



OVERVIEW OF SUSTAINABILITY ASPECTS OF
MELAMIN D.D. KOČEVJE
FOR THE YEAR 2025

KOČEVJE, 30 June 2026

Dear Sir or Madam,

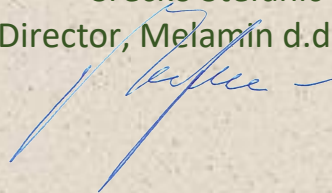
This year's sustainability report continues our commitment to responsible and sustainable business operations. After the first step, in which we presented the sustainability aspects of Melamin d.d. Kočevje in a more comprehensive way, this year we wish to show our progress even more clearly, also to highlight the areas in which we have taken important steps and openly present the challenges that still lie ahead.

We understand sustainability as an important part of the company's long-term development. In doing so, we focus on reducing the environmental impacts of our operations, efficient use of resources, promoting the principles of the circular economy, and ensuring a safe and supportive working environment. At the same time, we are aware that sustainable development is not a one-off project, but a process of continuous improvement that requires cooperation, innovation and responsibility from all of us.

I would like to thank our employees, business partners, suppliers, customers and other stakeholders who, through their work and cooperation, contribute to our sustainability journey. We are confident that, through joint efforts, we will continue to connect successful business operations, care for the environment, and responsibility towards employees and society at large.

Respectfully,

Srečko Štefanič
Director, Melamin d.d. Kočevje



ENVIRONMENTAL ASPECTS

At Melamin d.d. Kočevje, we consistently fulfil our commitments in the field of environmental protection. As a chemical plant for polymer production and an establishment with a higher risk of an industrial accident, we are aware of our responsibility towards the environment and society. Occupational safety and a responsible attitude towards the environment represent our fundamental priority.

We are committed to the principles of the Responsible Care Global Charter, which operates under the auspices of the International Council of Chemical Associations (ICCA) and the European Chemical Industry Council (CEFIC). As signatories to the Responsible Care Charter, we prepare annual Responsible Care reports each year in accordance with the prescribed methodology, publishing data on air and water emissions and waste management.

In 2025, with the aim of reducing the negative environmental impacts of our processes, we implemented numerous measures that improved environmental performance and contributed to sustainable development.

Overview of key environmental activities in 2025:

Activity	Description
Implementation of operational monitoring	Implementation of the prescribed emission measurements defined in the environmental permit.
Operation of the wood biomass boiler house	Stable operation and continuous permanent air emission measurements.
Steam turbine for electricity cogeneration	Stable operation throughout the year.
Waste management	Proper disposal of hazardous and non-hazardous waste.

Activity	Description
Compliance with chemicals legislation	We regularly carry out statutory tasks arising from legislative requirements.
Rehabilitation of the tank storage facility	Rehabilitation of Sector C was completed. We obtained the operating permit.
Fire protection	We obtained a certificate of compliance for fire protection systems.
EX certificates equipment and facilities	Three EX certificates for equipment and facilities were obtained or updated.
EX certificates maintenance	Three EX certificates for facility maintenance were obtained.

Other environmental activities in 2025:

Reduction of CO2 emissions

In 2025, we continued implementing energy-efficient technologies, introducing smart metering devices and optimising production lines that enable more efficient energy use.

Recycling of by-products and waste reduction

By optimising technological procedures and closing material loops, we ensured that by-products were recycled within technological processes and used as input materials, thereby preventing waste generation.

In cooperation with external partners, we arranged for the recycling of most of our non-hazardous waste.

Employees who participated in internal environmental management training in 2025 were additionally reminded of the importance of separate collection of all types of waste, which helped increase employee awareness.

Efficient use of resources and use of renewable energy sources

We are proud that in 2025 we maintained a high share of renewable energy sources used in our production processes. In 2025, the first solar power plant on the roof of our reception building began operating. We achieved the goal that more than 80% of the energy consumed in technological processes comes from natural sources.

By increasing the share of purchased energy with a lower carbon footprint, we will achieve the goal by 2030, that 90% of the energy used in production processes will come from renewable sources.

The company plans further construction of solar power plants at the site, which will contribute to reducing the company's carbon footprint and increasing the use of renewable energy sources.

Investments in environmental projects

Melamin has made substantial investments in environmental projects in the past with the aim of reducing its environmental impact. As part of these investments, by 2024 an internal biological wastewater treatment plant, a central system for extracting technological process air with final thermal oxidation in a natural wood boiler, and solvent recycling systems within technological processes had already been built.

In 2025, a DeNOx system for reducing nitrogen oxide emissions also began operating at the natural wood boiler.

For future improvements, we are considering the capture and use of rainwater in the cooling system.

Support for sustainable mobility

At our site, we installed two bicycle shelters for employees. We also support the initiative to install bicycle shelters for public-use bicycles. Through internal training, we encourage employees to use sustainable mobility.

SOCIAL ASPECTS

Responsible Care programme: Melamin was among the first companies in Slovenia to join the Responsible Care programme, demonstrating its long-standing commitment to responsible conduct towards the wider social environment.

Employee health and safety: At Melamin, we have established a health and safety assurance system that includes training, supervision, and the implementation of preventive and corrective measures.

Social responsibility: At Melamin, we understand our social responsibility as ensuring good working conditions for employees and actively participating in the wider community. In 2025, we again carried out numerous activities that promote the inclusion of both employees and local residents.

Employee education and training: In the past year, we carried out more than 1,400 hours of internal training covering occupational safety, fire safety, safe use of chemicals, the safety management system, and other essential topics in environmental management, quality management and ethical conduct requirements. In 2025, we carried out targeted training for groups of employees who are actively involved in sustainability-related areas and policies for the first time. We are aware that competent employees are key to the company's success, which is why we continuously strive for their professional and personal development.

Support for the local community: We cooperate openly with the local community, as we are aware of our social responsibility and our involvement in the local environment. We cooperate well with the Municipality of Kočevje and its bodies, especially in the field of safety. Part of our cooperation with the local community consists of ongoing support for various programmes in the fields of sport, culture, healthcare and education. In 2025, we maintained direct contact with united civil initiatives. As part of the increased transparency of our operations, we regularly publish data on our environmental impacts and activities carried out by the company on our website.

MANAGEMENT ASPECT

Economic stability: Melamin d.d. Kočevje is a company that strives for long-term financial stability and growth while pursuing a sustainable business model. Our sustainability strategy is based on responsible resource management, efficiency, and continuous investment in innovation and development.

Innovation, research and development: In 2025, we invested 2.3% of our revenue in research and development, an appropriate share that enables us to improve our products and production processes and introduce energy-efficient technologies.

Responsible resource management: The company monitors and optimises the consumption of raw materials, materials and energy. Our efforts in responsible resource management contribute to reducing costs and environmental impacts.

Introduction of raw materials from renewable sources: We are implementing several projects for the development of products from renewable sources, thereby supporting the gradual transition to a circular economy.

Certificates and recognitions: Melamin holds several important certificates and recognitions that confirm our commitment to quality, safety, environmental responsibility and sustainable development.

Key certificates and recognitions of Melamin:

- **ISO 9001 - Quality management system**

We maintain and upgrade the ISO 9001 certificate obtained in 1993, thereby confirming the effective maintenance of our quality management system. This standard enables the company to provide customers with high-quality products and services and to continuously improve its business processes.

- **ISO 14001 - Environmental management system**

We are committed to the ISO 14001 standard, which focuses on the effective management of environmental aspects of business operations. By maintaining and upgrading this standard, we demonstrate our commitment to reducing negative environmental impacts and to sustainable development.

- **Responsible Care - Responsible Care programme**
Melamin d.d. Kočevje was among the first companies in Slovenia to join the Responsible Care programme, which encourages companies to improve health, safety and environmental standards. Since 2020, we have prepared and published annual reports in accordance with the prescribed Responsible Care methodology.
- **EX certificates for potentially explosive atmospheres**
As early as 2010, we began obtaining EX certificates at locations where explosive substances are used. With the installation of new equipment and changes in legislation, the company continuously obtains and updates EX certificates. The certificates confirm that devices and equipment comply with the requirements of explosion protection legislation.
- **IED and SEVESO environmental permits**
For its operations, Melamin has obtained two key environmental permits, namely the IED Integrated Environmental Permit and the SEVESO permit. The IED permit relates to installations and emissions, while the SEVESO permit regulates the handling of hazardous substances and the major accident prevention system.
- **Participation in international sustainability projects**
We participate in the EU Horizon e-CODUCT project, which focuses on reducing greenhouse gases in industry. Within this project, we are developing technologies aimed at reducing greenhouse gas emissions and producing industrially useful raw materials from waste gases, thereby contributing to the implementation of the European Green Deal.
- **FSC certificate**
We hold an FSC certificate issued by the Forest Stewardship Council, which promotes responsible forest management in an environmentally friendly and socially just manner.
- **EcoVadis sustainability assessment**
EcoVadis is an international platform that assesses the sustainability and socially responsible business practices of companies. Melamin is assessed in the areas of environmental protection, ethical business conduct, social responsibility and sustainable supply-chain practices. In 2024, we received a silver recognition, placing us among the top 15% of all assessed companies in comparable activities.

The certificates and recognitions reflect Melamin's commitment to high standards of quality, safety, environmental responsibility and social responsibility. The company strives to continuously improve its processes and actively participates in sustainable development initiatives.

Annual business reports: Melamin is a joint-stock company that prepares detailed audited annual reports, which are always publicly available on the company's official website.

Risk management: The company's annual business report also includes an analysis of risks related to the environment, health and safety, as well as strategies for managing them.

FUTURE GOALS AND PLANS

We have set many goals for the future. Below we highlight some of the most important ones:



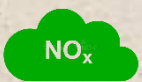
By 2030, we will reduce Scope 1 and Scope 2 greenhouse gas emissions per unit of product by 90% compared to the baseline year 2014.



By 2050, we will be at least carbon neutral.



By 2030, the share of non-renewable energy per unit of product will be 90% lower compared to the baseline year 2014.



By 2027, we will reduce nitrogen oxide emissions by at least 25% compared to 2024.



We will continue investing in employee education and the improvement of working conditions.

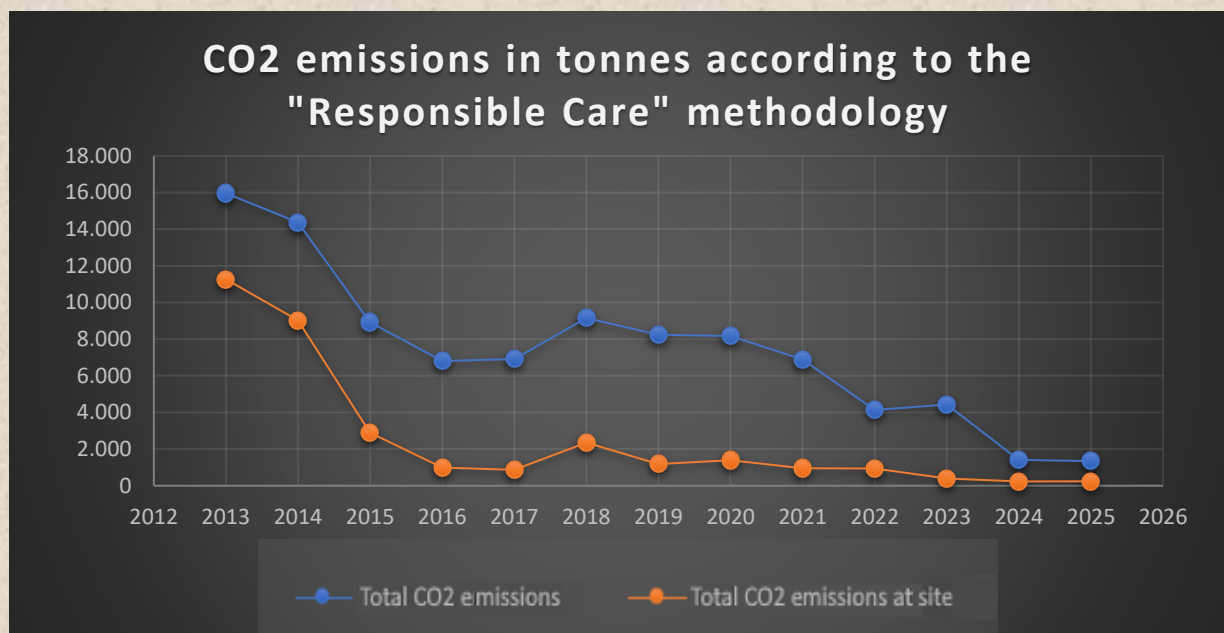


We will continue to act in a socially responsible manner.

SUMMARY OF KEY SUSTAINABILITY INDICATORS

At Melamin, we have devoted considerable attention to environmental management in previous years. In this respect, we implemented key upgrades in good time to reduce CO₂ emissions and discharges into wastewater. As early as 2014, we switched from fossil fuel to wood biomass. In 2017, we upgraded the method of technological gas treatment with thermal oxidation in a natural wood boiler, converting organic pollutants from technological processes into usable energy. In 2020, we invested in electricity cogeneration using a steam turbine. Having already taken the most significant steps toward reducing emissions, in this report we present typical indicators from the list of Sustainable Development Goals (SDGs) adopted by the United Nations, specifically in the areas of:

SDG 7: Affordable and clean energy and SDG 13: Climate action

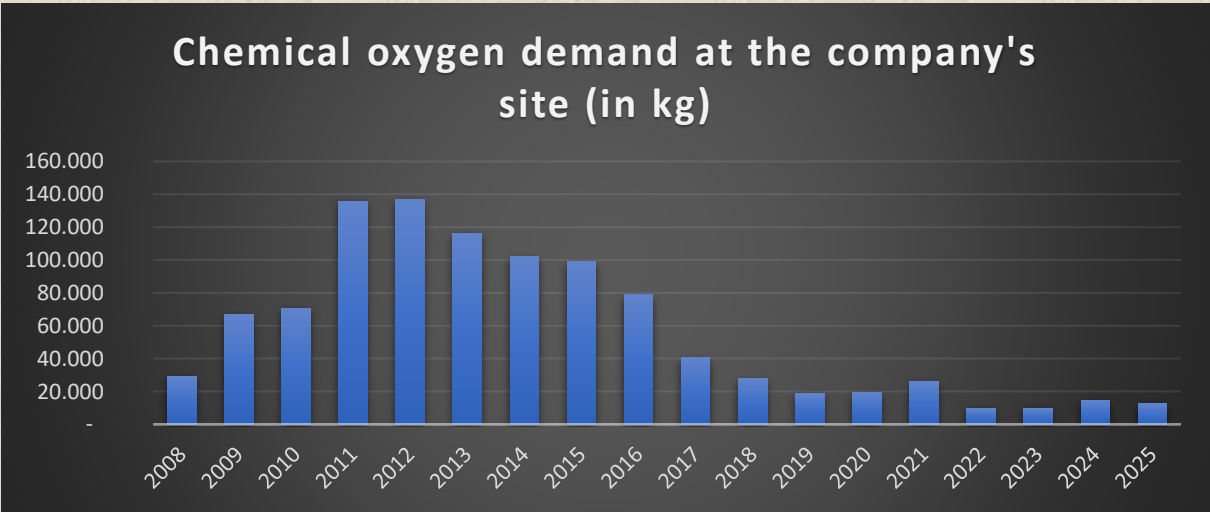


Energy from renewable sources at the company’s location

	Biomass (kWh)	Electricity – steam turbine (kWh)	Electricity – solar power plant (kWh)	Total renewable energy at the site	Total (kWh)	Share of renewable energy (%)
2019	54.167.313			54.167.313	70.607.508	76,7
2020	59.789.567	996.381		60.785.948	77.111.835	78,8
2021	64.426.314	2.362.085		66.788.399	79.811.474	83,7
2022	47.958.481	1.510.728		49.469.209	58.998.945	83,8
2023	55.075.390	1.559.050		56.634.440	66.517.529	85,1
2024	61.046.835	1.829.514		62.876.349	72.712.250	86,5
2025	63.686.248	2.103.968	107.717	65.897.933	75.251.122	87,6

In previous years, we also devoted considerable attention to wastewater and waste process air treatment. We first built our own treatment plant, where technological wastewater is pre-treated, and in 2016 we connected technological exhaust streams into a common duct linked to the natural wood boiler. Organic pollutants are thus thermally oxidised, and the energy generated in the process is used in production. Before this upgrade, a scrubber was used for treatment. The improvement in this area is reflected in the indicator for:

SDG 6: Clean water and sanitation



As a chemical manufacturing company, we carry out many activities related to the responsible use of natural resources and the optimisation of production processes. In this area, we follow market and customer requirements, which can often also result in a deterioration of indicators at the company site. Such negative indicators include the quantities of waste and energy efficiency.

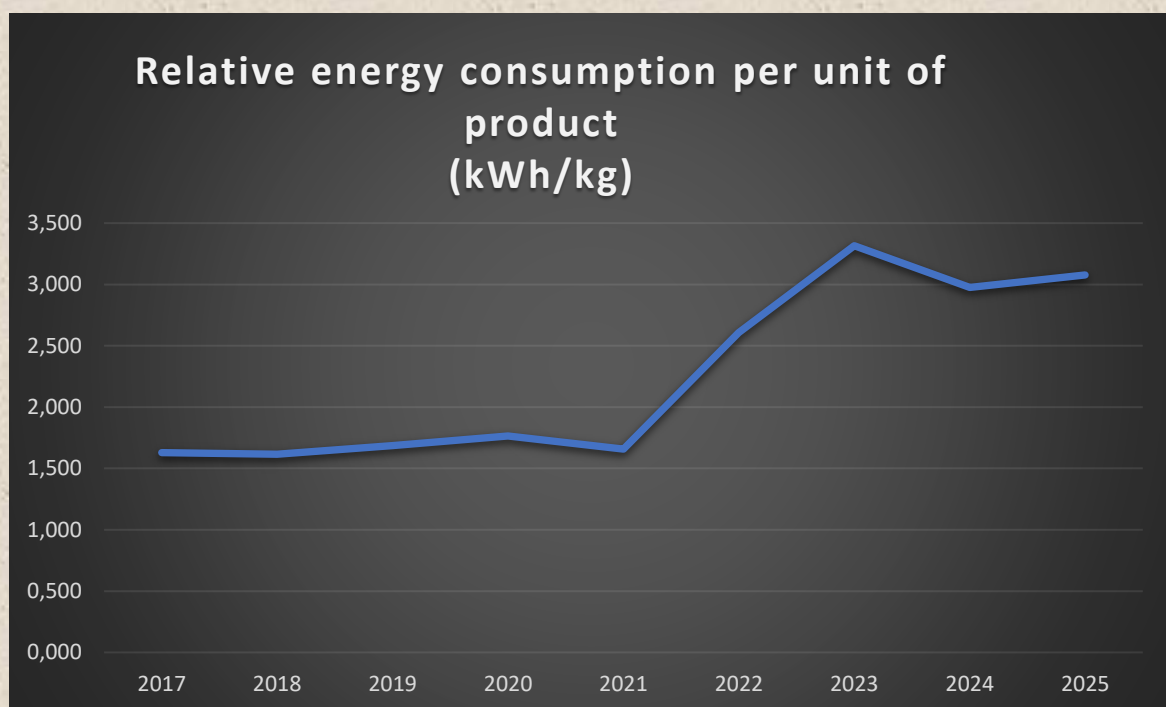
Due to increasingly demanding customer quality requirements, the company generates more non-hazardous and hazardous waste. All waste is handed over to authorised collectors, and most non-hazardous waste is recovered.

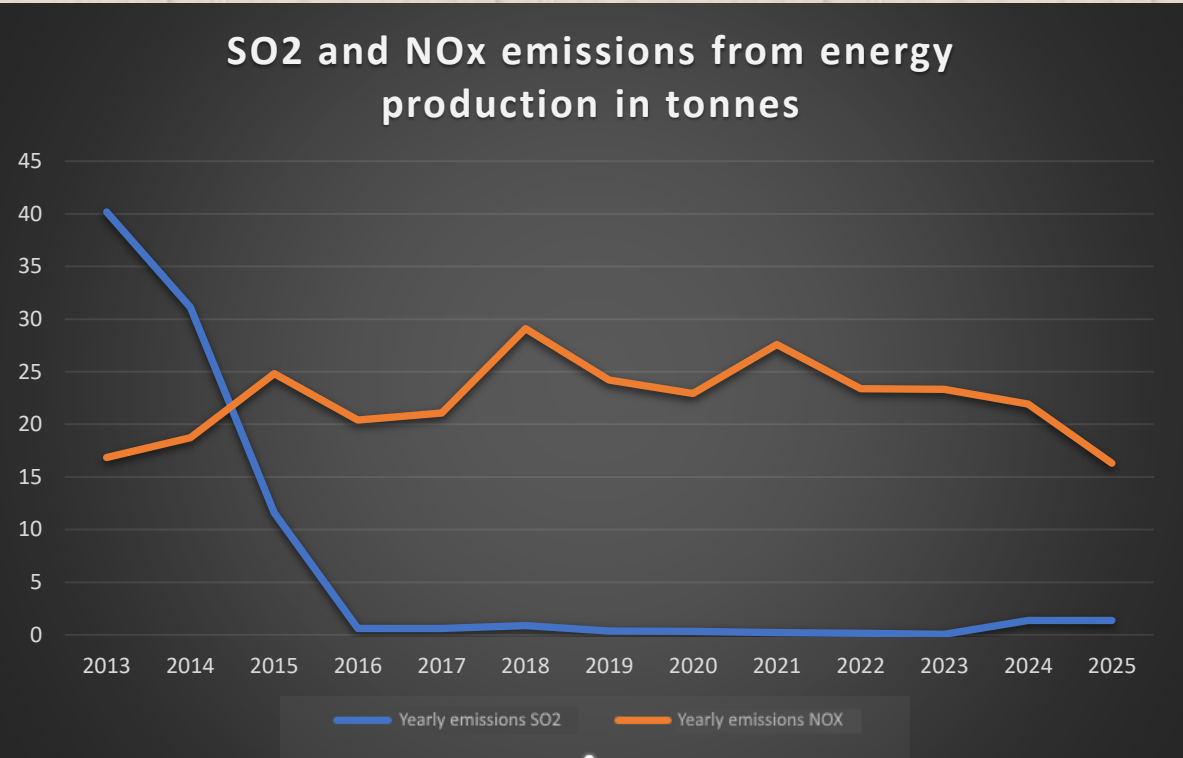
Due to customers' environmental requirements, as they do not wish to use products with high solvent content (VOC), we had to switch to products with lower solvent content, which in turn means more distillation and higher energy consumption in production.

We therefore present several typical indicators related to production processes in the area of:

- **SDG 12: Responsible consumption and production**

Efficiency of technological processes – relative energy consumption per unit of product





In this report, we also present typical indicators from the United Nations Sustainable Development Goals (SDGs), namely in the field of health and safety.

SDG 3: Good health and well-being

Indicator	2021	2022	2023	2024	2025
Absolute number of occupational injuries	7+5 (covid)	12+4 (covid)	3	7	5/6 injured
Number of major accidents	0	1	0	0	0
Number of fatal injuries	0	7, of these employees: 2 External contractors: 5	0	0	0
Number of hours absent from work due to occupational injuries	2.120	3.825	416	2.204	844
Share of absence hours due to injuries in relation to hours worked	0,53% (0,626% with Covid)	0,97% (1,04%)	0,10%	0,50%	0,20%
Number of employees with disabilities	4	4	4	4	4
Share of employees with disabilities among all employees (%)	2,1	2,2	2,0	2,0	2,0
Number of occupational diseases and work-related illnesses	0	0	0	0	0
Average number of training hours per employee in occupational safety, security, environment and management system areas			4,3	5,03	5,7

In this report, we also present typical indicators related to the company's social responsibility. The indicators partly also include parameters related to decent work.

SDG 8: Decent work and economic growth

	2022	2023	2024	2025
Share of employees with permanent employment contracts (%)	96,2	95,6	99,4	98,9
Average age of employees	44,2	43,6	43,8	44,7
Share of sickness absence hours (%)	7,89	6,01	7,17	7,52
Number of employee absence hours due to blood donation	796	1.158	832	798
Number of irregularity reports submitted by employees	0	0	0	0
Number of external whistleblower reports	0	0	0	0
Publication of the Responsible Care report on the website	Published	Published	Published	Published
Self-assessment of FSC basic labour requirements in the following areas: - Prohibition of child labour - Prohibition of all forms of forced and compulsory labour - Prohibition of discrimination in employment and occupation - Freedom of association and the right to collective bargaining		No deviations	No deviations	No deviations

CONCLUSION

With a clear vision for the future, Melamin d.d. Kočevje is committed to sustainable business operations and responsible conduct in all areas – environmental, social, ethical and societal. Our commitment goes beyond legal requirements, as we understand sustainability as a key guiding principle that shapes our strategic decisions and day-to-day operations.

In the future, we will continue to improve our sustainability practices continuously, as we strive to create a positive impact on the environment, promote employee well-being and strengthen our ties with the local community, which is inseparably linked to our development.

At the same time, we actively support the green transition – the transformation towards a low-carbon, circular and climate-resilient economy. By introducing energy-efficient technologies, reducing emissions and managing resources responsibly, we wish to contribute to a cleaner and fairer world for future generations.

We believe that long-term business success is possible only if we also build a resilient, inclusive and sustainable society.