/big bag) with low material consumption. A big-bag is, depending on size and model, between 1 and 3.5 kg - one of the most efficient and widely used bulk packaging worldwide. In 2021 we delivered over 3.1 million pieces, up 22.6% on 2020. The delivery structure was maintained: 56% domestic and 44% export. A very important aspect is that the waste bags, after use, are 100% recyclable.

Also in this sector, we are studying solutions for integrating more recycled material without affecting the quality and strength of the yarn and fabric, the basic characteristics that make the sack strong.

In the PET sector, we produce PET rigid films and trays, as well as flexible barrier films for food packaging, ensuring a high degree of safety for packaged products and extending shelf life, conditions for reducing food waste and therefore packaging materials.

The three-layer co-extruded rigid PET film production equipment is designed to work predominantly on the middle layer with recycled material - PET flakes and grinds - protected by the outer layers of virgin PET and, for some of the thermoformed trays in that film, by the laminating film (bonding film for the sealing film).

In 2021 we used approximately 2,300 tonnes of recycled material in production.

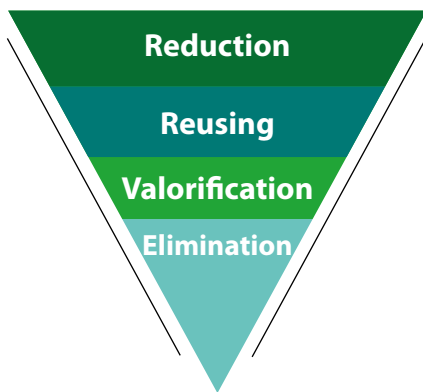
PET film waste is recyclable, including PET laminate film waste, and reuse solutions have been identified (in injected products or synthetic fibre).

In a tripartite collaboration, we are working on the development of a project for the production of **100% recyclable single-material trays (APET+)**, in order to widen the range of use of the recycled product. For the flexible film waste is also ensured recyclability.

**Policies and procedures for waste management**

The environmental management system implemented in the Group's companies sets out internal policy and procedures in this area, in line with current legislation and our vision. Waste management activities are also carried out in compliance with the provisions of the Environmental Permit.

Our waste policy is translated into a hierarchy of actions:



Monitoring waste in production is the first step in preventing waste generation, with a significant impact given the volume of raw materials processed. Preparation for this step is made as early as the decision to purchase raw materials, selecting those that suit the Romcarbon Group's technologies, with any new raw material being tested before being introduced into mass production. We are constantly concerned with widening

the range of materials used, in order to have alternatives in any situation, good processability, constant quality and reduction of the amount of waste generated through a shorter time of entry into normal parameters when starting up the machines and/or when changing the assortment during production, being the basic criteria in choosing the use of that material.

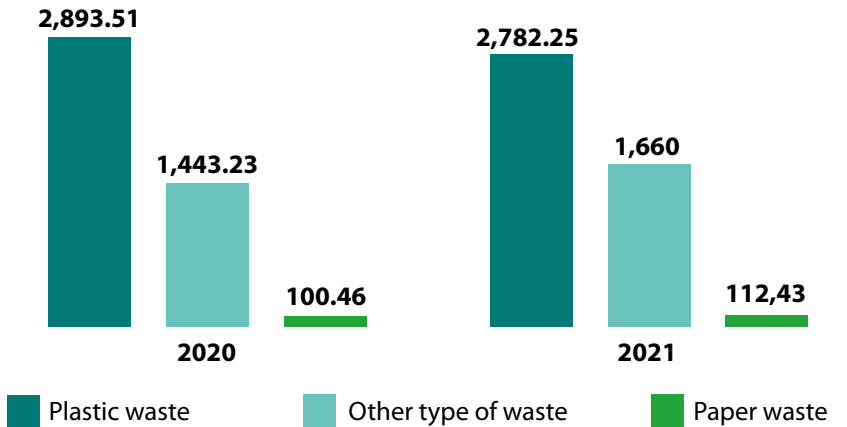
Continuous attention is paid to organising production, setting minimum orders per assortment, reducing and scheduling assortment changes to streamline the process and minimise consumption and waste.

At the level of each production section, the amount of waste generated is measured and recorded per work place. If the amount of technological waste exceeds the estimates, the causes are analysed and concrete measures are identified, which may mean interventions on the machinery, changes in the recipe, staff training.

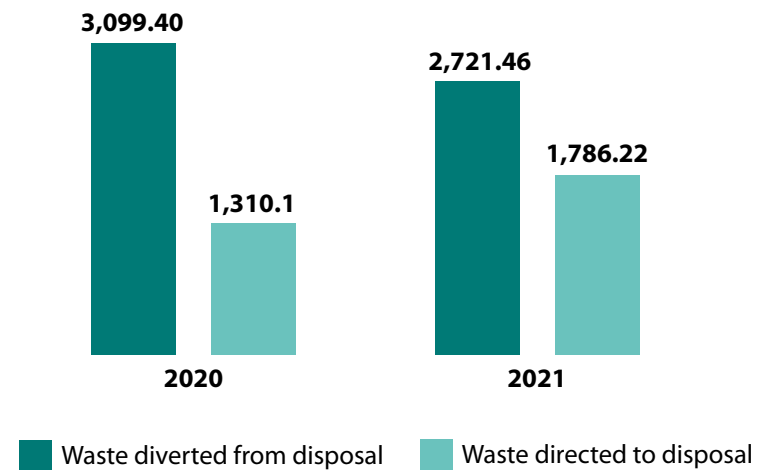
As an example, in 2021 the percentage of technological waste generated in relation to the production obtained decreased compared to 2020 by 14% in the recycling sector and by 5% in the polyethylene processing sector (Romcarbon sectors).

In addition to reducing the generation of waste in production, their internal reuse is a particularly important objective for protecting the environment and saving resources, given the unprecedented increase in prices and the reduction in the availability of raw materials.

**Non-hazardous waste generated by Romcarbon Group (t)**



**Waste diverted from disposal by Romcarbon Group (t)**



In 2021, in Romcarbon we reused 2,283 tonnes of own waste in the plastics processing sectors and 1,198 tonnes in Livingjumbo. The waste is prepared for reuse (grinding, regrinding) either in the generating sectors or in Romcarbon's

Recycling Sector. Quantities of waste generated and reused are important points in analyses of profit centre results, which are carried out by management on a monthly, quarterly and annual basis.

## Transfer of responsibility

**In order to achieve the targets, set by law for the recycling and recovery of packaging waste placed on the market, Romcarbon and Livingjumbo have transferred the responsibility for collection and recycling to an OIREP (Extended Manufacturer Responsibility Implementation Organization).**

**The responsibility covers all types of packaging: plastic/PET, paper/cardboard, metal and wood, and at the end of each year we receive the target achievement report.**

**In this respect, the recovery target set by Law 249/2015 of 60% has been met through organisations implementing extended producer responsibility (OIREP).**

**At Romcarbon level, in 2021 the transfer of responsibility was made for 1,252 tonnes of packaging (2020: 1,186 tonnes). At Livingjumbo level, in 2021 the transfer of responsibility was made for 646 tonnes of packaging waste (2020: 762 tonnes).**

On the entire Romcarbon platform, waste is classified and we report to the authorized environmental institutions, in accordance with the environmental legislation in force, the non-hazardous and hazardous waste generated, recovered and disposed of by authorized economic agents. We keep records of waste management for each type, keeping chronological records of quality, nature, origin and recovery/disposal operations.

Waste is stored in places specially designed so as not to affect the environment, delimited and marked accordingly, in conditions that do not affect the health of employees.

We ensure the selective collection of waste that cannot be reused internally, including waste fractions that can be assimilated to household waste: plastic, PET, paper-cardboard, metal and glass, which are handed over for recovery to authorized companies with which we have contracts for this purpose.

The plastic waste taken by Romcarbon from the market for recycling is stored by categories on a platform of over 7,000 m<sup>2</sup>, specially designed for this purpose. We comply with the traceability rules established by the authorities in the field of procurement and transport of waste from internal and external sources, Romcarbon being registered in the SIATD system (Information System for the Assurance of Waste Traceability).

In order to ensure that the waste management policy and procedure are

properly followed and implemented, we regularly conduct both internal and external audits. Through internal audits we assess the following:

- how the obligations resulting from the Integrated Management System are fulfilled in terms of its compliance and effectiveness with the requirements of the reference standards translated into the documented procedures implemented;
- whether the Integrated Management System continues to meet applicable legal, regulatory and contractual requirements;
- continuity of operational control.

External audits are carried out by the certifying authority, clients and public authorities. Audits by Certification Authorities are carried out by SRAC Romania for Romcarbon and RINA SIMTEX for Livingjumbo with the following objectives:

- assessment of the conformity and effectiveness of the Integrated Management System with the requirements of the reference standards.
- identification of areas for potential improvement of the Integrated Management System.

Following audits/controls, action plans, responsibilities and deadlines are established.





## Energy Management

**Romcarbon Group is a large consumer of electricity and therefore the efficient use of electricity, and of all forms of energy in general, is a priority in our production processes.**

Within the production process, the basic activity for almost all our sectors is extrusion, representing the activity with the highest energy consumption.

Romcarbon acquires high voltage electricity that enters the 110 KV substation and passes through the two transformer stations SR1 and SR2 (at 6 KV) to the 9 transformer points (0.4 KV) and then to the consumers. Part of the energy acquired by Romcarbon is successively provided to Livingjumbo for the realization of its activities.

In 2021, the energy consumption at Romcarbon level was 33,991 MWh and at Livingjumbo it was 10,293 MWh. Also, in Romcarbon the Energy Intensity decreased by 1.5% compared to 2020 and in Livingjumbo it decreased by 8% compared to 2020.

### Policies and procedures for energy management

Our concern for energy efficiency is translated into a management programme that is reviewed and updated annually.

Through this programme we have set the target for energy efficiency in the medium and long term by incorporating energy efficiency into both existing equipment and selection criteria for new equipment purchases as well as by complying with national energy regulations.

Energy consumption is measured for each profit center by meters installed in each sector. The correct functioning of both the meters and the energy installations is ensured by firm contracts with accredited service providers.

The operation, preventive maintenance and repairs of energy equipment are realized on the basis of a firm contract with authorized companies, in compliance with the technical specifications of the installations in operation.



### Objectives

### Targets



**Improving the environmental performance**

**3% reduction in specific quantitative energy consumption from 2024** as a result of improved energy management.

Obtain a minimum of 1,200 MWh/year of electricity from renewable sources.

**Calculate direct GHG emissions Scope 1 until 2024** and determination of subsequent actions and investments to reduce GHG emissions.

**Strengthening Romcarbon Group capacities to adapt to climate change**

Identify and prioritize significant **climate risks and vulnerabilities** and strengthen the Group capacity to respond to them.



## Green Energy

**Romcarbon Group will use green energy by initiating a pilot project to be completed in the first quarter of 2022, which consists of installing a solar photovoltaic system for self-consumption, with an installed capacity of 60 kWh, located on one of the administrative buildings. It will provide part of the electricity needs of the building, bringing environmental benefits calculated as the annual equivalent of 34 tonnes of CO<sub>2</sub>, 28 tonnes of standard coal or 12 trees planted.**

The maintenance plan for all equipment is constantly aimed at bringing it into its parameters and within the specific consumption.

Regarding the production activity, in the period 2012-2020, modern technological lines were purchased in the waste recycling sector, between the acquisition criteria being implicitly taken into account the energy consumption.

Also, in order to reduce energy consumption on energy-intensive machinery, measures have been taken over the last few years to bring the equipment up to nominal parameters while replacing high-power engines with

low power engines with variable speed, which have resulted in significant energy savings.

For the efficient operation of the technological lines, permanent training programs and periodic evaluation of the operators are implemented in order to use the production equipment at maximum capacity within the consumption limits.

A significant reduction in electricity consumption was achieved through local lighting in the technological flow and perimeter. Local lighting has been sectorised so that it is only used where appropriate.

In order to assess the energy situation of the company, once every 4 years, Romcarbon carries out an energy audit on the entire energy contour (with authorized suppliers in the field), with clear solutions in energy saving, with annual monitoring and reporting on the degree of implementation of programs of measures to reduce energy consumption.

The measures established and monitored by the Management Programme are submitted annually to the Ministry of Energy, Energy Efficiency Directorate, including the energy analysis statement and questionnaire.



### Energy consumption within Romcarbon

Category	UM	2020	2021
Diesel	t	69.80	75.00
Electricity	MWh	35,847	38,695
Gas	MWh	4,389	4,984
Electricity sold	MWh	9,749	9,667
Thermal agent sold	MWh	874	906
<b>Total</b>	<b>MWh</b>	<b>30,437</b>	<b>33,991</b>

<sup>1</sup> Conversion factors used: 1 m<sup>3</sup> gas = 10.8 kwh; 1 t diesel = 1,015; 1 tep=11.63 MWh.

### Energy consumption in Livingjumbo

Category	UM	2020	2021
Diesel	t	16.77	15.08
Electricity	MWh	9,571	9,474
Thermal agent	MWh	576	641
<b>Total</b>	<b>MWh</b>	<b>10,345</b>	<b>10,293</b>

<sup>1</sup> LivingJumbo buys the heating agent.

<sup>2</sup> Conversion factors used: 1 t diesel = 1,015 tep = 11,63 MWh

### Energy intensity

Energy intensity	UM	2020	2021
Romcarbon	MWh electricity consumed/tonne production	1.33	1.31
Livingjumbo	MWh electricity consumed/tonne production	0.87	0.80

<sup>1</sup>In calculating energy intensity, electricity consumption has been taken into account, as most of this consumption is used in production. Other utilities do not directly contribute to the production.

### Climate Change

The effects of climate change are becoming more and more visible and can no longer be ignored. For this reason, we have set clear goals that, on the one hand, will guide us in reducing our impact on the environment and, on the other hand, make us more resilient to the physical and transitional risks posed by climate change.

As a manufacturer of plastic products, we know very well the effects of these products on the environment and especially their contribution to climate change. For this reason, we are focused on increasing the amount of recycled plastic we use to make our products, reducing energy consumption and reducing the amount of greenhouse gases.

Starting this year, the Romcarbon Group has the obligation to publish the first information on the significant contribution

to one of the six environmental objectives set by Regulation no. 852/2020 on Environmental Taxonomy, by reporting information on the percentage of eligible and ineligible activities. One of the environmental goals is to adapt to climate change.

Given the activities carried out by the Romcarbon Group and the information found in the section "EU Taxonomy", in the next period we will realize an in-depth analysis that will allow us to identify and prioritize climate risks that may affect our activity. Based on this analysis, we will develop and implement an action plan on managing the identified risks. In fact, these actions are an integral part of the Sustainability Strategy that will help us meet the goal of "Strengthening the capacity of the Romcarbon Group to adapt to climate change".



# Water Management

**Reducing water consumption and managing water resources wisely in our operations are important aspects of our environmental protection strategy. For each sector with high water consumption, measures have been established to reduce consumption.**

Romcarbon is supplied with water from underground sources: three drilled wells with their own pumping station with a volume of 1,280 thousand m<sup>3</sup> per year, which transport water in two underground reinforced concrete reservoirs with a volume of 500 m<sup>3</sup> each and a water tower with a volume of 100 m<sup>3</sup>, from where it is distributed to the consumption points. Distribution is realized by gravity and pumping. A water chlorination station is present before the entrance into the storage tanks, for which we have Sanitary Operating Permit No. 6887/13.12.2019.


The water is used both for production processes and for consumption and sanitation. In the production processes, the captured water is used mainly for technological cooling, for the process of washing plastics in the recycling sector (the sector has its own treatment plant) and for sanitation use, in bathrooms and lunch rooms.

Romcarbon supplies water for production and staff to companies located on the Romcarbon Platform (including

Livingjumbo) and to the “Costin Nenițescu” Buzău Technological High School. The water supplied to third parties represents about 20% of the quantity extracted.

**Groundwater withdrawal Romcarbon (ML)**



Objective	Target	
Improving the environmental performance	Reduction of annual water consumption relative to production obtained by <b>2%</b> by 2025.	



<b>Water withdrawal Livingjumbo</b>	<b>UM</b>	<b>2020</b>	<b>2021</b>
Groundwater (delivered by Romcarbon)	ML	6.83	6.52

<b>Water consumption</b>	<b>UM</b>	<b>2020</b>	<b>2021</b>
Romcarbon	ML	300.74 <sup>1</sup>	322.66 <sup>2</sup>
Livingjumbo	ML	6.83 <sup>3</sup>	6,52 <sup>4</sup>

<sup>1</sup> Based on production (finished product) in 2020, this results in a water consumption of 15.28 m<sup>3</sup>/tonne production.  
<sup>2</sup> Compared to production (finished product) in 2021, this results in a water consumption of 14.55 m<sup>3</sup>/tonne production, 4.8% less than in 2020.  
<sup>3</sup> Based on production (finished product) in 2020, this results in a water consumption of 0.619 m<sup>3</sup>/tonne production.  
<sup>4</sup> Compared to production (finished product) in 2021, this results in a water consumption of 0.547 m<sup>3</sup>/tonne of production, 11.63% less than in 2020.

### Policies and procedures for managing water consumption

Water management is realized in accordance with the water management authorization no. 118/10.09.2018 issued by the Buzău-lalomița Water Basin Administration, regarding water supply and wastewater disposal at Romcarbon S.A.

Wastewater collection on the Romcarbon platform is carried out via three sewer networks:

- the collection network for domestic waste water and technological water requiring treatment;
- the collection network for cooling water used for technological purposes and not requiring treatment;
- rainwater collection network.

Water resource management is done for each sector individually.

Water consumption is metered and monitored by the Administrative Service and is analysed in the monthly budget of revenues and expenditures analysis meetings.

We are constantly raising awareness among our own staff regarding the need to save water and use only what is strictly necessary.

At each social group there are posters urging water saving and how wasting water can affect us in the future.

### Wastewater

Domestic and technological wastewater, which requires treatment and collected on site, is discharged into the sewerage network of Buzău Municipality, based on the contract signed with Compania de Apa S.A. Buzau and the Connection Agreement.

The wastewater resulting from the cooling of the machinery (which does not require treatment), together with the rainwater collected on site is discharged into the Buzău River, through a pipeline, under the Authorization issued by N.A. APELE ROMANE - Buzău-lalomița Water Basin Administration.

Livingjumbo discharges wastewater (domestic) to the sewerage network of the Municipality of Buzău through Romcarbon's internal sewerage network. Technological water is recirculated. Romcarbon takes all measures to comply with the maximum permissible limits for wastewater quality indicators laid down in legislation, permits, connection agreements and contracts.

For domestic and technological waters requiring treatment, the indicators and maximum quality limits are provided for in the service contract and the Connection Agreement, concluded with SC COMPANIA DE APA S.A. Buzău, in compliance with NTPA 002-HG 188/2002, GD No. 352/2005 and Order no.31/2006. The indicators are: pH - 6.5 - 8.5 pH units; Suspended matter - 200 mg/dmc; Biochemical Oxygen Consumption (BOD5) - 250 mgO<sub>2</sub>/dmc; Chemical Oxygen Consumption - COD

Cr - 400 mgO<sub>2</sub>/dmc; Ammonium - 30 mg/dmc; Iron - 5 mg/dmc; Total Phosphorus - 5 mg/dmc; Zinc - 1 mg/dmc; Total Chromium - 0.1 mg/dmc; Aluminium - 5 mg/dmc; Synthetic detergents - 20 mg/dmc; Extractables - 30 mg/dmc; Residue filtered at 105 °C - 2000 mg/dmc. For technological waters that do not require treatment and meteoric waters, the indicators and maximum quality limits are provided for in the Water Management Authorization issued by A.N. APELE ROMANE - Water Basin Administration Buzău-lalomița: Temperature - 35°C; pH - 6.5-8.5 pH units; Suspended matter - 60 mg/dmc; Biochemical Oxygen Consumption (BOD5) - 25 mgO<sub>2</sub>/dmc; Chemical Oxygen Consumption (CÓD Cr) - 125 mgO<sub>2</sub>/dmc; Petroleum products - 5 mg/dmc; Filtered residue at 105°C - 2000 mg/dmc; Ammonium - 3 mg/dmc; Detergents - 0.5 mg/dmc.

The other quality indicators of these waters, which are not named, must comply with the permissible limit values laid down in NTPA-001, approved by GD No 188/2002, amended and supplemented by GD No 352/2005.

Romcarbon fulfils its obligation to self-monitor the quality of wastewater discharged, according to GD No. 188/2002 amended and supplemented by GD No. 352/2005 and NTPA-001. The frequency of determination of wastewater quality indicators is quarterly, the determination of quality indicators being carried out in our own- or third-party laboratories. Cooling process water remains clean, requiring no treatment before discharge.



Work is underway to ensure the recirculation of all technological cooling water at the Romcarbon platform level, with a deadline for completion by the end of 2022.

Wastewater from the technological process is collected in a wastewater neutralisation tank. After neutralization, it is analyzed in our own laboratory and discharged into the sewage network of the Municipality of Buzău only if its quality is in conformity.

The wastewater resulting from the plastic washing process is pre-purified in a pre-purification plant consisting of:

- mechanical purification stage (pre-filtration plant and equalisation tank);
- physico-chemical treatment stage (flotation system and automatic chemical treatment plant);

- biological treatment stage (contact tank and aeration tank);
- sludge dewatering.

The wastewater treated in this plant is fed back into the plastic washing process.

Romcarbon, through periodic measurements, ensures the permitted limits of the monitored indicators are not exceeded. In 2021 there were some exceedances for some indicators on the sewer route and we have requested the support of the authorities to check the discharges made by other persons and companies on the sewer route to ensure that all comply with these requirements.

### Water discharged

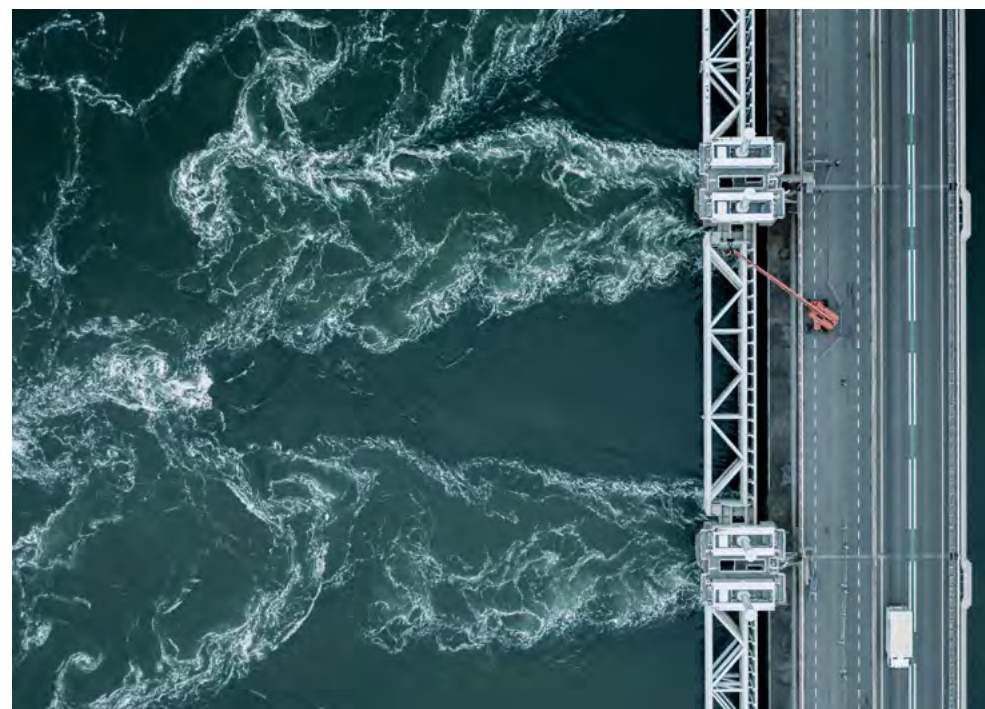
Water discharged Romcarbon	UM	2020	2021
Surface water <sup>1</sup>	ML	313.37	335.66

<sup>1</sup> The data includes water discharged by companies that are present on the Romcarbon's platform, which are supplied with water extracted from underground, using Romcarbon's internal sewage network for discharge.

Water discharged Livingjumbo	UM	2020	2021
Surface water	ML	6.83	6.52

## Environmental Policy

Our continued concern for the protection of the environment, the reduction of the consumption of natural resources and the sustainable development also results from the environmental policy implemented at the level of the Group. The environmental policy can be consulted at this link: <https://www.romcarbon.com/wp-content/uploads/2022/06/POLITICA-DE-MEDIU-ENVIRONMENTAL-POLICY.pdf>.



## Emergency preparedness

**We implement all the necessary measures so that we can carry out our activities safely.**

At Romcarbon and Livingjumbo there is a procedure in place that describes the process for ensuring preparedness to respond to identified potential emergencies. The objective of this procedure is to establish a planned response to emergencies including the provision of first aid, providing training for planned response capability, testing/simulating possible emergencies, evaluating performance/and establishing improvement measures and communicating information to staff and all stakeholders.

For each possible emergencies identified, the Internal Prevention and Protection Service & Environment/Private Emergency Service / Quality and Environmental Management Office elaborate the "Prevention /Intervention Plan related to emergencies" which contains the description of the emergencies, the composition of the intervention team and the responsibilities of the staff involved, the impact on the environment and health and safety, internal and external communication channels, how to notify the incident/emergencies and the people in charge, the list with the telephone numbers of the intervention team, the

list of intervention materials and their deposits, locations of water/sand/sawdust sources, list of intervention equipment; instructions in case of emergency, measures to remove/reduce the effects on employees and environmental factors. In accordance with the legislation in force, each manager of organisational structure draws up Evacuation Plans on the basis of the level/room plan and marks the escape routes in green, marking the means of intervention (hydrants, fire extinguishers). These plans are displayed in places where they can be seen by all interested people. The manager of the organisational structure shall ensure that the plans are legible and kept up to date.

Also, the management ensures the emergencies monitoring through the service contract with the security company in charge with the guard of the perimeter. The security guards patrol the perimeter and check the safety seals at the hazardous chemical storage site, the perimeter lighting, the functioning of the safety and video surveillance systems, etc. At the end of the patrol period, activity is documented in a report.

### Objective

### Target



**Pollution prevention and emergency containment**

0 incidents / accidents / emergency situations



The head of the organisational structure shall train subordinate staff on how to act in accordance with the Prevention/Intervention Plans for emergencies.

The training of staff on the provisions of the Prevention/Intervention Plans shall be carried out annually or at each update of the plans.

The head of the organisational structure checks the existence of the necessary materials and equipment and ensures their supply.

The IPP&Environment Service plans the simulations for the current year by drawing up the "Simulation Action Programme for emergencies". In 2021, 14 emergency simulation actions were carried out.

The following criteria shall be taken into account when determining the frequency and simulation actions:

- carrying out at least one action/year in each Section/Activity Sector;
- the previously produced emergencies;
- the results of simulation actions;
- the legal provisions.

The programme is developed by a team of managers in charge for emergency preparedness.

The results of these simulation exercises are analysed both in terms of response time and way of solving and depending on the outcome some replays are scheduled accordingly. After the simulations, each intervention exercise is finalised in a report

which will refer to:

- the objectives and purpose of the exercise;
- the ability to implement the tasks assigned to personnel in the event of fires/accidental spills/health and safety accidents;
- meeting established time scales and operational response times;
- staff alarm statements;
- assessments of the operation of technical means of fire protection/used in the event of accidental pollution/health and safety risks;
- carrying out rescue and evacuation of persons/emergency response;
- proposing measures to improve this activity.







# Involvement for People and Community

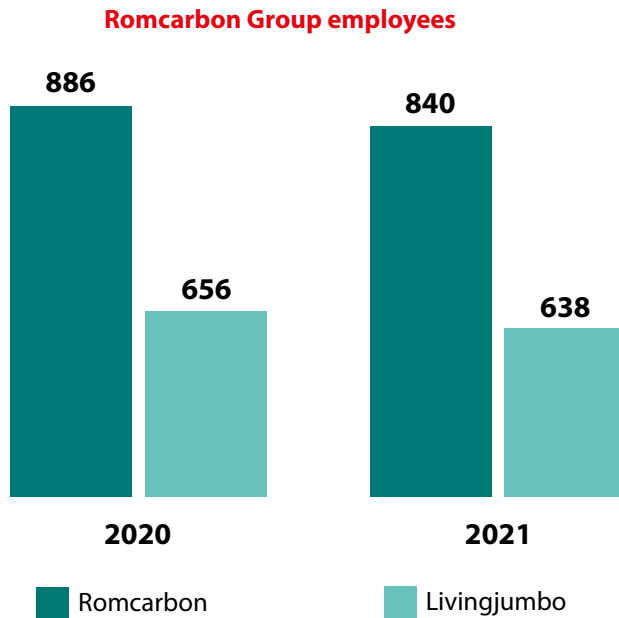


## Human Resource Management

**Our employees are an essential resource to ensure the long-term development of Romcarbon Group. We are strongly committed to ensuring a safe and healthy working environment for employees, the necessary tools to carry out their activities and equal opportunities for career development.**

Romcarbon Group is one of the main employers in Buzau County. In 2021,

Romcarbon and Livingjumbo provided jobs for **1,478** people.



Objectives	Targets	
Ensuring a competent, motivated and sufficient workforce	Progressively provide <b>30 hours of training per year for each employee</b> by 2025.	
Ensuring equal treatment, equal opportunities and non-discrimination for all staff	<b>0 complaints/0 grievances/0 internal or external warnings</b> about unfair treatment of employees and others	



Most employees have a full-time undetermined employment contract.

### Romcarbon Employees

Information about employees	2020	2021
<b>Employees with ILC, undetermined period, full time</b>	<b>778</b>	<b>757</b>
out of which women with ILC	377	374
<b>Employees with ILC, undetermined period, part-time time</b>	<b>12</b>	<b>10</b>
out of which women with ILC	5	4
<b>Employees with ILC, determined period, full time</b>	<b>96</b>	<b>72</b>
out of which women with ILC	38	30
<b>Employees with ILC, determined period, part time</b>	<b>0</b>	<b>1</b>
out of which women with ILC	0	0

### Livingjumbo Employees

Information about employees	2020	2021
<b>Employees with ILC, undetermined period, full time</b>	<b>563</b>	<b>546</b>
out of which women with ILC	386	379
<b>Employees with ILC, undetermined period, part-time time</b>	<b>15</b>	<b>16</b>
out of which women with ILC	4	5
<b>Employees with ILC, determined period, full time</b>	<b>68</b>	<b>60</b>
out of which women with ILC	42	38
<b>Employees with ILC, determined period, part time</b>	<b>0</b>	<b>1</b>
out of which women with ILC	0	0

### Policies and procedures for human resources management

At Romcarbon Group level, the Human Resources Service is responsible for providing the organization with competent and motivated employees, enabling the effective achievement of organizational objectives and increased performance.

To this end, we have developed a Human Resources Strategy aimed at meeting the operational needs of the organisation through the efficient use of human resources. In this area, we aim to define the requirements by elaborating the tasks and responsibilities for the core activities detailed in the job descriptions, identifying and removing any restrictive limits on the availability of human resources which, by their nature, could affect the implementation and development of ongoing projects.

Our human resources policy aims to ensure that our workforce requirements are in line with the company's development objectives, anticipating any fluctuations in staff shortages or surpluses.

The main directions of action are:

- attracting, training within the professional development plans and retaining qualified staff with the necessary skills, expertise and competences;
- reducing reliance on external recruitment when there is a shortage of qualified staff in a sector by running

- employee training programmes; development by the operational managers, using mentoring principles and programmes, of well-trained and flexible teams able to adapt to a dynamic and changing environment;
- promoting constructive discussions and exchange of knowledge and information about the activities carried out in all seven sectors, in order to increase solidarity within the company;
- improving staff utilisation by introducing flexible organisational models.

### % women and men at the level of the Romcarbon Group



57%

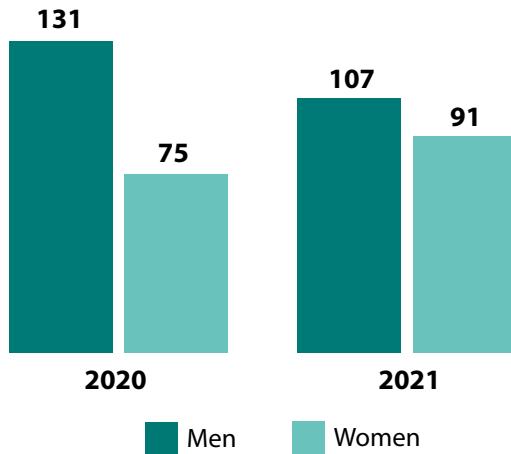


43%

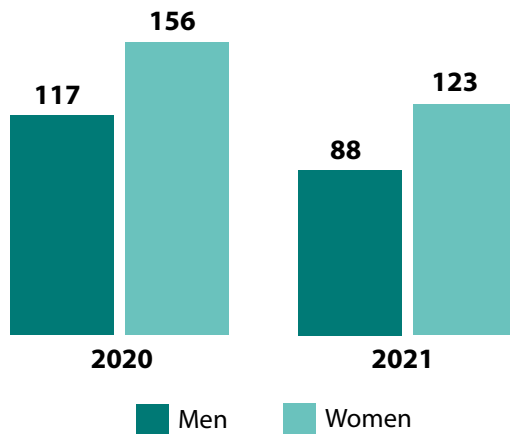


In 2021, 198 new hires were made at Romcarbon, of which 91 were women. Also at the Livingjumbo level, 211 new hires were made, of which 123 were women. In terms of employee turnover, 231 people left Romcarbon in 2021 and 224 people left Livingjumbo.

**New hires at Romcarbon**



**New hires at Livingjumbo**



**Employee training and development**

Within the Romcarbon Group, all employees benefit of regular internal training regarding work instructions, occupational health and safety rules, as well as instructions for emergencies. Employees from support sectors attend external conferences and training courses related to changes in our field of activity.

The professional training of employees is carried out on the basis of annual training programmes. The main objective of these programmes is to enhance the professional skills of all, in line with the specific activities developed, in order

to improve their individual and team performance.

In order to increase the level of staff training, from 2021 onwards, opportunities have been identified for qualification in jobs such as plastics processing operator or garment maker, so that approximately 10% of unskilled employees have obtained qualifications in these jobs.



In this regard, in 2021, at Romcarbon level, for the employees of the production departments who graduated from secondary school, qualification courses were carried out in the plastics processing operator jobs with a duration of 360 hours, 120 hours of theoretical training and 240 hours of practical training. Within this practical trainings, 24 employees from Romcarbon acquired professional skills

regarding the preparation and operation of installations, equipment and devices specific to plastics processing, execution of thermo-reactive and thermoplastic plastics products. At the Livingjumbo level, courses for plastics operators and dressmakers were conducted, with 24 employees acquiring skills specific to these qualifications according to the occupational standard.

### Average hours of training per year per employee at Romcarbon

Category (hours)	2020	2021
Top management <sup>1</sup>	28	28
Middle Management <sup>2</sup>	28	28
<b>Total employees</b>	28	30

<sup>1</sup> All employees in managerial positions who manage a directorate or profit centre were considered.

<sup>2</sup> All employees in managerial positions who coordinate a department or office were considered.

### Average hours of training per year per employee at Livingjumbo

Category (hours)	2020	2021
Top management <sup>1</sup>	28	28
Middle Management <sup>2</sup>	28	28
<b>Total employees</b>	28	30

<sup>1</sup> All employees in managerial positions who manage a directorate or profit centre were considered.

<sup>2</sup> All employees in managerial positions who coordinate a department or office were considered.



### Employee evaluation

The evaluation of the employees' performances is realized annually, for all the staff.  
The change of job involves an additional evaluation for the concerned employees.

The evaluation is done by practical testing of the employee, by checking the quality of the activity/works performed and completing the observation and evaluation form by two evaluators: the direct hierarchical boss and the director/manager.

The evaluation forms contain the evaluation criteria that take into account:

- professional competency;
- work discipline;
- skills and qualities adjacent to the work tasks

Grades from 1-5 are assigned, depending on the employee's evolution in the evaluated period and the total score is established by applying the weight of importance given to the evaluated

criterion. Depending on the score obtained, a grade is given from "very good" to "unsatisfactory" and recommendations are made to improve the performance, where appropriate.

The evaluation of the new employee's performance is made during the probationary period in the case of undetermined period employment contracts or at the end of the determined period employment contract period.

The evaluation is realized by the manager of the respective sector, taking into account both the territorial and practical knowledge gained and aspects of discipline in work and compliance with internal rules, being presented to the director/manager the proposal to continue or cease the activity of the new employee.



### Equal opportunities and non-discrimination

Within the Romcarbon Group, behaviour that may lead to discrimination against human resources and other categories of stakeholders is not acceptable.

We are fully committed to combating discrimination in all areas in the workplace, throughout the supply chain and in company as a whole.

At Group level, we understand the value of diversity. Our employees, customers, business partners, suppliers and all other stakeholders are citizens from many different countries, nationalities, faiths, religions, beliefs, cultures and social backgrounds. To this end, we support cultural diversity, international team building and business community building.

We are committed to prohibiting and preventing discrimination of any kind, such as, but not limited to, discrimination on the basis of race, colour, sex, age, language, religion, political or other opinion, ethnic, national or social origin, property, birth, sexual orientation or any other criteria including marital or parental status.

We are also committed to the idea of equal opportunities for all persons on the basis of merit, except where individual professional ability may justify selection.

Recruitment, assessment of staff is carried out solely on the basis of professional competence and adaptation, integration in the workplace.



### Diversity of the Board of Directors of Romcarbon

Category	2020	2021
Men (%)	100	100
Women (%)	0	0
People under 30 years old (%)	33	33
People between 30 - 50 years old (%)	0	0
People 50 years old (%)	67	67

### Diversity of the Board of Directors of Livinjumbo

Category	2020	2021
Men (%)	67	67
Women (%)	33	33
People under 30 years old (%)	0	0
People between 30 - 50 years old (%)	33	33
People 50 years old (%)	67	67



## Occupational Health and Safety

**Within the Romcarbon Group, we are continuously striving to create and ensure a safe and healthy working environment for all our employees. As a result, the Group's management has established specific guidelines and policies that form the framework for setting objectives and targets for occupational health and safety.**

In order to minimise the occurrence of a risk that could lead to an accident at work or endanger the health and safety of employees, we have established clear rules and procedures in the field of occupational health and safety that must be strictly observed to in carrying out daily work.


Thus, the company's management is committed to the implementation of an effective occupational health and safety management system, assuming at all times its legal obligations to: ensure the health and safety of staff in all aspects of work; consult, inform and train staff; provide the organisational framework and the

necessary means for occupational health and safety.

Given that the majority of employees works in production, within the Group, areas requiring security signals and the types of signals required for each area are determined according to the hazards identified, in accordance with GD No. 971/2006 (as amended and supplemented) on the minimum requirements for safety/health signals at work.



**In 2021, we reduced the number of work accidents registered by 70% at Romcarbon level and by 67% at Livingjumbo level.**

Objective	Targets 
<b>Ensuring a healthy and safe working environment for our employees, contractors and visitors</b>	Decrease the number of work accidents (baseline 2021). <hr/> Number of employees and collaborators trained - <b>100%</b> . <hr/> Maintain the OHS RISK LEVEL for both ROMCARBON and LIVINGJUMBO below <b>3.5%</b> .





We also provide equipment for work and for protection for each for each employee, depending on the requirements of the workplace, as well as protective food for employees working in conditions for which it is required.

Records of work equipment are kept, regular maintenance is carried out by appropriate personnel and/or collaborating companies, in compliance with legal requirements, so that the machinery does not constitute a danger to the health and safety of the personnel carrying out the work. The functioning of the alarm, warning, emergency signalling and safety systems is checked.

Thanks to the measures implemented in the field of health and safety at work, in 2021 at Romcarbon level there were no work-related accidents with serious consequences. **We also managed to reduce the number of total work-related accidents recorded by 70%.**

At Livingjumbo level, in 2021 we had no fatal work-related accidents, but one work-related accident with serious consequences. **We also managed to reduce the number of total work-related accidents recorded by 67%.**

#### **Policies and procedures for managing occupational health and safety**

In order to manage this aspect, within Romcarbon an OSH Management System is implemented according to the standard ISO 45001/2018. The company is certified ISO 45001/2018 for one of its profit centre, namely CP2 "Individual respiratory

protection equipment".

Also, at Group level, the requirements arising from the legislation in force in the field of occupational health and safety are complied with, namely Law no. 319/2006 - Law on Occupational Health and Safety and GD nr. 1425/2006 for the approval of the methodological rules for the application of the provisions of the Law on Occupational Health and Safety no. 319/2006 (with subsequent amendments and additions).

Responsibilities for occupational health and safety are assigned to the Internal prevention, protection and environment Service - IPP&Environment Service - subordinated to the Deputy General Administrative Director which reports directly to the company's management. The IPP&Environment Service ensures specific activities and collaborates with all departments to implement legal and system requirements.

## **How we responded to the SARS-COV-2 pandemic**

**The Romcarbon Group has responded effectively to the changes brought about by the spread of the SARS-CoV-2 virus by establishing and implementing rigorous preventive measures to keep people safe.**

**Our main concern was the safety of our employees, as part of the local community, in terms of ensuring business continuity. That's why we have applied extensive protection measures to ensure the safety of employees and customers on a daily basis.**

#### **Actions/measures implemented:**

- Tracking public information, from official / secure sources; direct request for information and recommendations from DSP Buzau.
- Intensive and continuous information of its own staff on prevention measures, by displaying in multiple visible places and by distributing printed materials containing official information and by documented collective and personal training.
- Providing all sectors with hygiene materials and disinfectants - soap, disinfectant, sanitary alcohol - for personal use and for cleaning and disinfecting surfaces.
- Ensuring safe stocks of disinfectant considering the supply difficulties (We also produced disinfectant in our own laboratory, according to the recipe indicated by the WHO).





- Intensification of cleaning and disinfection activities.
- Providing masks for all staff; providing protective gloves for the staff most exposed to contact with business partners, sales / procurement, billing, warehouses, security company staff.
- Limiting the access to offices / premises of the company of persons outside the organization.
- Implementation of the procedure for measuring the temperature of employees and visitors before entering the company, as well as the procedure to be followed in case of exceeding the normal temperature and/or the identification/ presentation of other symptoms.
- Arranging separate rooms in which people with temperature and/ or other symptoms, could remain isolated (with their consent) until transported to a medical unit in order to assess their health by specialized medical staff.
- Rules for preventing/reducing the risk of contamination with coronavirus COVID-19 have also been established for drivers of domestic/international transport companies for the delivery/taking of goods: temperature measurement, completion and signing of a travel questionnaire in risk areas, prohibiting access for suspected infection and/or coming from risk areas, equipping with a protective mask, warning your own staff about the interaction with the respective drivers.
- Implementation of teleworking procedures for the sectors / departments whose activity can be carried out in this way.
- Signing of statements on their own responsibility by all employees regarding contact with possible suspicious / contaminated persons and / or visits to risk areas.

- In order to support our employees, in May 2021 we organized together with DSP Buzau a vaccination center inside Romcarbon, ensuring the vaccination of over 200 employees.
- Assuring customers regarding the activity and fulfilling orders during emergencies and traffic restrictions.
- Identification of clients who have restricted their activity and/or are in the red zone of risk and the analysis of the collaboration with them in the months with restrictions.
- Situation analysis and contacting alternative suppliers.
- Check for possible transport routes.



### Identifying and assessing work-related health and safety risks

We apply the method of the National Research and Development Institute for Occupational Safety and Health to identify and assess occupational health and safety risks. The risk assessment for workplaces is continuously updated in accordance with the legal requirements, the frequency of reassessment also being correlated with the programmes of measures established after evaluating the effectiveness of the actions taken.

This work is carried out by qualified in-house staff who have completed an accredited training course in the field, in collaboration with the production managers, the occupational physician and employee representatives.

In identifying and assessing risks, we take into account legal requirements and practices in the field, real working conditions and observations of our employees resulting from accumulated experience and previous work accidents. The level of risk is determined according to the maximum foreseeable consequences, the level of severity and the probability of occurrence. We take into account the opinions of the occupational health physician and we receive support from the Labour Inspectorate in better understanding any issues in the field.

After each work accident, the risk assessment sheets are reviewed and, if necessary, supplemented with new possible risks.

Given the specific nature of the work and the equipment involved, the main risks in generating accidents at work are trapping part of the body between moving machinery parts and movement on and off the premises (including route accidents).

According to the law, we report all accidents at work to the Territorial Labour Inspectorate, appointing an internal commission of inquiry to investigate the causes, responsibilities and propose measures. The investigation of occupational accidents with serious consequences is taken over by the Territorial Labour Inspectorate and the measures imposed are mandatory. Based on the risk assessment, Prevention and Protection Plans are drawn up for each workplace. The specific instructions (ISSM) for all work equipment and activities are also drawn up, updated and disseminated, taking into account their specific features.

Occupational health and safety responsibilities are also established for all staff in the organisation, both managerial and executive, and these responsibilities are set out in the job descriptions.

### Work-related injuries Romcarbon

Category	UM	2020	2021
<b>Fatalities as a result of work-related injury</b>	Number	0	0
	Rate	0	0
<b>High-consequence work-related injuries</b>	Number	0	0
	Rate	0	0
<b>Recordable work-related injuries</b>	Number	10	3
	Rate	4.88	1.72
<b>Number of hours worked</b>	Number	2,045,793	1,738,469

### Work-related injuries Livingjumbo

Category	UM	2020	2021
<b>Fatalities as a result of work-related injury</b>	Number	0	0
	Rate	0	0
<b>High-consequence work-related injuries</b>	Number	1	0
	Rate	0.8	0
<b>Recordable work-related injuries</b>	Number	3	1
	Rate	2.4	0.8
<b>Number of hours worked</b>	Number	1,249,224	1,247,512



**Communication and investigation of work-related accidents**

Any accident at work shall be reported immediately to the employer, represented by the Head of IPP&Environment Service, by the manager of the workplace or any other person who has knowledge of its occurrence.

The employer, represented by the Head of IPP&Environment Service, is obliged to communicate events immediately as follows:

1. the Territorial Labour Inspectorate;
2. the insurer, in accordance with Law No. 346/2002/ updated in 2020 on insurance against accidents at work and occupational diseases;
3. the criminal prosecution authorities, where appropriate.

The communication of events shall be made by the Head of IPP&Environment Service and shall include the information in the standard form “Communication of Events”. The employer shall take the necessary measures not to change the state of affairs resulting from the occurrence of the event until he has received the agreement of the investigating authorities unless maintaining this state of affairs would lead to the occurrence of other events, aggravate the condition of the injured parties or endanger the lives of workers and other participants in the work process.

Where it is necessary to change the state of affairs resulting from the occurrence

of the events, sketches or photographs of the place where the event occurred shall be made as far as possible, and any objects containing or bearing traces of the event shall be identified and removed. The objects shall be handed over to the investigating bodies. They constitute evidence in the investigation of the event. For any change in the factual situation resulting from the occurrence of the event, the employer or his legal representative shall record, under his own responsibility, in a report all changes made after the occurrence of the event.

The purpose of the investigation of the events is to establish the circumstances and causes that led to their occurrence, the legal regulations violated, the responsibilities and the measures to be taken to prevent other similar cases from occurring and to determine the nature of the accident. In the case of accidents resulting in temporary incapacity for work, the investigation is carried out immediately after notification by the employer where the event occurred. The employer is obliged to immediately appoint, by written decision, the event investigation committee. The event investigation committee is composed of the Head of IPP&Environment Service and 2 other persons. The persons appointed by the employer to the event investigation committee must have appropriate technical training, must not be involved in the organisation and management of the workplace where the event took place and must not have been responsible for the occurrence of the event.



If victims with different employers are involved in the event, the investigating committee appointed by the employer where the event occurred shall also include persons appointed by written decision of the other employers.

The persons authorised by law to carry out the investigation of the events have the right to take written statements, to take or request the taking of evidence necessary for the investigation, to request or consult any documents or records of the

employee, and the employer is obliged to make them available in accordance with the law. The costs of taking and analysing evidence for the purpose of investigating the event shall be borne by the employer where the event took place.

The investigation of the accident followed by incapacity for work shall be completed within a maximum of 5 working days from the date of the accident. Exceptions are cases where expert reports or the taking of samples are necessary, for which an

extension of the investigation period is requested in writing, with reasons and within the time limit, to the territorial labour inspectorate.

The investigation file, drawn up by the committee appointed by the employer, shall be submitted for verification and approval to the Territorial Labour Inspectorate in whose area the event occurred, within 5 working days of the conclusion of the investigation. The Territorial Labour Inspectorate examines the file, approves it and

returns the file within 7 working days from the date of receipt. The file shall be accompanied by the opinion of the Territorial Labour Inspectorate.

If the Labour Inspectorate finds that the investigation has not been properly carried out, it may order the file to be completed and/or the investigation report to be redrafted, as appropriate. The Inquiry Committee will complete the file and draw up the research report within 5 working days of receipt.



**Reporting work accidents or hazards**

Within the Romcarbon Group, all workers are instructed according to the OHS Instructions and the Job Descriptions to report to the direct supervisor any hazard/problem/event related to the workplace in which they work, including on their way to work. Reporting is usually done verbally or can also be done in writing.

There is no retaliation of any kind against workers who report.

Also, if a medical check-up recommends a change of place of work for an employee, that person is relocated according to availability without any reprisals.

**Training on occupational health and safety**

Staff training follows the logical steps laid down in legislation and internal procedures: general initial training on hiring, initial and periodic on-the-job training on specific work instructions, re-training following accidents at work, training on general and specific occupational health and safety topics.

The periodicity of training is every 3 months for operators and 1 year for TESA staff.

The on-the-job training consists of: presentation of the actual workplace OHS instructions, hazards and risks identified in the workplace according to their assessment, legal requirements to be observed, conducting on-the-job training,

presentation of hazardous places (with danger of injury/occupational illness), how to use personal protective equipment.

During 2021, we have been intensively training on occupational health and safety.

If we consider only initial trainings, for newly hired staff, we provided **198** such trainings in Romcarbon and **211** in Livingjumbo.

For all productive staff, a regular reinstruction programme on OHS issues was carried out at 3-month intervals, with working instructions, documents governing the activity and any other issues related to this field being processed.

**In 2021, we conducted 409 occupational health and safety trainings for newly hired staff.**



### Employee involvement

According to legal provisions, each company - Romcarbon and Livingjumbo - has an Occupational Health and Safety Committee (OHS Committee), in order to ensure the involvement of employees in the development and implementation of decisions in this field.

The OSH Committee is a joint committee made up of employer representatives, employee representatives and the doctor responsible for occupational health. During the OHS Committee meetings, we present the report on occupational health and safety in the company, information on risk assessment, prevention measures at the unit and workplace level, proposals and requests made by employees are considered

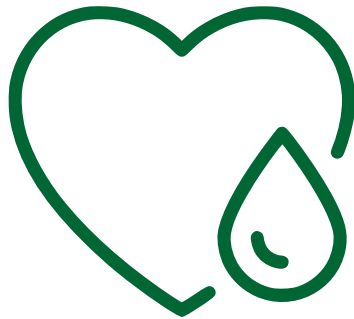
### Health promotion

We provide staff health supervision through our own medical office present at the Romcarbon platform and as well as based on a contract for occupational

medicine services, organising medical check-ups at employment, periodic medical check-ups/on change of job/on return after absence of minimum 30 days. If during the medical check-ups' are reported diseases that cause conditionings, limitations of working capacity, we take specific measures to protect the respective employees.

In addition to the regular medical check-up, we offer additional testing facilities to which all employees have access without having to request documents from their personal doctor: ophthalmological check-up, internal medicine medical tests, cardiology, etc.

We regularly organize blood donation campaigns by setting up a mobile donation center at Romcarbon premises, to help employees who want to provide this support to the community and encourage the increase in the number of motivated employees in this regard. The employee that participate in the blood donation campaign can benefit of different blood analysis.



## Community development

**We are present in the community in which we operate and recognise the importance of dialogue with all key community stakeholders. To this end, we carry out voluntary actions, determined not by laws or legal provisions, but by the desire to ensure the sustainable development of both our company and the community in which we operate.**

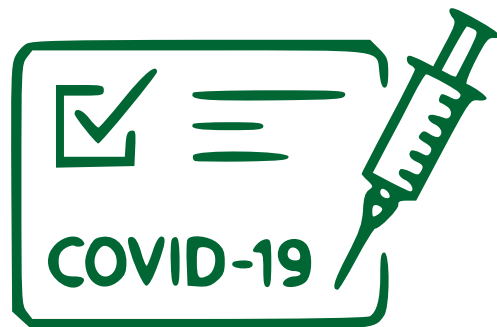
### Vaccination against Sars-Cov-2 virus

During the pandemic period, we proactively supported vaccination among our employees and from 18 May to 20 May 2021, we organized a first phase of the vaccination campaign against the Sars-Cov-2 virus at our headquarters, together with the County Public Health Department and the Prefect's Institution - Buzau County.

200 employees of the Romcarbon Group were vaccinated in this first phase of the

campaign, which is just a continuation of the voluntary vaccination process already started, during which the management team and many other employees were vaccinated.

The vaccination campaign continued with the second phase, aiming to proactively encourage all employees to get vaccinated against the Sars-Cov-2 virus, because we care about the health of our colleagues, their family members and the safe continuity of the Romcarbon Group's activities.



### Objectives

### Targets



**Encouraging the importance of selective waste collection, especially plastic waste, among the population**

Organise at **least 1 initiative/year** to promote the importance of selective waste collection among the population, with at least 10 participants from the organiser and at least 50 participants.

**Maintaining the social licence to operate.**

Expanding our community investment projects to better support and engage with the communities in which we operate. **Minimum 5 projects/year** (including sponsorship actions)





## Blood donation campaigns

In the spirit of the same principles of respect and protection of life, Romcarbon Group has been organizing blood donation campaigns at our headquarters together with the Buzău Blood Transfusion Center since 2018. Thus, every three months Romcarbon provides the necessary conditions for the installation of a mobile blood donation center at its headquarters, where all Group employees who want to donate blood can do so safely. We have designed these quarterly blood donation campaigns because we know that in ROMANIA more than 500,000 units of blood are needed every year, but only 2% of the eligible population donates blood. Romania has one of the lowest donation rates among EU countries.

Also, through these blood campaigns we have been guided by hard facts knowing that each unit of blood can save up to 3 LIVES, that during the summer the need for blood is greater and that 60% of the population may need a blood transfusion at some point in their lives.

These were enough reasons to get involved in these campaigns and to encourage Group employees to donate blood by raising awareness among our colleagues.

So far, our colleagues have donated over 1,600 units of blood.

In December 2021, we held our 10<sup>th</sup> blood donation campaign at our headquarters.

## Volunteering

During the Christmas holidays 2021, we supported and encouraged the volunteer action of Romcarbon employees, who organized a fundraising, clothing and food collection to help an isolated community located in Valea Lupului, in Buzău county, a locality the mountain area of the county, where there are no means for a decent living and where the population, including children of all ages, are facing numerous material deprivations.

So, by involving over 100 employees from all the companies of the Group gathered around the 4 initiators and several volunteers, we tried to make life a little easier for the locals in Valea Lupului during Christmas and to bring a smile on the children faces from this locality.

## Sponsorship

We decided to support the cultural development of the local community and, in the summer of 2021, we supported the City Hall of Buzau in arranging the Amphitheater in Tineretului Park, ensuring through one of the group companies (RC Energo Istall), the execution and installation of metal support for a Large LED screen, later used in cultural and entertainment projects.





## Appendices



## Sustainability Indicators

### Romcarbon Quantitative Sales

	UM	2020	2021
PS Products	KG	2,971,406	3,017,517
PP Products	KG	3,007,598	3,037,348
PE Products	KG	4,255,625	4,344,268
<b>PLASTIC MATERIALS PROCESSED</b>	<b>KG</b>	<b>10,234,629</b>	<b>10,399,133</b>
<b>REGENERATED POLYMERS AND COMPOUNDS</b>	<b>KG</b>	<b>7,272,888</b>	<b>9,592,124</b>
Active Carbon	KG	96,835	86,525
Recycled PVC	<b>KG</b>	469,246	581,074
<b>Other Productive Sectors (KG)</b>	<b>KG</b>	<b>566,081</b>	<b>667,599</b>
<b>TOTL SALES</b>	<b>KG</b>	<b>18,073,597</b>	<b>20,658,857</b>
Protective materials	BUC	15,307	12,318
Filter	BUC	125,006	158,200
<b>Other Productive Sectors (buc)</b>	<b>BUC</b>	<b>140,313</b>	<b>170,518</b>

### Livingjumbo Quantitative Sales

	UM	2020	2021
<b>BARRIER FILMS</b>	KG	1,200,638	1,288,263
<b>PET PRODUCTS</b>	KG	4,936,420	5,307,547
<b>PP PRODUCTS</b>	KG	4,965,742	5,328,360
<b>PLASTIC MATERIALS PROCESSED</b>	<b>KG</b>	<b>11,102,799</b>	<b>11,924,169</b>

### Romcarbon sales of finished products

	UM	2020	2021
<b>EU</b>	%	<b>94</b>	<b>94</b>
Romania	%	71	72
Other countries	%	23	22
<b>Europa non-EU</b>	%	<b>5</b>	<b>5</b>
<b>Other countries</b>	%	<b>1</b>	<b>1</b>

### Livingjumbo sales of finished products

	UM	2020	2021
<b>EU</b>	%	<b>94</b>	<b>94</b>
Romania	%	53	49
<b>Europa non-EU</b>	%	<b>6</b>	<b>6</b>

### Sector served by Livingjumbo

	UM	2020	2021
<b>Food industry</b>	%	<b>51</b>	<b>50</b>
<b>Agriculture</b>	%	<b>25</b>	<b>25</b>
<b>Recycling industry</b>	%	<b>3</b>	<b>3</b>
<b>Construction and fitting out</b>	%	<b>20</b>	<b>21</b>
<b>Chemical industry</b>	%	<b>1</b>	<b>1</b>



### Sector served by Romcarbon

	UM	2020	2021
Food processing/slaughterhouses	%	23	23
Plastic injection and extrusion for various applications	%	17	19
Construction and fitting-out	%	21	19
Plastic packaging	%	17	15
Agriculture	%	7	7
Automotive industry	%	1	4
Bakery	%	2	2
Animal Nutrition	%	3	2
Horeca	%	2	2
Others	%	7	7

### Direct economic value generated and distributed - Romcarbon

Category	UM	2020	2021
Direct economic value generated	RON	191,749,200	276,378,079
Economic value distributed	RON	190,641,799	276,936,450
Economic value retained	RON	1,107,401	-558,371

### Direct economic value generated and distributed - Livingjumbo

Category	UM	2020	2021
Direct economic value generated	RON	115,387,613	138,971,957
Economic value distributed	RON	114,849,362	141,291,178
Economic value retained	RON	538,251	-2,319,221

### Financial assistance received from government by Romcarbon

Category	UM	2020	2021
Tax facilities	RON	286,782 <sup>1</sup>	131,396 <sup>2</sup>
Subsidies <sup>3</sup>	RON	548,753	180,077

<sup>1</sup> Reinvested profit tax reduction (241,807 lei); Cash register purchase reduction (2,100 lei); 5% prepayment reduction (42,875 lei).

<sup>2</sup> Bonuses OUG 153/2020 (14,550 lei); Reinvested profit tax reductions (116,846 lei)

<sup>3</sup> Subsidies for the payment of days off granted to employees for the supervision of children in case of limitation or suspension of classes in schools, kindergartens or nurseries during the coronavirus pandemic, as well as for unpaid employment of graduates, unemployed persons or persons over 50.

### Financial assistance received from government by Livingjumbo

Category	UM	2020	2021
Tax facilities	RON	0	0
Subsidies <sup>1</sup>	RON	37,054	118,315

<sup>1</sup> Subsidies for the payment of days off granted to employees for the supervision of children in case of limitation or suspension of classes in schools, kindergartens or nurseries during the coronavirus pandemic, as well as for unpaid employment of graduates, unemployed persons or persons over 50.

### Non-compliance with laws and regulations in the social and economic area

Company	UM	2020	2021
Romcarbon <sup>1</sup>	RON	0	4,500
Livingjumbo <sup>2</sup>	RON	0	1,000

<sup>1</sup> DPH (Department of Public Health) + IES (Inspectorate for Emergency Situations)

<sup>2</sup> Thematic control on compliance with the legislation in force in the field of emergency situations-ISU Buzau.

### Romcarbon Clients

Category	UM	2020	2021
Legal entities	%	99.54	99.68
Natural persons	%	0.46	0.32

### Livingjumbo Clients

Category	UM	2020	2021
Legal entities	%	99.99	99.99
Natural persons	%	0.01	0.01

### Number of complaints received from the clients

Category	UM	2020	2021
Romcarbon	no.	52	47
Livingjumbo	no.	25	22
<b>Total</b>	no.	<b>77</b>	<b>69</b>

### Non-hazardous waste generated by Romcarbon

Category	UM	2020	2021
Paper waste <sup>1</sup>	t	49.30	61.82
Plastic waste	t	111.30	351.46
Other types of waste <sup>2</sup>	t	1,424.70	1,637.30
<b>Total</b>	<b>t</b>	<b>1,585.30</b>	<b>2,050.58</b>

<sup>1</sup> It includes cardboard waste generated.

<sup>2</sup> It includes sludge from the washing of waste plastics (recycling sector), metal and other waste, including mixtures from waste sorting (recycling sector).

### Non-hazardous waste generated by Livingjumbo

Category	UM	2020	2021
Paper waste <sup>1</sup>	t	51.16	50.61
Plastic waste	t	2,782.21	2,430.79
Other types of waste <sup>2</sup>	t	18.53	22.70
<b>Total</b>	<b>t</b>	<b>2,851.90</b>	<b>2,504.10</b>

<sup>1</sup> It includes cardboard waste generated.

<sup>2</sup> It includes scrap metal, wood, mixtures.





### Waste diverted from disposal by Romcarbon

Category	UM	2020	2021
Non-hazardous waste	t	250.68	271.46
Hazardous waste	t	2.33	2.93
<b>Total</b>	<b>t</b>	<b>253.01</b>	<b>271.39</b>

### Waste diverted from disposal by Livingjumbo

Category	UM	2020	2021
Non-hazardous waste	t	2,848.72	2.450
Hazardous waste	t	0.01	3.70
<b>Total</b>	<b>t</b>	<b>2,848.73</b>	<b>2,453.70</b>

### Waste directed to disposal by Romcarbon

Category	UM	2020	2021
Non-hazardous waste	t	1,310.10	1,786.22
Hazardous waste	t	6.90	6.90
<b>Total</b>	<b>t</b>	<b>1,317.00</b>	<b>1,793.90</b>

### Waste directed to disposal by Livingjumbo

Category	UM	2020	2021
Non-hazardous waste	t	0	0
Hazardous waste	t	0	0.145
<b>Total</b>	<b>t</b>	<b>0</b>	<b>0.145</b>

## Total number of employees

Company		2020	2021
Romcarbon		886	840
	out of which women	420	408
Livingjumbo		656	638
	out of which women	437	431
<b>Total</b>		<b>1,542</b>	<b>1,478</b>

## New employee hires Romcarbon

Gender	Age	Year	Number	Rate (%)
Men	<30	2020	43	20.80
		2021	41	20.80
	30-50	2020	54	26.21
		2021	38	19.19
	>50	2020	34	16.50
		2021	28	14.14
Women	<30	2020	15	7.28
		2021	19	9.59
	30-50	2020	37	17.96
		2021	55	27.77
	>50	2020	23	11.16
		2021	17	8.58

## New employee hires Livingjumbo

Gender	Age	Years	Number	Rate (%)
Men	<30	2020	38	14.00
		2021	27	12.60
	30-50	2020	53	19.50
		2021	35	16.60
	>50	2020	26	9.50
		2021	26	12.50
Women	<30	2020	18	6.50
		2021	15	7.10
	30-50	2020	92	33.60
		2021	77	36.30
	>50	2020	46	16.80
		2021	31	14.50



## Turnover Romcarbon

Gender	Age	Years	Number	Rata (%)
<b>Men</b>	<30	2020	46	5.08
		2021	49	5.67
	30-50	2020	60	6.63
		2021	52	6.02
	>50	2020	53	5.86
		2021	37	4.28
<b>Women</b>	<30	2020	11	1.20
		2021	15	1.70
	30-50	2020	38	4.20
		2021	50	5.79
	>50	2020	38	4.20
		2021	28	3.24



**Turnover Livingjumbo**

Gender	Age	Years	Number	Rata (%)
<b>Men</b>	<30	2020	35	5.50
		2021	34	5.40
	30-50	2020	37	5.90
		2021	40	6.20
	>50	2020	22	3.50
		2021	25	3.90
<b>Women</b>	<30	2020	14	2.20
		2021	13	2.00
	30-50	2020	80	12.70
		2021	75	11.80
	>50	2020	41	6.50
		2021	37	5.80

## Parental Leave Romcarbon

Category	2020		2021	
	Men	Women	Men	Women
Total number of employees that were entitled to parental leave in the reporting period	2	10	5	9
Total number of employees that took parental leave in the reporting period	2	10	5	9
Total number of employees that returned to work in the reporting period after parental leave ended	0	3	2	3
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0	0	0	1
Return to work rate of employees that took parental leave	0.00	30.00	40.00	33.33
Retention rate of employees that took parental leave	0.00	0.00	0.00	33.33



### Parental Leave Livingjumbo

Category	2020		2021	
	Men	Women	Men	Women
Total number of employees that were entitled to parental leave in the reporting period	0	9	0	11
Total number of employees that took parental leave in the reporting period	0	9	0	11
Total number of employees that returned to work in the reporting period after parental leave ended	0	7	0	3
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	0	7	0	3
Return to work rate of employees that took parental leave	0.00	0.00	0.00	0.00
Retention rate of employees that took parental leave	0.00	0.00	0.00	0.00

### Proportion of management employed from the local community

Company	2020	2021
Romcarbon	87.50%	87.50%
Livingjumbo	63.60%	63.60%



## Employee Diversity Romcarbon

Category	2020	2021
Men	52.60%	51.43%
Women	47.40%	48.57%
Men under 30 years old	7.67%	7.38%
Women under 30 years old	4.85%	5.36%
Men between 30-50 years old	23.25%	22.26%
Women between 30-50 years old	26.98%	28.45%
Men over 50 years old	21.67%	21.79%
Women over 50 years old	15.58%	14.64%
Men in management position	67%	67%
Women in management position	33%	33%
People in management position under 30 years old	0%	0%
People in management position between 30 – 50 years old	22%	22%
People in management position over 50 years old	78%	78%
Men middle manager	60%	58%
Women middle manager	40%	42%
People middle manager under 30 years old	0%	0%
People middle manager between 30 – 50 years old	42%	37%
People middle manager over 50 years old	58%	63%





## Employee Diversity Livingjumbo

Category	2020	2021
Men	33,40%	32,50%
Women	66,60%	67,50%
Men under 30 years old	6,90%	6,10%
Women under 30 years old	5,64%	5,95%
Men between 30-50 years old	16%	15,40%
Women between 30-50 years old	35,97%	36,96%
Men over 50 years old	10,50%	11%
Women over 50 years old	24,99%	24,59%
Men in management position	50%	50%
Women in management position	50%	50%
People in management position under 30 years old	0%	0%
People in management position between 30 – 50 years old	25%	25%
People in management position over 50 years old	75%	75%
Men middle manager	50%	50%
Women middle manager	50%	50%
People middle manager under 30 years old	0%	0%
People middle manager between 30 – 50 years old	17%	17%
People middle manager over 50 years old	83%	83%

## Sustainability risks

Sustainability aspects	Sustainability risk	Mitigation measure
<b>Economic performance</b>	<ul style="list-style-type: none"> <li>Investment risks.</li> <li>Lack of qualified staff in the local market.</li> <li>Price increases in basic raw materials.</li> <li>Frequent changes in specific legislation, including tax legislation.</li> <li>Competition risk.</li> </ul>	<ul style="list-style-type: none"> <li>Internal control, quality audit, financial audit.</li> <li>Internal management analysis.</li> </ul>
<b>Corporate governance and business ethics</b>	<ul style="list-style-type: none"> <li>Reputational risks.</li> <li>Stakeholder relations.</li> <li>Occupational health and safety and human rights risks in the supply chain.</li> <li>Compliance risks - fines, penalties.</li> </ul>	<ul style="list-style-type: none"> <li>Implement and comply with a Code of Conduct and Business Ethics.</li> <li>Requiring suppliers to sign up to a Code of Conduct and Business Ethics and to sign a commitment by them.</li> <li>Internal training on corruption, bribery, money laundering, misconduct with all stakeholders.</li> <li>Assessment of compliance with legal requirements environment/ occupational health and safety/ emergency situations/ civil protection.</li> <li>Financial audit.</li> <li>Internal and external audit according to ISO 14001.</li> <li>Preparation and follow-up of the list of permits in force according to the requirements in force.</li> <li>Analysis of environmental aspects, determination of environmental aspects with significant impact, determination of risks induced by environmental aspects.</li> <li>Programmes of internal training measures.</li> <li>Separate waste collection.</li> <li>Contract with OIREP (Organisation for the Transfer of Responsibility for Packaging) to meet the environmental target of collecting 60% of packaging placed on the market.</li> </ul>



**Sustainability risks**

Sustainability aspects	Sustainability risk	Mitigation measure
<b>Supply chain</b>	<ul style="list-style-type: none"> <li>Occupational health and safety risks and human rights in the supply chain.</li> <li>Environmental compliance risks in the supply chain.</li> <li>Climate change risks in the supply chain.</li> <li>Inappropriate/non-compliant products.</li> <li>Product refusals/returns.</li> <li>Delivery delays.</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation and re-evaluation of suppliers.</li> <li>Signing of agreements in the areas of HSE/EMS/environment with service providers.</li> <li>Suppliers sign the Code of Ethics and Conduct for suppliers.</li> <li>Procurement from suppliers on the list of accepted suppliers.</li> <li>Conclusion of contracts with accepted suppliers that also contain environmental/HSM/social responsibility provisions.</li> </ul>
<b>Client Management</b>	<ul style="list-style-type: none"> <li>Product labelling risks.</li> <li>Risks related to marketing communications.</li> <li>Financial risks/non-payment on time.</li> <li>Inappropriate products/not meeting customer requirements.</li> <li>Product refusals/returns.</li> <li>Delays in deliveries.</li> </ul>	<ul style="list-style-type: none"> <li>Conclude contracts with customers that also include sustainability requirements.</li> <li>Checking the client's financial situation through a specialised service provider.</li> <li>Conclusion of an insurance contract with an insurer to cover the risk of non-payment from clients.</li> <li>Use a rental service for tertiary packaging (pallets).</li> <li>Transport management (reduction of empty runs/coupled runs).</li> </ul>
<b>Human resources management</b>	<ul style="list-style-type: none"> <li>Risks related to lack of qualified staff.</li> <li>Risks of accidents/ work-related incidents/ occupational illness.</li> <li>Non-compliance with applicable legal requirements.</li> <li>High severity accidents.</li> <li>Risk of fines.</li> <li>Reputational risk.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with the Collective Bargaining Agreement and Internal Regulations.</li> <li>Drawing up and monitoring the annual training and refresher training programme.</li> <li>Training of staff on HSE/environment.</li> <li>Health check programmes (laboratory tests, ophthalmology, occupational medicine).</li> <li>Identification of hazards and risks for each job.</li> <li>Analysis of hazards and establishment of Prevention and Protection Plans.</li> <li>Employee communication and training with prevention and protection plans.</li> </ul>



## Sustainability risks

Sustainability aspects	Sustainability risk	Mitigation measure
<b>Human resources management</b>	<ul style="list-style-type: none"> <li>• Risks related to lack of qualified staff.</li> <li>• Risks of accidents/ work-related incidents/ occupational illness.</li> <li>• Non-compliance with applicable legal requirements.</li> <li>• High severity accidents.</li> <li>• Risk of fines.</li> <li>• Reputational risk.</li> </ul>	<ul style="list-style-type: none"> <li>• Analysis of working conditions.</li> <li>• Providing work and protective equipment.</li> <li>• Providing areas for serving and storing personal belongings.</li> <li>• Providing social benefits according to the CBA.</li> <li>• Providing compliant workspaces.</li> <li>• Implementation of remote work.</li> <li>• Conclusion of contracts with accepted suppliers that also include environmental/HSE/ social responsibility provisions.</li> <li>• Health insurance for high-risk jobs (firefighters/ electricians).</li> <li>• Increased parking capacity for employees.</li> <li>• Participation as founding members in the Future Start Today Association, a project started in 2021, in order to lay the foundations of a dual education in Buzau, following the model of the German school, for the qualification of staff and the promotion of formal and non-formal education. was completed on 15.04.2022.</li> </ul>
<b>Product responsibility</b>	<ul style="list-style-type: none"> <li>• Product labelling risks.</li> <li>• Risks related to marketing communications.</li> <li>• Financial risks/failure to pay on time.</li> <li>• Inappropriate products/not meeting customer requirements.</li> <li>• Product refusals/returns.</li> <li>• Delays in deliveries.</li> </ul>	<ul style="list-style-type: none"> <li>• Include into contracts sustainability requirements.</li> <li>• Testing and approval of products.</li> <li>• Labelling and packaging according to legal and other requirements.</li> <li>• Updating technical and quality specifications of products.</li> <li>• Maintenance and cleaning of production and storage facilities.</li> <li>• Checking means of transport.</li> </ul>



**Sustainability risks**

Sustainability aspects	Sustainability risk	Mitigation measure
<b>Climate change and emissions management</b>	<ul style="list-style-type: none"> <li>• Risks related to GHG emissions.</li> <li>• Energy risks.</li> <li>• Product use risks.</li> <li>• Transition risks.</li> <li>• Physical risks.</li> <li>• Supply chain climate change risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Determine the total amount of greenhouse gases produced directly and indirectly by the company's activities.</li> <li>• Implementation of the energy consumption monitoring project and reduction by 3% / year starting with 2024.</li> <li>• Implementation of the 60kW alternative energy sources pilot project, through which the company will contribute to environmental protection by reducing CO<sub>2</sub> emissions by 21 t/year and 0.2 kg radioactive waste reduction.</li> <li>• Environmental management.</li> <li>• Investments in infrastructure to reduce emissions and combat climate change (installation of photovoltaic panels/rainwater harvesting).</li> <li>• Working with local authorities for sustainable environmental investments.</li> </ul>
<b>Energy management</b>	<ul style="list-style-type: none"> <li>• Risks related to GHG emissions.</li> <li>• Energy risks.</li> <li>• Transition risks.</li> <li>• Non-compliance.</li> <li>• Investment risks.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of renewable energy sources.</li> <li>• Investments in electric transport/handling equipment.</li> <li>• Investment in energy efficiency equipment.</li> <li>• Replacement of existing lighting fixtures with LED technology lighting fixtures in the indoor lighting installation in the main production hall (compounds sector) and polypropylene (Romcarbon polypropylene sector).</li> <li>• Checking and adjusting the installations for compensating the reactive electrical energy of supplied consumers.</li> <li>• Improving energy management (training staff to avoid energy waste).</li> <li>• Carrying out preventive and scheduled maintenance work on all large electricity-consuming machines.</li> </ul>



## Sustainability risks

Sustainability aspects	Sustainability risk	Mitigation measure
<b>Waste management and promoting the circular economy</b>	<ul style="list-style-type: none"> <li>• Pollution risks.</li> <li>• Stakeholder relations.</li> <li>• Fines/penalties/financial losses.</li> <li>• Lack of prevention measures</li> <li>• Occurrence of environmental events.</li> </ul>	<ul style="list-style-type: none"> <li>• Compilation and follow-up of records by type of waste and waste management.</li> <li>• Compilation and follow-up of the list of hazardous substances used.</li> <li>• Drawing up and monitoring the Waste Prevention and Reduction Programme.</li> <li>• Notification to the National Anti-Drug Agency for drug precursors used.</li> <li>• Selective waste collection.</li> <li>• Recycling of technological waste generated.</li> <li>• Storage in designated areas.</li> <li>• Contracts with suppliers for recovery/disposal of generated waste.</li> <li>• Waste reporting according to legal requirements.</li> <li>• Training of staff according to Training Plans.</li> <li>• Agreements with service providers and subcontractors.</li> <li>• Contracts with suppliers for the return of hazardous waste products (e.g. drums, batteries, ink bottles, thinners, etc.).</li> <li>• Recycling of own waste and post-consumer waste from third parties.</li> <li>• Investments in recycling machinery to increase production capacity and streamline the technological flow.</li> </ul>
<b>Water management</b>	<ul style="list-style-type: none"> <li>• Water contamination.</li> <li>• Discharge of contaminated technological water into the Buzău River.</li> <li>• Contamination of water/soil by cracking of treatment plant tanks.</li> </ul>	<ul style="list-style-type: none"> <li>• Monitoring parameters at the wastewater treatment plant.</li> <li>• Monitoring the parameters of the wastewater at the discharge in the outlet manholes on the Romcarbon platform and at the Buzău river.</li> <li>• Drinking water network maintenance.</li> <li>• Monitoring and verification of drinking water chlorination plant.</li> <li>• Installation of a sieve for sewers to retain plastic granules and grinders.</li> <li>• Regular inspection and cleaning of treatment plant tanks.</li> <li>• Collection of sludge from the treatment plant in specially designed containers.</li> <li>• Disposal of hazardous waste from the treatment plant.</li> </ul>



## EU Taxonomy

**In 2022, EU Regulation No. 852/2020 on Environmental Taxonomy entered into force, establishing for the first time a classification of all activities that are environmentally sustainable and could thus be eligible for sustainable financing.**

According to this regulation, the Romcarbon Group shall include, in a first phase (2022), in the sustainability report for the financial year 2021 the percentage of activities that are eligible with this taxonomy, but also those non-eligible activities carried out by the companies Romcarbon S.A. and Livingjumbo Industry S.A. In the second stage (2023), based on an internal analysis, Romcarbon Group will also publish a series of key performance indicators (turnover, CapEx and OpEx) related to the eligible activities that are aligned with the EU Taxonomy.

The alignment of an activity is realized on the basis of the technical criteria established for each of the 6 environmental objectives included in the Delegated Act to this regulation. Currently, the European Commission has published the technical alignment criteria for only two of the six environmental objectives, namely "Climate change mitigation" and "Adaptation to climate change". At the same time, after performing the alignment analysis to the technical criteria, in order to be able to state that these activities contribute significantly to one of

the six objectives, we must demonstrate that we do not harm any of the other objectives to which we do not significantly contribute. In the last stage, which we will implement after the completion of these two analyzes, we will also establish in what proportion our activities are aligned with the social criteria established by the Regulation.

In this year's report, we include information on the percentage of turnover, CapEx and OpEx for each of the companies Romcarbon S.A. and Livingjumbo Industry S.A., correlated with the eligible and ineligible activities with the EU Taxonomy, following that in the report for 2022 we will also report information on the environmental objective to which we can contribute significantly. At the same time, we will analyze the possibility of reporting these key indicators of financial performance at consolidated level.

During the financial year 2021, the company Romcarbon S.A. carried out different activities, as they are presented in the "Romcarbon Group" section. Of these, only a few have been identified as eligible

for the EU Taxonomy, as follows:

- Construction, extension and operation of water collection, treatment and supply systems;
- Construction, extension and operation of waste water collection and treatment;
- Collection and transport of non-hazardous waste in source segregated fractions;
- Material recovery from non-hazardous waste.

In the financial year 2021, Livingjumbo Industry S.A. carried out a single eligible activity with the EU Taxonomy "Collection and transport of non-hazardous waste in source segregated fractions".

For each of these two companies we report the percentage of turnover, the percentage of CapEx and OpEx related to eligible and non-eligible activities.



For Romcarbon S.A., in the eligible percentage of turnover we included revenues from contracts with third parties related to eligible activities (Construction, extension and operation of water collection, treatment and supply systems; Collection and transport of non-hazardous waste in separate fractions at source; Recovery of non-hazardous waste materials). In the ineligible percentage of the turnover, we included the revenues registered from the contracts with third parties according to notes 3 and 4 of the individual financial statements of Romcarbon S.A. ([https://www.romcarbon.com/wp-content/uploads/2022/04/ROCE-Annual-report-2021\\_EN.pdf](https://www.romcarbon.com/wp-content/uploads/2022/04/ROCE-Annual-report-2021_EN.pdf))

As a percentage of capital expenditures related to eligible activities, we included additions to tangible and intangible assets related to economic activities eligible for taxonomy (Construction, extension and operation of wastewater collection and treatment, Material recovery from non-hazardous waste). In the ineligible percentage of capital expenditures, we have included the total revenues reported in the individual annual statements of Romcarbon S.A., pages 32-33. ([https://www.romcarbon.com/wp-content/uploads/2022/04/ROCE-Annual-report-2021\\_EN.pdf](https://www.romcarbon.com/wp-content/uploads/2022/04/ROCE-Annual-report-2021_EN.pdf))

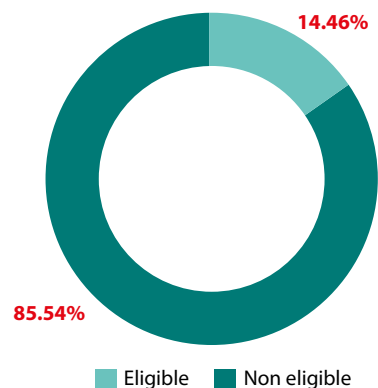
The percentage of operational expenditures included operational expenditures related to repairs performed by third parties, expenditures with spare parts, expenditures with auxiliary materials and personnel involved in repairs and maintenance related to eligible activities (Construction, extension and operation of water collection, treatment and

supply systems; Collection and transport of non-hazardous waste in source segregated fractions; Material recovery from non-hazardous waste.). In the ineligible percentage of the operational expenditures, we included the same types of expenses but for all activities.

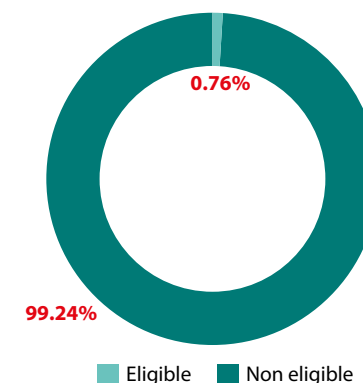
For Livingjumbo Industry S.A., in the eligible percentage of turnover, we included the revenues recorded from contracts with third parties related to the eligible activity (Collection and transport of non-hazardous waste in source segregated fractions).

In the non-eligible percentage of the turnover, we included the revenues recorded from the contracts with third parties according to note 12 of the individual financial statements of Livingjumbo Industry S.A. In terms of capital and operating expenses, Livingjumbo Industry has no eligible expenses.

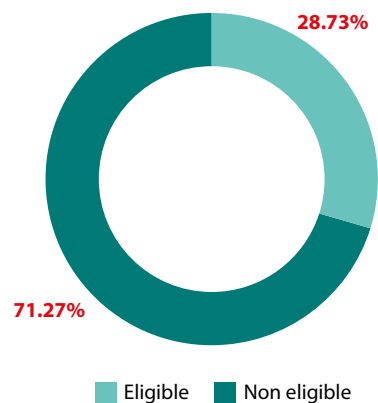
**Romcarbon S.A.**  
Turnover 2021



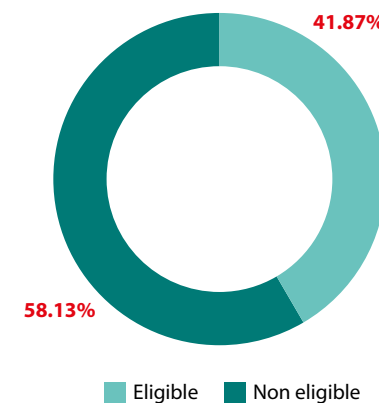
**Livingjumbo Industry S.A.**  
Turnover 2021



**Romcarbon S.A.**  
CapEx 2021



**Romcarbon S.A.**  
OpEx 2021





## Affiliations

- National Standardisation Body (ASRO)
- Investor Relations Association on Romania Stock Marke (ARIR)
- Employers' Association of Plastics Processors (ASPAPLAST)
- Romanian Automobile Manufacturers Association (ACAROM)
- Chamber of Commerce, Industry and Agriculture Buzău
- Romanian Association for Waste Management (ARMD)
- GS1Association



## Abbreviations

**BSE** - Bucharest Stock Exchange  
**CBA** - Collective Bargaining Agreement  
**DPH** - Department of Public Health  
**ERP** - Enterprise Resource Planning  
**EIP** - Personal Protective Equipment  
**EU** - European Union  
**EUIPO** - European Union Intellectual Property Office  
**GD** - Government Decision  
**GEO** - Government Emergency Ordinance  
**GRI** - Global Reporting Initiatives  
**GPPS** - General purpose polystyrene  
**FSA** - Financial Supervisory Authority  
**HIPS** - High Impact Polystyrene Sheet  
**IES** - Inspectorate for Emergency Situations  
**ILC** - Individual Labour Contract  
**IPP&Environment** - Internal Prevention and Protection & Environment  
**ISSM** - Occupational Health and Safety Instruction  
**ITM** - Territorial labor inspectorate  
**OHS** - Occupational Health and Safety  
**PE** - Polythene  
**PET** - Polyethylene terephthalate  
**PP** - Polypropylene  
**PVC** - Polyvinyl Chloride  
**RAR** - Romanian Automotive Register  
**RRA** - Romanian Railway Authority  
**XPS** - Extruded polystyrene  
**WHO** - World Health Organization



## GRI Content Index

GRI Standard	Disclosure	Page number and links
<b>GRI 101: Foundation</b>		
General Disclosures		
<b>GRI 102: General Disclosures</b>	<b>Organizational profile</b>	
	102-1 Name of the organization	Romcarbon Group p. 9, 13
	102-2 Activities, brands, products, and services	Romcarbon Group p. 9, 10, 11, 13
	102-3 Location of headquarters	About the report p. 5
	102-4 Location of operations	The company does not have branches or subsidiaries in other countries, the activity is carried out only in Romania.
	102-5 Ownership and legal form	Romcarbon Group p. 9, 13
	102-6 Markets served	Romcarbon Group p. 10, 11, 13, 14, 29
	102-7 Scale of the organization	Romcarbon Group p. 9, 14 Human Resource Management p. 74
	102-8 Information on employees and other workers	Human Resource Management p. 8, 9, 14, 50, 74
	102-9 Supply Chain	Supply Chain p. 25
102-10 Significant changes to the organization and its supply chain	Romcarbon Group p. 9 Supply Chain p. 26	

GRI Standard	Disclosure	Page number and links	
<b>GRI 101: Foundation</b>			
General Disclosures			
<b>GRI 102: General Disclosures</b>	<b>Organizational profile</b>		
	102-11 Precautionary principle	Governance and Business Ethics p. 21	
	102-12 External Initiatives	Romcarbon contributes through the associations it belongs to the dialogue on European regulations in the field of plastics.	
	102-13 Membership	Membership p. 89	
	<b>Strategy</b>		
	102-14 Statement from senior decision-maker	CEO Message p. 6-7	
	102-15 Key impacts, risks, and opportunities	Governance and Business Ethics p. 21, 82-86	
	<b>Ethics and integrity</b>		
	102-16 Values, principles, standards, and norms of behavior	Governance and Business Ethics p. 21	
	102-17 Mechanisms for advice and concerns about ethics	Governance and Business Ethics p. 22	
<b>Governance</b>			
102-18 Governance structure	Governance and Business Ethics p. 19-20		
102-19 Delegating authority	Governance and Business Ethics p. 19-20		



GRI Standard	Disclosure	Page number and links
<b>GRI 101: Foundation</b>		
General Disclosures		
<b>GRI 102: General Disclosures</b>	<b>Governance</b>	
	102-20 Executive-level responsibility for economic, environmental, and social topics	Sustainability within Romcarbon Group p. 15
	102-21 Consulting stakeholders on economic, environmental, and social topics	Sustainability within Romcarbon Group p. 16
	102- 22 Composition of the highest governance body and its committees	Governance and Business Eithics p. 20
	102-23 Chair of the highest governance body	Governance and Business Eithics p. 20
	102-24 Nominating and selecting the highest governance body	Governance and Business Eithics p. 19
	102-25 Conflicts of interest	Governance and Business Eithics p. 23
	102-30 Effectiveness of risk management processes	Governance and Business Eithics p. 21
	102-32 Highest governance body's role in sustainability reporting	The Sustainability Report is prepared and reviewed by the Management Team and is approved by the Board of Directors.
	102-35 Remuneration policies	Governance and Business Eithics p. 24
<b>Stakeholder engagement &gt;</b>		
	102-40 List of stakeholder groups	Sustainability within Romcarbon Group p. 16

GRI Standard	Disclosure	Page number and links	
<b>GRI 101: Foundation</b>			
General Disclosures			
<b>GRI 102: General Disclosures</b>	<b>&gt; Stakeholder engagement</b>		
	102-41 Collective bargaining agreements	100% of employees are covered by the collective bargaining agreement.	
	102-42 Identifying and selecting stakeholders	Sustainability within Romcarbon Group p. 16-17	
	102-43 Approach to stakeholder engagement	Sustainability within Romcarbon Group p. 16-17	
	102-44 Key topics and concerns raised	Sustainability within Romcarbon Group p. 16-17	
	<b>Reporting practice &gt;</b>		
	102-45 Entities included in the consolidated financial statements	About the Report p. 5	
	102-46 Defining report content and topic Boundaries	About the Report p. 5	
	102-47 List of material topics	Sustainability within Romcarbon Group p. 16-17	
	102-48 Restatements of information	NA	
102-49 Changes in reporting	NA		
102-50 Reporting period	About the Report p. 5		
102-51 Date of most recent report	This report is the first sustainability report prepared by the Romcarbon Group.		



**GRI Standard Disclosure Page number and links**

## GRI 101: Foundation

General Disclosures

GRI 102: General Disclosures	> Reporting practice	
	102-52 Reporting cycle	About the Report p. 5
	102-53 Contact point for questions regarding the report	About the Report p. 5
	102-54 Claims of reporting in accordance with the GRI Standards	About the Report p. 5
	102-55 GRI content index	GRI Content Index p. 91-99
	102-56 External assurance	About the Report p. 5

## GRI 200 Standard series for economic topics

Material topic

GRI 103: Management approach	Economic Standard Series	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	<a href="#">Directors report attached to the consolidated FS p. 1-18</a>
	103-3 Evaluation of the management approach	<a href="#">Directors report attached to the consolidated FS p. 1-18</a>
GRI 201: Economic Performance	201-1 Direct economic value generated and distributed	Sustainability Indicators p. 70
	201-4 Financial assistance received from government	Sustainability Indicators p. 70

**GRI Standard Disclosure Page number and links**

## GRI 200 Standard series for economic topics

Material topic

GRI 103: Management approach	Market presence	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Human Resource Management p. 51-54
	103-3 Evaluation of the management approach	Human Resource Management p. 51-54
GRI 202: Prezența pe Market presence	202-2 Proportion of senior management hired from the local community	Sustainability Indicators p. 79

## Procurement Practices

GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Supply chain p. 27
	103-3 Evaluation of the management approach	Supply chain p. 27
GRI 204: Procurement Practices	204-1 portion of spending on local suppliers	Supply chain p. 26, 28

## Anticorruption >

GRI 103: Management approach	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17.
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**GRI Standard Disclosure Page number and links**

**GRI 200 Standard series for economic topic**

Material topic

<b>GRI 103: Management approach</b>	<b>&gt; Anticorruption</b>	
	103-2 The management approach and its components	Governance and Business Ethics p. 22
	103-3 Evaluation of the management approach	Governance and Business Ethics p. 22
<b>GRI 205: Anticorupție</b>	205-3 Confirmed incidents of corruption and actions taken	In 2021 there were no incidents of corruption.

<b>GRI 103: Management approach</b>	<b>Anti-competitive behavior</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Governance and Business Ethics p. 21-22
	103-3 Evaluation of the management approach	Governance and Business Ethics p. 21-22

<b>GRI 206: Anti-competitive behavior</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<a href="#">Code of Ethics p. 5-6</a> During 2021, no legal actions were registered for anti-competitive, antitrust and monopoly behavior.
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**GRI 300 Standard series for environmental topics**

Material topic

<b>GRI 103: Management approach</b>	<b>Materials &gt;</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17

**GRI Standard Disclosure Page number and links**

**GRI 300 Standard series for environmental topics**

Material topic

<b>GRI 103: Management approach</b>	<b>&gt; Materials</b>	
	103-2 The management approach and its components	Supply chain p. 27 Waste Management and Promotion of Circular Economy pag. 39-40
	103-3 Evaluation of the management approach	Supply chain p. 27
<b>GRI 301: Materials</b>	301-1 Materials used	Supply chain p. 28
	301-2 Recycled input materials used	Waste Management and Promotion of Circular Economy p. 36
	301-3 Reclaimed products and their packaging materials	Waste Management and Promotion of Circular Economy p. 40

<b>GRI 103: Management approach</b>	<b>Energy</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Energy management p. 41-43
	103-3 Evaluation of the management approach	Energy management p. 41-43

<b>GRI 302: Energy</b>	302-1 Energy consumption within the organization	Energy management p. 43
	302-3 Energy Intensity	Energy management p. 43

<b>GRI 103: Management approach</b>	<b>Water and Effluents&gt;</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17



GRI Standard	Disclosure	Page number and links
<b>GRI 300 Standard series for environmental topics</b>		
Material topic		
<b>GRI 103: Management approach</b>	<b>&gt; Water and Effluents</b>	
	103-2 The management approach and its components	Water management p. 45-46
	103-3 Evaluation of the management approach	Water management p. 45-46
<b>GRI 303: Water and Effluents</b>	303-1 Interactions with water as a shared resource	Water management p. 44
	303-2 Management of water discharge -related impacts	Water management p. 45-46
	303-3 Water withdrawal	Water management p. 45-46
	303-4 Water discharge	Water management p. 46
	303-5 Water consumption	Water management p. 45
<b>GRI 103: Management approach</b>	<b>Waste &gt;</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Waste Management and Promotion of Circular Economy p. 39-40
<b>GRI 306: Waste</b>	103-3 Evaluation of the management approach	Waste Management and Promotion of Circular Economy p. 39-40
	306-1 Waste generation and significant waste-related impacts	Waste Management and Promotion of Circular Economy p. 35-38
	306-2 Management of significant waste-related impacts	Waste Management and Promotion of Circular Economy p. 35-38
	306-3 Waste generated	Waste Management and Promotion of Circular Economy p. 39 Sustainability Indicators p. 72

GRI Standard	Disclosure	Page number and links
<b>GRI 300 Standard series for environmental topics</b>		
Material topic		
<b>GRI 306: Waste</b>	<b>&gt; Waste</b>	
	306-4 Waste diverted from disposal	Waste Management and Promotion of Circular Economy p. 39, 73
	306-5 Waste directed to disposal	Waste Management and Promotion of Circular Economy p. 39, 73
<b>GRI 103: Management approach</b>	<b>Environmental compliance</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Waste Management and Promotion of Circular Economy p. 39-40 Water management p. 45-46 Energy management p. 41-43
	103-3 Evaluation of the management approach	Waste Management and Promotion of Circular Economy p. 39-40 Water management p. 45-46 Energy management p. 41-43
<b>GRI 307: Environmental compliance</b>	307-1 Non-compliance with environmental laws and regulations	2021, at Group level, no sanctions of any kind were registered for non-compliance with environmental laws and regulations.
<b>GRI 400 Standard series for social topics</b>		
Material topic		
<b>GRI 103: Management approach</b>	<b>Employment&gt;</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17



**GRI Standard Disclosure Page number and links**

**GRI 400 Standard series for social topics**

Material topic

<b>GRI 103: Management approach</b>	<b>&gt; Employment</b>	
	103-2 The management approach and its components	Human Resource Management p. 51-54
	103-3 Evaluation of the management approach	Human Resource Management p. 51-54
<b>GRI 401: Employment</b>	401-1 New employee hires and employee turnover	Sustainability Indicators p. 74-77
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Loyalty bonus, bonuses, meal vouchers, March 8 gift vouchers (women), Easter and Christmas, money and days off paid for family events (birth, marriage, death), 50% transport bill for living employees outside the locality. Meal vouchers and gift vouchers are granted only to employees with a basic job within the Company, regardless of the working hours.
	401-3 Parental leave	Sustainability Indicators p. 78-79

<b>GRI 103: Management approach</b>	<b>Labor Management Relations &gt;</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Human Resource Management p. 51-54
	103-3 Evaluation of the management approach	Human Resource Management p. 51-54

**GRI Standard Disclosure Page number and links**

**GRI 400 Standard series for social topics**

Material topic

<b>GRI 402: Relații de muncă</b>	<b>&gt; Labor Management Relations</b>	
	402-1 Minimum notice periods regarding operational changes	As established in the collective labor agreement, the notice period offered to employees in case of restructuring caused by a possible reorganization of the activity is 20 working days.

<b>GRI 103: Management approach</b>	<b>Occupational Health and Safety &gt;</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Occupational Health and Safety p. 56-57
	103-3 Evaluation of the management approach	Occupational Health and Safety p. 56-57
<b>GRI 403: Occupational Health and Safety</b>	403-1 Occupational health and safety management system	Occupational Health and Safety p. 57
	403-2 Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety p. 57, 59, 61
	403-3 Occupational health services	Occupational Health and Safety p. 57
	403-4 Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety p. 63
	403-5 Worker training on occupational health and safety	Occupational Health and Safety p. 62





GRI Standard	Disclosure	Page number and links
<b>GRI 400 Standard series for social topics</b>		
Material topic		
<b>GRI 403: Occupational Health and Safety</b>	<b>&gt; Occupational Health and Safety</b>	
	403-6 Promotion of worker health	Occupational Health and Safety p. 63
	403-8 Workers covered by an occupational health and safety management system	All our employees are covered by an occupational health and safety management system.
	403-9 Work-related injuries	Occupational Health and Safety p. 59
	403-10 Work-related ill health	During the reporting period, there were no cases of occupational disease.
<b>GRI 103: Management approach</b>	<b>Training and Education</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Human Resource Management p. 51-54
	103-3 Evaluation of the management approach	Human Resource Management p. 51-54
<b>GRI 404: Training and Education</b>	404-1 Average hours of training per year per employee	Human Resource Management p. 53
	404-2 Programs for upgrading employee skills and transition assistance programs	Human Resource Management p. 52
	404-3 Percentage of employees receiving regular performance and career development reviews	100% Every year all employees are evaluated.

GRI Standard	Disclosure	Page number and links
<b>GRI 400 Standard series for social topics</b>		
Material topic		
<b>GRI 103: Management approach</b>	<b>Diversity and Equal Opportunity</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Human Resource Management p. 55
	103-3 Evaluation of the management approach	Human Resource Management p. 55
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1 Diversity of governance bodies and employees	Human Resource Management p. 55 Sustainability Indicators p. 80-81
	<b>Non-discrimination</b>	
<b>GRI 103: Management approach</b>	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Governance and Business Ethics p. 19-24 Human Resource Management p. 55
	103-3 Evaluation of the management approach	Governance and Business Ethics p. 19-24 Human Resource Management p. 55
<b>GRI 406: Non-discrimination</b>	406-1 Incidents of discrimination and corrective actions taken	There were no cases of discrimination during the reporting period.
<b>GRI 103: Management approach</b>	<b>Local Communities &gt;</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17



GRI Standard	Disclosure	Page number and links
<b>GRI 400 Standard series for social topics</b>		
Material topic		
<b>GRI 103: Management approach</b>	<b>&gt; Local Communities</b>	
	103-2 The management approach and its components	Community Development p. 64-65
	103-3 Evaluation of the management approach	Community Development p. 64-65
<b>GRI 413: Comunități Locale</b>	413-1 perations with local community engagement, impact assessments, and development programs	Community Development p. 64-65
<b>GRI 103: Management approach</b>		
	<b>Customer Health and Safety</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Client Management p. 30-32
	103-3 Evaluation of the management approach	Client Management p. 30-32
<b>GRI 416: Customer Health and Safety</b>	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Client Management p. 32
<b>GRI 103: Management approach</b>		
	<b>Marketing and Labeling &gt;</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17

GRI Standard	Disclosure	Page number and links
<b>GRI 400 Standard series for social topics</b>		
Material topic		
<b>GRI 103: Management approach</b>	<b>&gt; Marketing and Labeling</b>	
	103-2 The management approach and its components	Client Management p. 30-32
	103-3 Evaluation of the management approach	Client Management p. 30-32
<b>GRI 417: Marketing and Labeling</b>	417-1 Requirements for product and service information and labeling	Client Management p. 31
	417-2 Incidents of non-compliance concerning product and service information and labeling	Client Management p. 31
	417-3 Incidents of non-compliance concerning marketing communications	Client Management p. 31
<b>GRI 103: Management approach</b>		
	<b>Customer Privacy</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Client Management p. 30-32
	103-3 Evaluation of the management approach	Client Management p. 30-32
<b>GRI 418: Customer Privacy</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	During the reporting period, no complaints, grievances or complaints were received regarding the confidentiality of customer data.



<b>GRI Standard</b>	<b>Disclosure</b>	<b>Page number and links</b>
<b>GRI 400 Standard series for social topics</b>		
Material topic		
<b>GRI 103: Management approach</b>	<b>Socio-economic compliance</b>	
	103-1 Explanation of the material topic and its Boundary	Sustainability within Romcarbon Group p. 16-17
	103-2 The management approach and its components	Governance and Business Ethics p. 19-24
	103-3 Evaluation of the management approach	Governance and Business Ethics p. 19-24
<b>GRI 419: Socio-economic compliance</b>	419-1 Non-compliance with laws and regulations in the social and economic area	Sustainability Indicators p. 71





**ROMCARBON S.A.** | Thinking forward  
Transilvaniei Street, no.132, Buzău  
Postal code 120012  
Telephone 0238.711.155  
Fax 0238.710.697  
[www.romcarbon.com](http://www.romcarbon.com)  
[sustainability@romcarbon.com](mailto:sustainability@romcarbon.com)