

Sustainability Report 2024

 **RPG** RECYCLING
| member of REC Group

 **GELPO**
| member of REC Group

 **ASSCO**
| member of REC Group

EGOĒ
noba



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Message from the Director

Dear Partners, Dear Colleagues,

We are pleased to present our second Sustainability Report, this time for the year 2024, which builds on and further expands awareness of the sustainable operation of our companies. In 2024, we successfully integrated a fourth company into our Uherský Brod division focused on rubber recycling, namely Egoé noba (which we wrote about last year), including the transfer of the production responsibility for the assembly of noise barrier walls within the company GELPO.

This year represented a period of stabilisation for us following the previous two years, during which changes to corporate infrastructure took place, investments were made in photovoltaic power plants, and further investments were implemented with the aim of supporting increased use of recycled materials in industry and construction. A key decision of this year was the submission of a grant application for a project involving a new tyre recycling line, the implementation and commissioning of which is planned for September 2026.

In the middle of the year, our premises were affected by floods, resulting in significant material damage to products, particularly within the company GELPO. We managed this situation through joint efforts, and we would like to express our sincere thanks to all employees who assisted in this challenging situation, both through their physical efforts and administrative support.

The concept of sustainable business is our primary focus, and we continuously seek market opportunities for the efficient use of secondary raw materials, which undoubtedly include end-of-life tyres and other rubber materials. Through a responsible approach not only to the environment, but also to employees, customers, partners and the wider public, we strive to build an environment in which we focus not only on financial objectives, but also on environmental and social goals.

Introduction

At the outset, please allow us to express our gratitude for the opportunity, over the past year, to invest our energy—together with our business partners, long-standing clients, and all individuals involved in shaping and supporting our activities—into matters that truly matter to us. The Sustainability Report for 2024 that you are now reading authentically reflects our current approach to sustainability and related corporate social responsibility; in summary, it presents the steps undertaken across the Environmental, Social and Governance (ESG) areas.

In doing so, we build upon last year's Sustainability Report and thus offer stakeholders a more robust and consolidated document that confirms our commitment to continuous improvement in all aspects of our business. The Report presents up-to-date data and information on key ESG topics and initiatives on which we focused in greater detail during the past year.

Our ESG strategy encompasses a range of control measures and indicators that enable us to better achieve internally defined objectives while also responding to rapidly changing global challenges, particularly in relation to climate change and the surrounding world. At the same time, we declare that this Report has been prepared as a transparent overview of our year-on-year measured results, and that our commitments to sustainability are, and will continue to be, an integral part of planning across all Companies¹ to which this Report relates.

Companies Included in the Report:



RPG Recycling is engaged in the collection and recycling of tyres with the aim of producing rubber granulate, which is used in the manufacture of rubber sheets primarily for industry and construction, as well as for other segments such as sports and leisure, for example in the form of impact-absorbing base layers beneath sports facilities. By-products of tyre processing include textile fibres and steel cord.

ASSCO specialises in the collection and recycling of technological waste from EPDM rubber with the aim of producing EPDM rubber granulate, the primary use of which over the past decade has been as infill for artificial sports turf on football pitches. This trend has gradually been changing, and the rubber granulate is now used, similarly to rubber granulate from ELT² tyres, in the form of rubber sheets primarily for industry and construction. In addition to EPDM granulate, ASSCO also produces tread rubber from ELT tyres; this represents the upper tread layer of tyres, which has a different composition compared to the entire tyre, and this material is valuable for improving the properties of rubber sheets for industrial and construction applications.

¹ For the purposes of this Report, the term “Companies” refers to the group of companies comprising GELPO s.r.o., ASSCO, s.r.o., RPG Recycling, s.r.o., and Egoé noba, s.r.o.

² ELT – End-of-life tyres

GELPO is a downstream processor of rubber granulates, from which it manufactures a wide portfolio of rubber products. The most common applications of these rubber products are in the fields of industry, transport and construction, owing to the damping and insulating properties of rubber. Products made from recycled rubber can therefore be found, for example, along railway tracks in the form of side panels, beneath railway infrastructure as anti-vibration slabs, and along motorways in the form of rubber absorbers that form part of noise barrier systems. Rubber products have also found their place in other areas where the properties of this material can be effectively utilised, such as wall cladding in shooting ranges, flooring in commercial premises, garages, and similar applications.

Egoé noba ensures that rubber absorbers manufactured from end-of-life tyres are returned to road infrastructure through noise barrier systems whose core material is recycled rubber.



Czech Republic, Slovak Republic, Hungary, Poland



Czech Republic, England, Germany



Germany, Netherlands, Poland, Italy



Czech Republic, Slovak Republic

REC Group Holding

The Uherský Brod-based companies covered by this Sustainability Report are organizationally part of REC Group s.r.o. (abbreviation for Recycling Ecological Centre). The company was founded in 1998 under the trade name KOVOSTEEL, s.r.o., and in 2012 it transformed into a holding structure to more efficiently manage its continuously expanding business activities.

The main activity of REC Group s.r.o. today is the provision of comprehensive waste management services, including collection, recycling, and processing. The group operates branches in the Zlín and South Moravian regions, as well as in Prague.

One of the holding's environmentally oriented activities is public environmental education. In Staré Město, the group operates the unique KOVOZOO — an innovative project demonstrating the wide-ranging possibilities of recycling and creative use of metal waste.

REC Group s.r.o. is committed to environmentally responsible business and continuously seeks ways to mitigate the environmental impact of its operations. As part of this effort, it contributes to raising general awareness of sustainability through various initiatives, particularly environmental consultancy, which provides support to both companies and individuals and specialises in:

- Efficient waste sorting (including tracking and management),
- Preparation and processing of annual reports, environmental studies, and documentation (expert assessments, air quality measurements),
- Professional assistance in meeting legislative requirements.



ESG Strategy

Our goal is to become a leader in the material recycling of end-of-life tyres and other waste rubber, and in the application of these secondary raw materials in products. The ESG strategy is a natural extension of this vision.

Our mission is to reduce resource waste, decrease dependence on primary raw materials, and contribute to a cleaner environment. To accurately identify our key areas (risks and opportunities) in sustainability, we conducted a double materiality analysis. The results of this analysis, together with feedback from employees and other stakeholders, form the foundation of the ESG strategy for the Uherský Brod division.

The ESG strategy rests on three main pillars:

1. Environment

We continue to publish our **carbon footprint** for the reporting period, including comparisons with previous periods, and work on refining data while setting reduction targets across Scope 1, 2, and 3.

In collaboration with expert groups, we focus on the repeatable use of materials to ensure a **circular economy**.

We work to reduce the environmental impact of our operations and optimise collection routes to **minimise emissions from transportation**.

2. Employees and Communities

We support a **healthy working environment** and work–life balance. **Equal opportunities** and non-discrimination are the foundation of our corporate culture.

We establish and develop **partnerships with municipalities, schools, and the non-profit sector** to promote environmental education.

3. Management of the Uherský Brod Division

We strengthen internal processes in the areas of ethics, anti-corruption, and whistleblower protection.

Key employees undergo **regular training in compliance with applicable laws and regulations, as well as ethical conduct**.

We are gradually implementing a Code of Ethics and ESG questionnaires for key partners **to ensure our suppliers adhere to ESG principles**.

Mechanisms for regular feedback are being introduced to better understand the needs of customers, employees, and public authorities.

The ESG strategy is not a separate document but an integral part of our business strategy and daily operations.

Values and Vision

The philosophy of our company is based on the following principles:



RESPONSIBILITY FOR THE ENVIRONMENT
because it is important to enhance environmental performance.

GOOD INTERPERSONAL RELATIONS
because every opinion matters.



PRIDE IN OUR WORK
because it reflects our approach to handling secondary raw materials with the potential to conserve the environment.

CONTINUOUS QUALITY IMPROVEMENT
because current collaborative work in the development of recycled products ensures the future success of the Companies.



Our Position in the Waste Management Hierarchy

Our long-standing experience in tyre recycling reflects our commitment to legally complying with the waste management hierarchy under Czech legislation and European Union regulations. By focusing on the reuse of end-of-life tyres and their material recycling, we have for many years successfully reduced the amount of waste sent to landfills and the demand for new rubber and steel production. This helps to mitigate the environmental impact of waste and increases overall resource efficiency.

Through mechanical tyre recycling, which allows us to recover 99.9% pure rubber granulate from ELT tyres, as well as steel and textile, we implement concrete initiatives in the circular economy. Indirectly, this also eliminates excess carbon emissions and other greenhouse gases that would otherwise result from the production of new raw materials.

This multi-level approach supports a model for waste minimization and aligns with certified ESG practices.



2024 Year in Review

Our companies share a drive for progress and for building a broad portfolio of secondary raw material products to save emissions from natural resource extraction. This led in 2023 to the idea of building a second recycling line to provide additional capacity for high-quality rubber granulate production for recycled products. We are pleased that with EU financial support, we secured a 2024 subsidy for implementing tire processing technologies at RPG Recycling, s.r.o.

Supported by European funds, we acquired a new energy-efficient Super Chopper CB 560 tire shredder in 2024 with load-dependent control, through which we expect 39.7% energy savings.

We introduced pneumatic conveying at GELPO, improving rubber product handling for our staff to reduce the difficulty of service processes.

We value our employees, hence in 2024 we supported those active in local communities via volunteer fire brigades or sports clubs. We also continue organizing corporate events aiming to strengthen the collective, build mutual relationships, and a friendlier workplace atmosphere.

We traditionally supported our business activities at trade fairs in the Czech Republic and abroad, including the road conference in České Budějovice. For our companies Gelpo s.r.o. and Egoé Noba s.r.o., this was an excellent opportunity to present our products and transportation innovations, establish new business contacts, and share valuable experiences. Our exhibition focused on two key products: noise barriers and rubber-cast iron manhole covers.



In 2024, we continued with the EcoVadis assessment system (a global platform providing a comprehensive overview of corporate performance in environmental, human rights, and ethical areas) to obtain objective feedback on our established sustainability practices. This step, besides demonstrating our commitment to continuous improvement, allowed us to thoroughly map our strengths and weaknesses regarding sustainability issues.

Environmental Section

In 2024, our Companies focused on more ecological approaches and mechanisms across the entire portfolio. A pre-declared objective was to establish measures for reducing the emission footprint and to track data-driven progress in recycling and product processing. Our approach to environmental protection stems from circular economy principles; we transform and re-cover discarded items in later recycling stages, allowing us to save raw materials and limit emissions otherwise necessary for further production. Energy from our photovoltaic plant and the ongoing modernization of production lines also support our sustainable business. We pro-actively collaborate with business partners and scientific institutions on developing innovative processes, as increasing recycled material quality is a collective effort toward a greener future for coming generations.

Under the project “Development of a New Ecological Noise Barrier” and with EU support, we continue implementing an innovative solution aimed at reducing noise pollution in urban areas. The project’s purpose is to develop a noise barrier from recycled materials to promote construction sustainability, planned for 2023–2026. We are working on this in cooperation with Tomas Bata University – Centre of Polymer Systems. The outcome should be a prototype contributing to environmental protection by reducing waste and reusing materials, capable of competing on European markets.

To contribute to higher environmental protection, we collect and analyze data on:

- energy consumption,
- greenhouse gas production,
- water consumption,
- material, chemical, and waste management,
- product utilization and end-of-life, and
- customer health and safety.

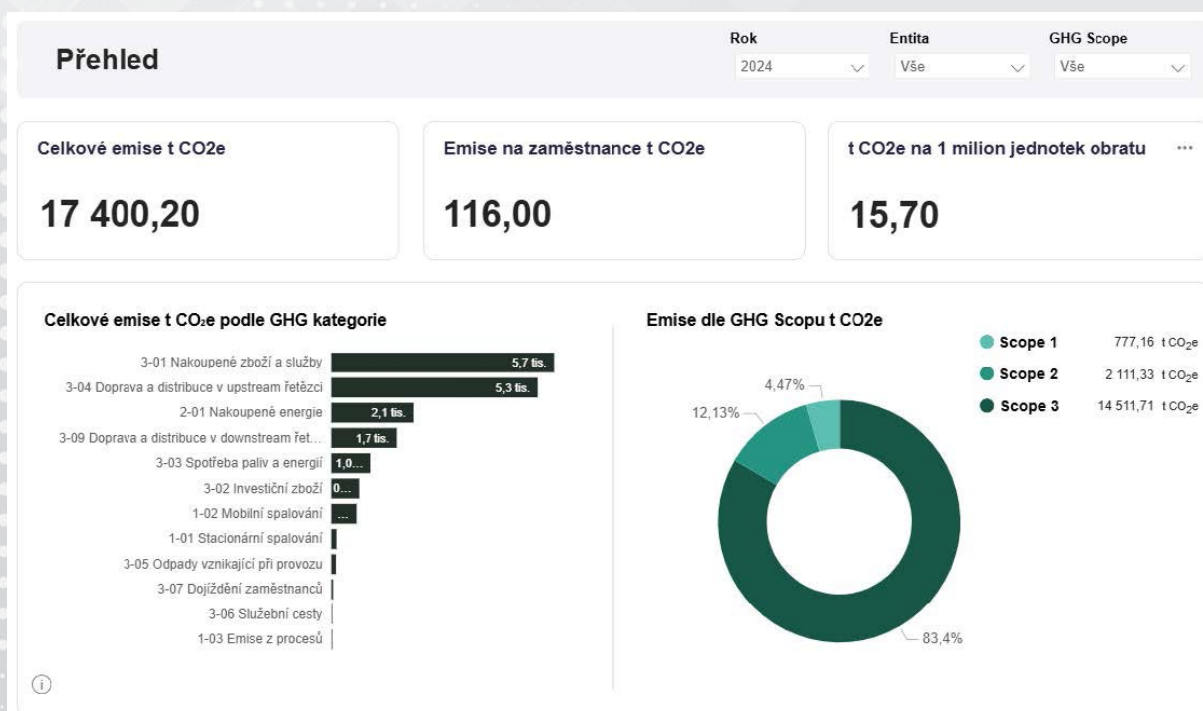
Consumption of Chemical Substances

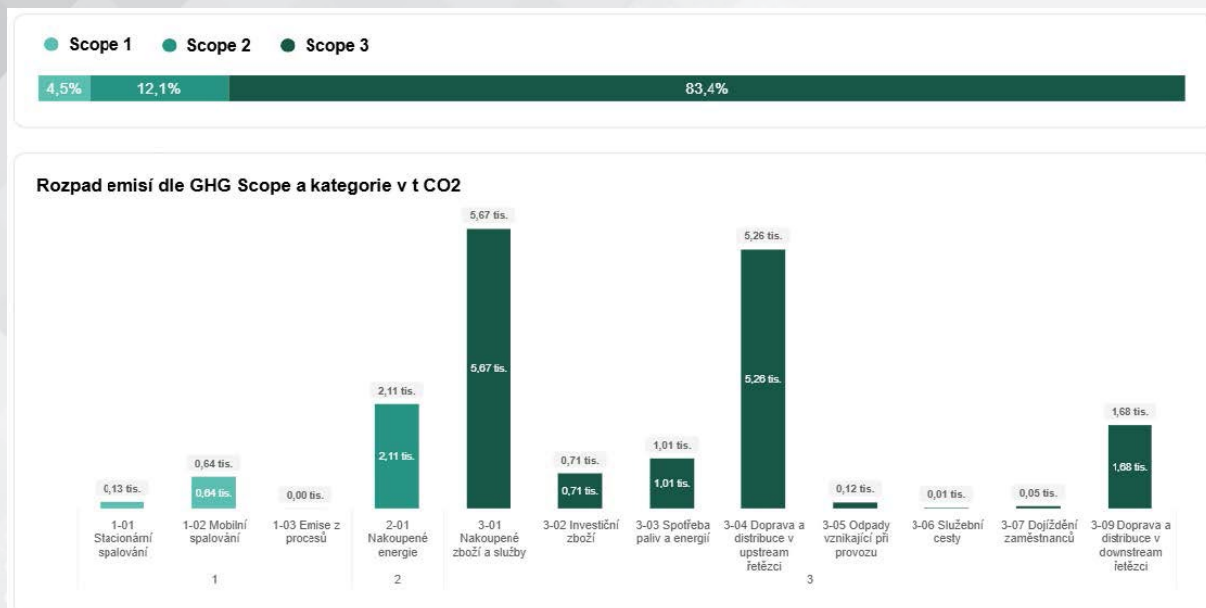
Within the Companies, only GELPO produces a negligible amount of hazardous waste. The polyurethane binder used in the 2024 production process accounted for 6.42% of total output. Contaminated IBC containers are subsequently safely disposed of by an authorized person in compliance with regulations.

Corporate Carbon Footprint for 2024

The carbon footprint is calculated collectively for the companies RPG Recycling, s.r.o., ASSCO, s.r.o., and GELPO, s.r.o. The newest entity, EGOÉ noba, s.r.o., is not included in this calculation. Within the Companies, total emissions for Scope 1 (including direct emissions from own production) amounted to **777.16 tCO₂e**, while Scope 2 (indirect emissions from purchased energy) reached **2,111.33 tCO₂e**. The largest share of the total carbon footprint was attributed to Scope 3 emissions, covering indirect emissions across the entire supply chain, which reached a value of **14,511.71 tCO₂e**.

A detailed insight into the emission calculation by category allows us to better understand the intensity of individual processes within our plants and to more accurately identify specific areas with the highest energy load. Data analysis is particularly vital in the context of planned expansions, which may cause partial emission increases in the monitored periods for coming years. Through these selected methods, we can target measures at the most problematic aspects and gradually decarbonize our operations.





Scope 1 Emissions: 777.16 tCO2e

Category	Tonnes CO2e
Vehicles	644.79
Energy	132.38
Fugitive emissions	0
Total	777.16

Scope 2 Emissions: 2,111.33 tCO2e

Category	Tonnes CO2e
Electricity	2,111.33
Heat	0
Total	2,111.33

Scope 3 Emissions: 14,511.71 tCO2e

Category	Tonnes CO2e
Materials and waste	4,740.24
Logistics	6,940.49
Fuel- and energy-related activities <i>(not included in Scope 1 and 2)</i>	1,010.14
Purchased products and services	1,052.97
Capital goods	708.92
Employee commuting	46.24
Ground transportation	9.07
Hotels	2.83
Flights	0.63
TOTAL	14,511.71

Total Consumption



Total electricity consumption: **6,210 MWh**



Total natural gas consumption: **64,832 m³**



Total water consumption: **15,067.24 m³**

Received Material

Total volume of received waste – tires: **61,703 t**

Total volume of received waste – technological waste: **10,826 t**

Waste Production and Management

Total volume of products manufactured from waste: **22,505 t**

Total volume of waste generated: **17,253 t**

Waste Recovery

RPG Recycling ensures the disposal of end-of-life rubber products and technological waste from GELPO's production. RPG reprocesses this waste into regranulate, which is reintegrated into the production process at a ratio of 5% to 30%, depending on the final product parameters.

Waste and end-of-life products that cannot be reprocessed into regranulate (e.g., surface-treated products that cannot be adequately separated, such as those with aluminum foil or PE layers) are transferred to RPG Recycling for energy recovery disposal.

Overview of waste and end-of-life products reprocessed by RPG Recycling:

2021 – 932 tonnes

2022 – 501 tonnes

2023 – 669 tonnes

2024 – 533 tonnes

Photovoltaic Power Plants – Green Energy

The year 2024 marked the first full year of utilizing energy from installed photovoltaic systems. With capacities of 99.36 kWp at ASSCO, 348.15 kWp at GELPO, and 500.48 kWp at RPG Recycling, these systems delivered a measurable reduction in energy consumption. While the initial projection was 10%, the actual average electricity savings in 2024 reached 11%.

Efficiency Measures at RPG Recycling

RPG Recycling initiated an efficiency project in 2023, which was fully implemented in 2024 through the acquisition of a new tire shredder featuring load-dependent operational control. This investment resulted in a 39.7% reduction in final energy consumption.

Rubber Regeneration – A Greener Future in Recycling

RPG Recycling is involved in developing advanced tire recycling methods focused on producing high-quality rubber granulate, which aims to partially replace raw rubber in new compounds in the coming years. However, the process remains technically challenging due to irreversible changes in rubber properties during vulcanization. Currently, fine cryogenic rubber powders are used as partial replacements in new tires and as fillers in thermoplastic elastomers. RPG Recycling actively collaborates with partners and university research centers to optimize the processing of waste tires.

Due to the stringent quality requirements for rubber products, the use of regenerates under current conditions remains highly limited; however, this significantly reinforces the importance of ongoing research in advancing towards a circular economy within the recycling industry.

Product Quality

Given the nature of the Company's business in tire recycling, quality is a central pillar of our strategy. The established position of Quality and Sustainability Manager serves as a guarantee that corporate processes meet rigorous quality standards.

Special oversight is dedicated to:

Input material control – ensuring that tires accepted into the recycling and subsequent processing stages are suitable for further use.

Optimization of production processes – refining tire processing procedures to increase yield while minimizing the Company's environmental impact.

Output product quality – fulfilling our core purpose by ensuring that the produced rubber granulate meets the required specifications for downstream manufacturing.

Every employee training session planned for 2024 was successfully completed, thereby achieving our predetermined goals for team qualification. To maintain expertise within the Companies, we regularly ensure the enhancement of professional competence, including training for pressure vessel operation, crane operators, and other disciplines. These are integral parts of our quality and environmental management systems according to **ISO 9001** and **ISO 14001** standards (the latter held exclusively by RPG Recycling).

Compliance with ČSN and EN standards – an essential part of our work is the continuous monitoring of Czech and European legislation, which sets requirements for placing waste-derived products on the market. We also actively participate in working groups that shape the legislative environment within the waste industry.



Number of incidents:

0

In 2024, there were no accidents or emergency situations with a potential environmental impact.

Social Area

In our activities, we strive to build an engaged community and focus on more active involvement of our employees and their families in events organized by the Companies. Last year, we continued our tradition of hosting the Haunted Garden in KOVOZOO, alongside numerous other events. Increasing environmental awareness through Earth Day celebrations is important to us, as it combines a focus on nature protection with the opportunity for people to share common experiences.

In the field of social responsibility, we track several metrics, the insights from which help us monitor progress in fundamental social areas. The following Key Performance Indicators (KPIs) represent the core issues we periodically evaluate within the Companies:

- career management and training,
- diversity, equity, and inclusion, and
- human rights of external stakeholders.

The Companies are members of several industry organizations through which they share professional expertise and actively contribute to the creation of waste legislation. We are part of the Association of Playground and Sports Surface Manufacturers (AVHS), where we participate in developing eco-friendly materials for sports surfaces; in the Association of Retreaders of the Czech Republic (SVP ČR), we focus on sustainable rubber waste processing. We are also members of the Czech Waste Management Association (ČAOH), involved in discussions on more efficient waste management and support for legislative changes in recycling. Membership in the Confederation of Industry of the Czech Republic (SP ČR) provides us with a platform for consultations with a real impact on the direction of industrial sectors, emphasizing sustainability.



Employees in the Companies

Within the Companies, we intensely consider how to further deepen training programs focused on our employees' skill development. Therefore, we conduct regular discussions regarding career progression to ensure that people within individual teams have opportunities and an ideal environment for growth and specialization. To identify strengths and weaknesses in our policies and approaches and to map specific interests, we distribute and evaluate employee satisfaction questionnaires.

As of December 31, 2024, the total number of employees was 150. In terms of gender, this consisted of 41 women and 109 men. The lower representation of women in work positions is primarily due to the nature of the activities and the industry in which the Companies operate. This imbalance is clearly evident in manual labor professions, which numerically predominate across the individual plants.

Regarding technical and administrative (THP) staff, the situation concerning the percentage of women is considerably more balanced.

Emissions per employee

| **116.00 tCO₂e**

In 2024, 20 employees left the company (4 THP and 16 manual labor positions), corresponding to a turnover rate of 13% out of a total of 156 employees. We thus successfully reduced the turnover rate by nearly 10 percentage points compared to the previous year (22% in 2023).

Professional Development

In addition to the statutory health and safety (BOZP) training requirements, the company is committed to enhancing the qualifications of its employees. Department heads annually plan for the deepening or expansion of skills through training programs. In 2024, the companies invested a total of approximately CZK 450,000 in the area of education (training and seminars). Furthermore, all employees undergo training on the Companies' Code of Ethics upon hiring or during their probationary period.

Community

Inseparably linked to our community life is our persistent effort to help change our surroundings for the better. Therefore, we financially support several organizations that address social and environmental issues, such as "Slepá ramena," which focuses on river ecosystem revitalization, including sediment removal, landscaping, and the restoration of riparian vegetation. Folklore and sports clubs also hold a significant place in our financial donations.

In 2024, the financial assistance provided by the Companies exceeded a quarter of a million Czech koruna.

Collaboration with Universities and Research Institutes

The Companies are active in the field of research and development of sustainable technologies in cooperation with scientific and educational institutions.

One of our partners in this area is **Tomas Bata University in Zlín**, specifically the Centre of Polymer Systems, with whom we participate in research into new applications for rubber crumbs. With TBU, we have also launched a project for a new noise barrier that will be fully recyclable.

Together with the **Research Institute of Building Materials in Brno**, we are researching and testing possibilities for utilizing textile waste from tires in the construction industry.

The Technical University of Ostrava specializes in the analysis of polycyclic aromatic hydrocarbons in rubber and their impact on human health, which introduces new methods for risk minimization.

These collaborations provide both theoretical and practical insights, including improvements in product quality. For ongoing projects, we provide samples of recycled materials for analysis and assist in the development of technological processes that facilitate the safe utilization of materials. Furthermore, we support university students in their own research during the preparation of their diploma theses.

Occupational Health and Safety (OHS)

One of the primary aspects of our labor relations is ensuring safe working conditions. Safety regulations and occupational health protection as a whole are maintained within the Companies in full compliance with applicable legislation. We regularly conduct reviews of implemented measures and organize employee training, with all such activities being thoroughly documented and monitored. Essential procedures include regular medical check-ups and the provision of personal protective equipment tailored to specific activities. Simultaneously, we assess potential risks and implement action plans for emergency situations.

In 2024, 10 occupational injuries were recorded across the Companies.

GELPO	Number of occupational injuries: 0
ASSCO	Number of occupational injuries: 6
RPG Recycling	Number of occupational injuries: 4

Employee Health Care

The Companies emphasize providing comprehensive health care to their employees through established health insurance programs and support services. Employees have access to regular medical examinations, preventive health screenings, and mental health support. Essential information regarding available care is regularly shared via internal communication channels, such as brochures, email campaigns, and information sessions. Health care plans are periodically updated and adapted to meet current employee needs and legislative requirements.

Well-being

We recognize the evolving societal trends in the field of well-being and are aware of how crucial employee satisfaction—both in the workplace and with the work itself—remains. Developing relationships within the team beyond the professional level, focusing on social programs for employees, and improving physical and mental health are all corporate objectives we uphold in managing the Companies and consider when implementing new measures.

We support health care and overall employee satisfaction through a diverse range of activities and employee benefits:

- Language programs.
- Professional development through training.
- Pension insurance contributions.
- Company mobile phone and laptop.
- Team-building trips (skiing and rafting).

In 2024, we introduced fully subsidized meals—lunches—for all employees, offering a daily selection of four different meals.

In addition to accessible and balanced catering, we are working to offer more flexible working hours. In 2024, we established core hours for technical and administrative (THP) staff from 8:00 AM to 2:00 PM; employees may flexibly choose their start and end times, provided the monthly working hour quota is met. As part of our employee benefits, staff also receive tickets to social events held near the Companies, and various cultural excursions to theater performances and concerts are organized.

Earth Day 2024

Every year, we traditionally support Earth Day celebrations held at the KOVOZOO complex in Staré Město. Since its inception, the event has become a unique platform for strengthening social bonds and raising environmental awareness among employees, their families, and those wishing to learn more about sustainability. Educating across generations on environmental themes, the continuous search for sustainable solutions, and community building truly reflect the ESG values we uphold.



Formulation of Social Ambitions

Every year, our calendar is packed with social events. In addition to the aforementioned Earth Day, we actively participated in the Haunted Garden event and offered employees attendance at the Veteran Car Rally and the Arts and Crafts fair, where our staff and their families enjoy discounted admission. We successfully implemented professional training and focused on enhancing well-being through language programs and the planned construction of new office spaces. We aim to maintain these established standards in the coming years and continue organizing events that emphasize community engagement and the overall satisfaction of our employees.

Commitment to Equal Opportunity Principles

A strict prohibition of any form of discrimination applies across all Companies. We resolutely reject any manifestations of discrimination or favoritism based on gender, ethnic or social origin, sexual orientation, culture, religion, age, or health status. We emphasize creating an inclusive and diverse work environment—recognizing that this is a challenging task given our field of activity—where every employee is evaluated based on their abilities, with attention paid to both their professional and personal growth.

The principles of equal treatment and mutual respect are incorporated into our Code of Ethics and apply universally to all employees. We strive to ensure that decision-making processes within the Companies, including recruitment, training, and career progression, are defined and conducted fairly and transparently. We consider measures aimed at supporting pay equity and the inclusion of women, men, and vulnerable groups in the workplace to be significant actions in this context. We believe that corporate diversity and openness to differences are keys to our success.

To effectively prevent child and forced labor, we introduce and implement internal regulations, including impact assessments to identify risks, employee training to raise overall awareness of the issue, verification of applicants' age prior to employment, and legal protection for young workers. In the event of any potential occurrence of such phenomena, a formal complaint regarding a violation of these established principles may be filed.

Governance

Transparent management and ethical conduct are the fundamental pillars of our operations and the foundation of our business activities. These principles are integrally woven into our policies and administrative procedures, which we design and evaluate based on recycling market trends, expert opinions in sustainability and the circular economy, and feedback from stakeholders. Our established internal practices align in value with the principles contained within our **Code of Ethics and our Supplier Code of Conduct**.

Ownership Structure

In the interest of transparency, we present the ownership structure of the individual companies. We are convinced that a clear overview of ownership relations contributes to increased credibility and provides our business partners and the public with insight into the corporate governance of the enterprise.



The affiliated entity within the shareholder structure in all cases is either REC GROUP directly, or through the business entity ASSCO Group s.r.o. The management structure is divided into three divisions – **Commercial, Production, and Economic**. Each division specializes in its respective field of activity, allowing for efficient management and the improvement of decision-making and strategic processes. The controlling entity ensuring the strategic direction and overall coordination of the Companies is REC Group, whose partners are Radomír Bureš and Bronislav Janeček.

Code of Ethics

Each of our employees is committed to complying with the Code of Ethics, which serves as the fundamental normative guide for any activity within our Companies. Its structure is based on shared values that permeate all levels of the Company and on the corporate vision, thereby continuously contributing to proper, moral, and professional conduct in the workplace. The Code strictly prohibits all forms of corruption, harassment, violence, and discrimination. We recognize that it is not only about compliance and monitoring established rules but also about active support and trust among employees; therefore, supervisors play a significant role in ensuring that employees are thoroughly familiar with the Code and follow it in all work

situations. This Code is more than just a set of rules – it is our collective commitment to ethical conduct, responsible behavior, and mutual respect, not only toward our employees but also toward our customers and business partners.

Regarding the Code of Ethics and the rules contained therein, we consider environmental factors alongside traditional criteria such as price or quality when assessing and selecting suppliers and contractors.

Areas covered by the Code of Ethics:

- anti-corruption measures,
- conflict of interest rules,
- rules related to the prevention and reporting of fraudulent conduct,
- anti-money laundering principles,
- unfair competition practices,
- ensuring information security.

In our daily business practice, we guarantee the health and safety of all our customers by conducting risk assessments of the Companies' products. Our objective is to completely eliminate negative impacts and ensure that the products offered meet high quality standards.

Our commitment to responsible conduct also extends to our supply chain, which serves as a firm foundation for our strategy. Clearly defined rules and technical standards are codified in the Supplier Code of Conduct, which establishes several principles and requirements we impose not only on our suppliers but also on sellers, contractors, consultants, and other relevant parties:

- **Legal Compliance** – strict respect for all applicable laws and technical standards in the countries of operation.
- **Respect for Human Rights** – dignified and fair treatment of employees must be a primary prerequisite for every company.
- **Compliance with Labor Rights** – ensuring equal opportunities, prohibiting discrimination and any inappropriate behavior, and fostering fair remuneration and a safe working environment enhances both product quality and employee satisfaction.
- **Fair Competition and Anti-Corruption** – adherence to anti-corruption principles and competition rules; violations not only harm business parties but can also cast a shadow over the entire industrial segment.
- **Transparency** – open conduct and the obligation to report potential conflicts of interest make mutual communication transparent and provide a framework to prevent employees and other related parties from participating in illegal behavior.
- **Environmental Responsibility** – our suppliers are required to comply with legal regulations, contribute to sustainable development, and ensure their actions align with our values, such as transparency and the protection of human rights.
- **Intellectual Property Protection** – suppliers are obligated to protect all confidential information and trade secrets.
- **Personal Data Protection** – alongside confidential information, we emphasize the protection of personal data.

In the supplier sphere, and with regard to our firm commitment to sustainable practices, we ensure that the Companies' suppliers comply with the requirements of the European REACH regulation concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals).

These general legal rules for placing specific substances on the market thus help ensure the safe handling of chemical substances. Regular monitoring and verification of our suppliers' compliance with the aforementioned standards is our next step toward a more sustainable future; it opens a dialogue through which we use questionnaires or external audits to eliminate potential risks and positively influence our surroundings.

Risk and Opportunity Management System

Each individual Company annually prepares a document focused on evaluating the risk and opportunity management system in accordance with long-term objectives. A characteristic element is maintaining a prepared set of actions to minimize risks that could affect our corporate stability. Simultaneously, we focus on identifying and utilizing market and technical opportunities that allow us to continue growing and improving the competitiveness of our products. For 2025, we plan to obtain a building permit and commence the construction of a new tire recycling line to expand the production of rubber granulate as a secondary raw material. This granulate will primarily serve as a raw material source for our own company, GELPO, for the manufacture of rubber products, thereby enabling GELPO to expand its product portfolio and increase the volume of processed secondary raw materials. In this way, we ensure that our firm is well-prepared to face challenges and seize opportunities for long-term success.

Gathering External Feedback

The Companies implement various mechanisms for obtaining external feedback from customers regarding occupational health and safety related to their products and services. The Companies provide customers with contact options via telephone lines and online forms, allowing the reporting of any issues or comments concerning safety and health. Furthermore, they regularly conduct customer satisfaction surveys that include questions focused on the safety aspects of their products and services. If necessary, communication plans are in place for rapid and transparent customer notification, for example, during product recalls. These procedures are regularly monitored and evaluated within internal processes and sustainability reports.

Ambitions for 2025

The year 2025 will primarily be marked by adaptation to the expansion of GELPO's production portfolio, specifically the assembly of noise barriers for our youngest company, Egoé noba. Within RPG Recycling, we will focus on obtaining the necessary permits for the construction and commissioning of the second recycling line, with operations scheduled to start in the autumn of 2026. This will allow us to increase the capacity of products manufactured from waste by at least 50%. For ASSCO, we are preparing a series of measures to streamline production processes and adapt to the changing market environment that ASSCO will face over the next five-year period.

Care for the work environment of our employees is an essential component of our planning, and 2025 will be no different. We are preparing first-aid training for all employees, featuring practical examples and demonstrations on how to respond to situations that may arise at the workplace and beyond. GELPO employees will see the renovation of their locker rooms, which will complete the development of social facilities at the Uherský Brod site.

Increased focus will be placed on the Code of Ethics across the Companies, ensuring the understanding and practical application of its principles. We plan to focus on implementing an internal anti-corruption management system in accordance with ISO 37001 principles.

Within the Companies, we remain committed to our shared goal – extending the life cycle of tires through recycling and giving them a “second life” via our products placed on the market. We are determined to continue the trend of improving sustainability levels in both our daily operations and long-term planning, primarily achieved through the monitoring and gradual reduction of our carbon footprint. Our employees are undoubtedly the central point of these processes; therefore, we will continue to increase the quantity and quality of their training and support their career development, so that together we can achieve better results and satisfaction in the work we do.

2025 Objectives

E – Environmental

- Data collection and precision: Refining carbon footprint calculations through enhanced data gathering.
- LCA/EPD: Conducting Life Cycle Assessments (LCA) and Environmental Product Declarations (EPD) for the Egoé noba noise barrier panels.
- Product LCA: Collecting data for LCA calculations regarding rubber granulate (Assco, RPG) and rubber products (GELPO).
- Facility expansion: Advancing the expansion of the RPG Recycling production site (second recycling line) and establishing new assembly spaces for noise barriers at GELPO.
- R&D support: Supporting the development and usability of recycled materials.
- Circular economy: Promoting circularity through the development of a new, fully recyclable noise barrier.

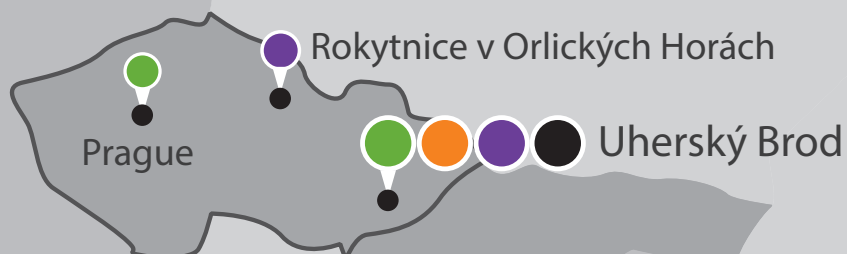
S – Social

- Employee well-being: Organizing team-building activities for 2024/2025, including skiing, rafting, a summer gathering with a football match, and a Christmas party. Implementing an employee satisfaction questionnaire to identify opportunities for workplace improvement.
- Community support: Maintaining ongoing support for local community organizations and associations.
- Academic collaboration: Continuing partnerships with universities, specifically with Tomas Bata University on the fully recyclable noise barrier project and other ongoing 2024 initiatives.
- First aid training: Conducting comprehensive first aid training for all staff.
- Facility upgrades: Completing the renovation of social facilities (locker rooms) for manual labor staff at GELPO, s.r.o.

G – Governance

- Ethical standards: Further refining the Employee Code of Ethics with the goal of implementing a comprehensive internal anti-corruption system according to ISO 37001.

Czech Republic



Registered Office
Vazová 2143
688 01 Uherský Brod
Czech Republic

www.rpgrecycling.cz
www.gelpo.cz
www.asscorecycling.cz

