

Sustainability Report 2025

Nipro PharmaPackaging Croatia

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2. About This Report

This Sustainability Report presents Nipro PharmaPackaging Croatia's environmental, social and governance (ESG) performance for the reporting period from 1 January 2025 to 31 December 2025.

The report reflects the Company's commitment to transparency, responsible business practices and continuous improvement in sustainability performance.

Through this report, NPC communicates its progress, achievements and challenges related to climate change, resource efficiency, occupational health and safety, employee engagement, ethical business conduct and corporate governance.

The report also highlights the Company's contribution to sustainable development and its alignment with the long-term sustainability objectives of the Nipro Group.

NPC remains committed to integrating sustainability principles into its business strategy and daily operations while creating long-term value for customers, employees, shareholders, local communities and the environment.



Key Highlights

- Production output increased by **7.1%**, reflecting continued business growth and increased operational activity.
- Scope 1 and Scope 2 emissions increased by **10.5%**; however, emissions intensity increased by only **3.3%**, from **5.79 to 5.98 kgCO₂e per 1,000 produced pieces**, indicating improved carbon efficiency relative to production growth.
- Scope 3 emissions decreased by **3.2%**, despite higher production volumes.
- Scope 3 emissions intensity decreased by approximately **9.5%**, from **23.57 to 21.32 kgCO₂e per 1,000 produced pieces**, demonstrating improved value-chain efficiency and successful emission reduction initiatives.
- Total GHG emissions intensity decreased from **29.37 to 27.30 kgCO₂e per 1,000 produced pieces**, confirming progress in decoupling emissions from business growth.
- Water consumption was reduced by **32.9%** compared with 2024.
- The overall waste recycling rate increased to **99.66%**.
- Technological glass waste generated from the production process (glass cullets), representing more than **91%** of total non-hazardous waste, remained **100% recycled**.
- Employee safety performance improved significantly, with the **Lost Time Incident Rate decreasing by 33.3%**.
- NPC remains committed to its long-term objective of achieving **net-zero greenhouse gas emissions by 2045**.

These results demonstrate the Company's ability to support business growth while improving environmental performance. The reduction in both Scope 3 emissions and overall GHG emissions intensity highlights continued progress toward decoupling operational expansion from environmental impact, while maintaining high standards of operational excellence, employee safety and responsible resource management.



company and a retail centre. There are no major industrial installations or heavy manufacturing facilities in the immediate vicinity of the site.

The location benefits from excellent transport connectivity, with direct access to key traffic corridors linking the eastern part of Zagreb to the rest of the city, including Slavenska Avenue and the Zagreb bypass. Zagreb International Airport is located approximately 15 minutes away by car.

The Company occupies a total site area of 42,758 m², including 8,876 m² of production and supporting facilities. The remaining 33,882 m² consists of green spaces, internal roads and parking areas.



Figure 1. Nipro PharmaPackaging Croatia site overview

Recognizing the importance of environmental stewardship, Nipro PharmaPackaging Croatia is committed to minimizing the environmental impact of its operations and contributing to climate change mitigation. While manufacturing activities generate greenhouse gas emissions, the extensive green areas surrounding the facility help support local biodiversity and act as natural carbon sinks.



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5. Materiality Assessment

Nipro PharmaPackaging Croatia regularly evaluates environmental, social and governance (ESG) topics relevant to its operations, stakeholders and long-term business sustainability. The assessment considers the Company's business activities, customer expectations, regulatory developments, sustainability ratings requirements, operational impacts and strategic objectives.

Based on internal reviews, customer requirements, EcoVadis assessments, environmental management activities, and stakeholder engagement, the sustainability topics below have been identified as the most material for NPC.

Environmental

- Climate change and greenhouse gas emissions
- Energy efficiency and energy management
- Air emissions
- Water consumption and water stewardship
- Waste management and circular economy
- Resource efficiency and sustainable manufacturing

Social

- Occupational health and safety
- Employee development and training
- Employee well-being
- Diversity, equity and inclusion
- Human rights and ethical business conduct

Governance

- Business ethics and compliance
- Corporate governance
- Supply chain sustainability
- Regulatory compliance
- Data privacy and information security



6. Sustainability Governance & Management Systems

6.1. Purpose

This Sustainability Report provides stakeholders with a transparent overview of Nipro PharmaPackaging Croatia's sustainability performance, priorities and progress during the reporting period. It outlines the Company's initiatives, achievements, and objectives related to environmental protection, responsible resource management, greenhouse gas emissions reduction, waste minimization, sustainable procurement, employee well-being and ethical business conduct.

Guided by the NPC Environmental and Corporate Social Responsibility (CSR) Policy and other relevant management systems, Nipro PharmaPackaging Croatia remains committed to monitoring, managing, and continuously improving the environmental and social aspects of its operations.

The Company strives to integrate sustainability principles into its decision-making processes and daily activities while maintaining the highest standards of quality, compliance and operational excellence.

Building on previous achievements, including the implementation of a Sustainable Procurement Policy and the assessment of Scope 3 greenhouse gas emissions, NPC continues to strengthen collaboration with suppliers and other stakeholders to support responsible and sustainable value creation throughout the supply chain.

This Sustainability Report serves as a platform for transparent communication, enabling stakeholders to assess the Company's sustainability efforts, identify areas for continuous improvement, and better understand NPC's contribution to sustainable development. It also supports compliance with applicable legal requirements and reinforces long-term relationships with customers, suppliers, employees and the wider community.



Since joining **CDP** in **2022**, we have maintained a **B+** rating, reflecting our proactive management of environmental impacts and our ongoing efforts to address climate-related challenges through measurable actions and transparent reporting.

Through these management systems and sustainability initiatives, Nipro PharmaPackaging Croatia continues to strengthen its environmental performance, improve operational efficiency and create long-term value for customers, employees and other stakeholders.

6.4 Compliance and Regulatory Management

Nipro PharmaPackaging Croatia LLC is committed to conducting its business in full compliance with all applicable legal, regulatory and customer requirements. Compliance forms an essential part of our management systems and supports the Company's commitment to responsible, ethical and sustainable operations.

To ensure ongoing adherence to legislative obligations, relevant environmental, energy, occupational health and safety, and other regulatory requirements are continuously monitored and evaluated. Changes in legislation, standards and industry requirements are systematically reviewed and appropriate measures are implemented whenever necessary to maintain compliance and mitigate potential risks.

Compliance performance is regularly assessed through internal audits, management system evaluations and the Annual Management Review process. These activities enable the Company to verify conformity with applicable requirements, identify opportunities for improvement and ensure the continued effectiveness of its management systems.

Through this proactive approach, Nipro PharmaPackaging Croatia maintains a strong culture of compliance, accountability and continuous improvement.



7.2 Social and Ethical Responsibility

Nipro PharmaPackaging Croatia LLC recognizes that social responsibility, ethical conduct and respect for human rights are fundamental elements of sustainable business operations. The Company is committed to fostering a workplace culture based on integrity, inclusiveness, mutual respect, accountability and compliance with applicable legal and ethical standards.

To strengthen awareness and promote responsible behaviour, employees receive regular training on topics such as human rights, ethical decision-making, professional conduct, diversity and inclusion and workplace responsibilities. These educational activities help employees understand how their actions contribute to a positive working environment and support the Company's sustainability objectives.

All employees are required to comply with the principles outlined in the NPC Code of Conduct, which serves as the foundation for ethical and professional behaviour across the organization. Following relevant training and onboarding activities, employees formally acknowledge their understanding of and commitment to the requirements of the Code of Conduct.

Detailed information regarding employee training, social initiatives, human rights, diversity, inclusion, employee engagement and other workforce-related topics is provided in the **Nipro PharmaPackaging Croatia Human Resources (HR) Report**.



This positive result demonstrates the effectiveness of targeted safety initiatives, including enhanced employee training, increased awareness of workplace hazards, strengthened supervision and the implementation of corrective and preventive actions across the organization. The improvement reflects NPC's ongoing commitment to fostering a strong safety culture and ensuring that health and safety considerations remain embedded in all operational activities.

Despite increased production volumes during the reporting year, the Company successfully improved its safety performance, highlighting the importance of continuous monitoring, employee involvement and management commitment in reducing workplace risks.

NPC will continue to invest in occupational health and safety programs, with the long-term objective of preventing workplace injuries and maintaining a safe and healthy working environment for all employees.



Operational excellence is a key driver of Nipro PharmaPackaging Croatia's success, enabling improved efficiency, consistent product quality and standardized manufacturing processes while supporting continuous improvement and long-term sustainable growth.

9. Environmental Performance

9.1 Energy Consumption

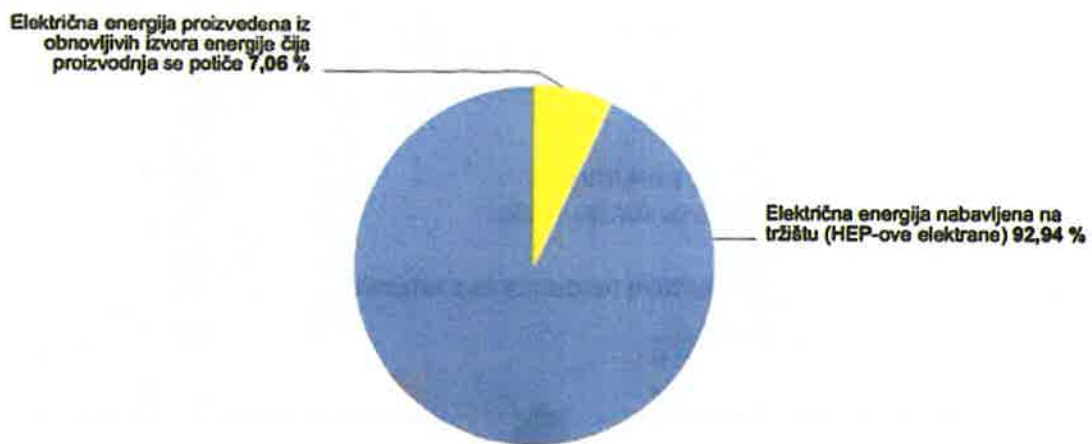


Figure 4. Electricity Generation Sources

Information provided by the Croatian electricity supplier HEP offers an overview of the energy sources contributing to the electricity consumed by Nipro PharmaPackaging Croatia during the reporting period.

As presented in the figure above, the electricity supplied to Nipro PharmaPackaging Croatia was generated from a combination of energy sources.



Emissions intensity per kilogram of glass produced ($\text{kgCO}_2\text{e/kg}$) decreased by 10.2% compared to the previous reporting period. This improvement reflects the Company's ongoing commitment to enhancing environmental performance, increasing operational efficiency, and reducing the carbon intensity of its manufacturing activities. The results demonstrate meaningful progress toward climate-related objectives, while also emphasizing the continued importance of addressing value-chain emissions, which remain the most significant contributor to the Company's overall greenhouse gas footprint.

9.2 Fleet Emissions

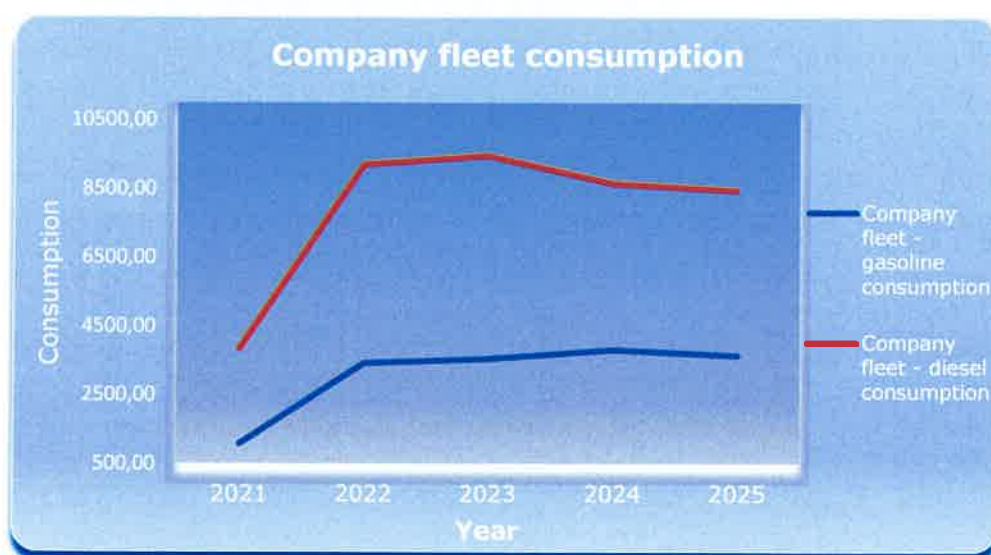


Figure 7. Company Fleet Fuel Consumption (Gasoline and Diesel)

Although emissions from the vehicle fleet contribute only a small portion of the Company's overall greenhouse gas emissions, ongoing opportunities remain to minimize their impact through fleet optimization, fuel-efficiency initiatives, and the adoption of cleaner transportation technologies.



While absolute emissions increased in line with business growth, the emissions intensity analysis provides additional context.

Scope 1 and Scope 2 emissions per 1,000 produced pieces increased from 5.79 kgCO₂e in 2024 to 5.98 kgCO₂e in 2025, representing a significantly lower increase than observed in total emissions. This indicates that the rise in emissions was largely driven by increased production volumes rather than a proportional increase in environmental impact. The relatively moderate change in emissions intensity demonstrates ongoing process optimization efforts, improved operational control and enhanced resource management across the production process.

Direct emissions from natural gas consumption and indirect emissions from purchased electricity remain key focus areas within the Company's decarbonization strategy. Future efforts will continue to prioritize process optimization, energy-efficiency initiatives, responsible energy management and the evaluation of lower-carbon technologies and energy sources to support long-term emissions reduction objectives while maintaining sustainable business growth.

The Company is committed to reducing its environmental impact and achieving net-zero greenhouse gas emissions by 2045. This target is aligned with the Company's broader sustainability strategy and global climate objectives.



The reduction was achieved despite a 7.1% increase in production output during the reporting period, demonstrating the effectiveness of initiatives aimed at improving operational efficiency, optimizing logistics, enhancing procurement practices and strengthening value-chain performance.

The emissions intensity indicator further confirms this positive trend. Scope 3 emissions per 1,000 produced pieces decreased from 23.57 kgCO₂e in 2024 to 21.32 kgCO₂e in 2025, representing a reduction of approximately 9.5%. This improvement indicates that the Company generated significantly lower indirect emissions per unit of production, reflecting increased efficiency across the value chain and the successful implementation of sustainability-focused measures beyond its direct operations.

As a result, Scope 3 emissions accounted for approximately 78.1% of the Company's total greenhouse gas emissions in 2025. While indirect emissions continue to represent the largest share of the Company's carbon footprint, the reduction achieved in both absolute emissions and emissions intensity demonstrates meaningful progress toward a more sustainable and resilient value chain.

This positive performance highlights the importance of continued collaboration with suppliers, sustainable procurement practices, responsible transportation management and ongoing efforts to reduce emissions throughout the value chain. NPC remains committed to identifying opportunities for further Scope 3 emission reductions while supporting sustainable business growth and long-term climate objectives.

The Company is committed to reducing its environmental impact and achieving net-zero greenhouse gas emissions by 2045. This target is aligned with the Company's broader sustainability strategy and global climate goals.



engagement, sustainable procurement practices, transportation optimization and collaboration throughout the value chain.

- Energy consumption, natural gas use, purchased electricity, transportation activities and purchased materials remain key emission drivers and will continue to be priority areas within the Company's decarbonization strategy.
- NPC remains committed to achieving **net-zero greenhouse gas emissions by 2045**, in alignment with its sustainability strategy and broader global climate objectives. Future initiatives will focus on energy efficiency improvements, process optimization, responsible energy management, lower-carbon technologies and further Scope 3 emission reductions through value-chain collaboration.



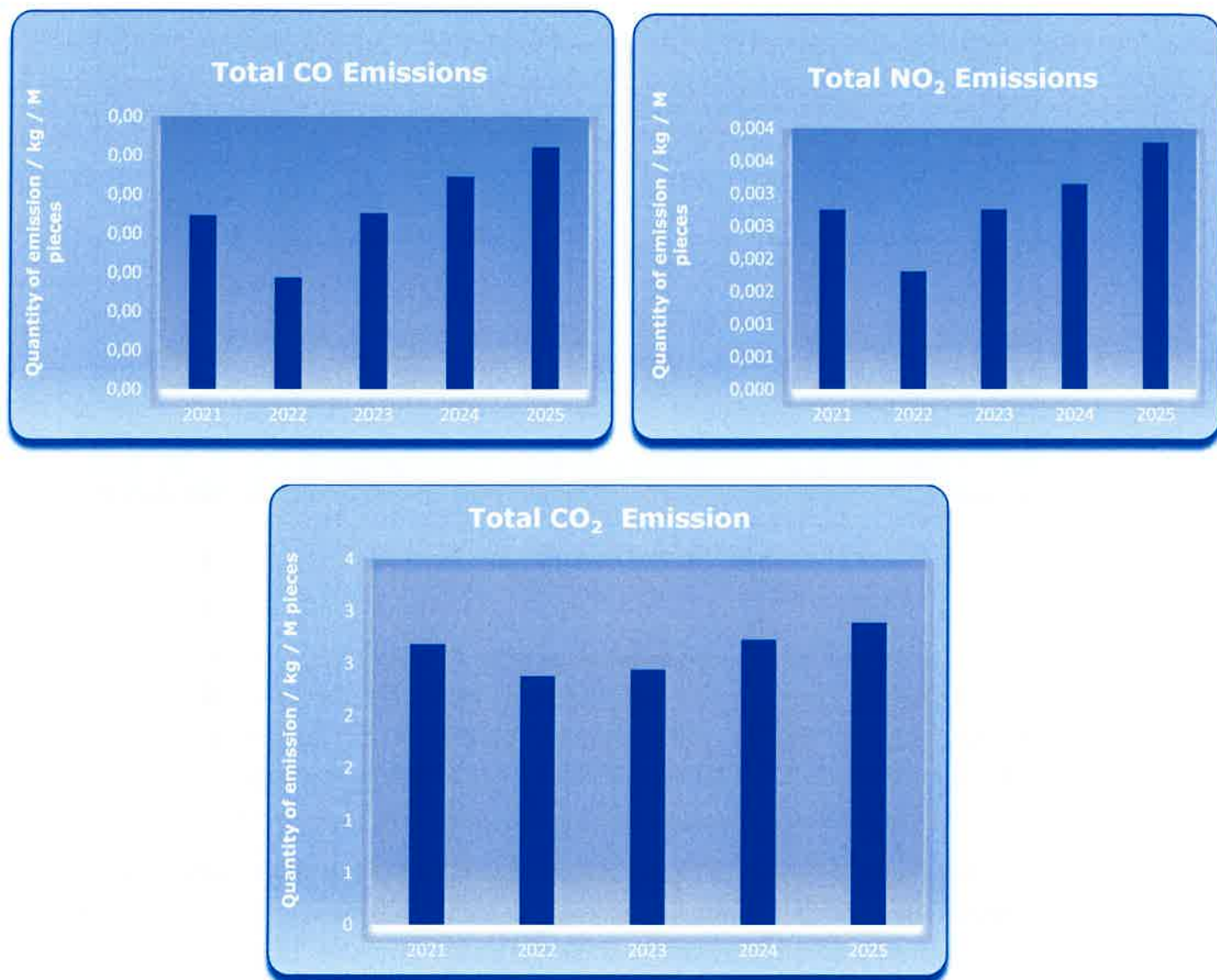


Figure 13. Total CO₂, NO₂ & CO emissions / M pieces



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The Company remains committed to minimizing the environmental impact of its operations through continuous improvements in energy efficiency, combustion process optimization, responsible energy management and enhanced production performance. Regular monitoring of fuel consumption and atmospheric emissions supports the identification of improvement opportunities and enables data-driven decision-making.

Reducing air emissions remains a key environmental priority. Future initiatives will continue to focus on energy optimization, process improvements, equipment performance enhancement and the evaluation of lower-carbon technologies to further reduce greenhouse gas and air pollutant emissions while supporting sustainable business growth.

Key Highlights 2025

- Natural gas consumption in production facilities increased by **11.1%** compared with 2024.
- Production output increased by **7.1%**, resulting in higher overall fuel demand and atmospheric emissions.
- Total CO₂ emissions increased by **13.4%**, reaching **2,259.5 t**.
- CO₂ emission intensity increased from **2.73 to 2.89 t per million produced pieces**, reflecting a significantly lower increase than total emissions.
- NO₂ and CO emission intensity increased moderately, remaining closely linked to production growth and furnace operation requirements.
- Continuous process optimization and operational efficiency initiatives helped limit the increase in emissions intensity despite higher production activity.
- Energy efficiency and emissions reduction remain central elements of the Company's environmental and decarbonization strategy.



9.7. Non-hazardous waste

The Company is committed to minimizing waste generation through continuous process improvements, efficient resource utilization and employee awareness initiatives. Waste reduction and recycling remain important elements of NPC's environmental management strategy and circular economy approach.

In 2025, technological glass waste (EWC 10 11 12), generated directly from the manufacturing process, remained the most significant non-hazardous waste stream, accounting for approximately 91.6% of total non-hazardous waste generated. The quantity of technological glass waste increased from 950.9 tones in 2024 to 1,096.6 tones in 2025, reflecting higher production volumes during the reporting period. Despite this increase, the Company's established waste management practices ensured that 100% of the generated technological glass waste was recycled. Following collection by authorized waste management partners, all waste glass cullets undergo an R12 recovery operation (crushing) to prepare the material for transport and subsequent recycling by an authorized recycling facility. Through this process, the material is diverted from disposal and reintroduced into the value chain, supporting resource efficiency, waste valorization and the Company's circular economy objectives.

In addition to glass waste, NPC continued to segregate and recycle other non-hazardous waste fractions, including paper and cardboard packaging, plastic packaging, metals, biodegradable waste and mixed packaging waste, further contributing to the responsible management of resources and reduction of environmental impacts throughout its operations.

The high share of recycled glass waste demonstrates the effectiveness of the Company's waste management system and its ongoing commitment to sustainable manufacturing and environmental stewardship.



9.8 Hazardous waste

NPC is committed to minimizing the generation of hazardous waste through preventive maintenance, process optimization, responsible chemical management, and employee awareness programs. Hazardous waste streams are carefully segregated, stored, and managed by authorized waste contractors to ensure compliance with environmental regulations and minimize environmental impact.

In 2025, the total quantity of hazardous waste remained stable compared to the previous year, despite increased production activity. The largest hazardous waste streams continued to be *waste packaging contaminated by hazardous substances (EWC 15 01 10)** and **waste paint (EWC 08 01 11)***, amounting to 1.619 tones and 1.396 tones, respectively.

A positive trend was observed in several hazardous waste categories. Waste paint decreased from 1.585 tones in 2024 to 1.396 tones in 2025, representing a reduction of approximately 11.9%. Although the quantity of waste oil (EWC 13 02 05*) increased slightly from 0.050 tones to 0.065 tones, it remained at a significantly lower level compared to historical values. Quantities of oil-water separator sludge also decreased from 0.150 tones in 2024 to 0.100 tones in 2025, indicating effective maintenance and monitoring of wastewater treatment infrastructure.

During 2025, only small quantities of other hazardous waste streams were generated, including laboratory chemicals, fluorescent tubes, batteries, and waste containing hazardous components.

The Company continued to ensure the safe handling, recovery and disposal of these materials through authorized waste management partners.

The results demonstrate the effectiveness of NPC's environmental management practices and employee awareness initiatives, which support the responsible use of materials, pollution prevention and the continuous reduction of environmental impacts associated with hazardous waste generation.

Continuous monitoring and improvement activities remain a key element of the Company's sustainability strategy and commitment to responsible manufacturing.



10. Decarbonization and Efficiency Investments

As part of its commitment to reducing greenhouse gas emissions and improving energy performance, Nipro PharmaPackaging Croatia continues to invest in projects that support the transition to lower-carbon operations and more sustainable resource management.

A key focus area is the increased use of renewable energy. By the end of 2026, solar power plants are planned to be installed on Production Shop Floors 1, 2 and 3. Once operational, these installations are expected to generate renewable electricity covering approximately 12% of the Company's annual electricity consumption, reducing dependence on externally sourced energy and contributing to a lower carbon footprint.

The Company is also investing in the optimization of its compressed air system, one of the most energy-intensive utility systems within the manufacturing process. Planned improvements include the installation of a new high-efficiency compressor and the construction of a new compressed air pipeline connecting the compressor station with production halls. These measures are expected to reduce energy losses, improve system reliability and decrease overall energy consumption.

To further strengthen its energy management capabilities, Nipro PharmaPackaging Croatia plans to establish more detailed electricity and natural gas metering at the production hall level, implement real-time monitoring systems, and identify opportunities to reduce compressed air losses. These initiatives will support more accurate energy performance tracking, data-driven decision-making and continuous operational improvement within the ISO 50001 Energy Management System framework.

The Company's broader decarbonization strategy addresses both operational emissions (Scope 1 and Scope 2) and value chain emissions (Scope 3). Strategic priorities include improving energy efficiency, reducing the carbon intensity of operations through renewable energy adoption, equipment modernization and process optimization, as well as engaging suppliers to increase carbon footprint transparency and support emissions reduction throughout the supply chain. In addition, the Company continues to explore sustainable logistics solutions aimed at reducing transportation-related emissions.

Through these investments and initiatives, Nipro PharmaPackaging Croatia demonstrates its commitment to climate action, energy efficiency and the achievement of its long-term sustainability and decarbonization objectives.



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operational lifespan and support more efficient resource utilization throughout their life cycle.

Through these initiatives, Nipro PharmaPackaging Croatia continues to strengthen its contribution to a circular economy, reducing environmental impacts while creating sustainable value across the supply chain.



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13. Climate Strategy, Targets and Future Priorities

Nipro PharmaPackaging Croatia is committed to continuously improving its environmental performance and reducing greenhouse gas emissions across its operations and value chain. The Company's 2025 greenhouse gas inventory identified several priority areas that will support future emissions reductions and contribute to the achievement of long-term sustainability objectives.

Strategic Priorities

Looking ahead, NPC will continue to focus on the areas with the greatest potential for emissions reduction.

Based on the 2025 emissions assessment, the following priorities have been identified:

- Improve energy efficiency across manufacturing processes and utility systems.
- Optimize natural gas and electricity consumption through operational improvements and equipment modernization.
- Increase the procurement and use of lower-carbon and renewable electricity sources.
- Strengthen engagement with strategic suppliers to reduce emissions associated with purchased goods and services.
- Enhance logistics efficiency through transport optimization and collaboration with lower-carbon transportation providers.
- Promote waste reduction, recycling, and circular economy initiatives across operations and throughout the value chain.



13.2 Long-Term Commitment

NPC remains committed to transparent climate-related reporting and the continuous improvement of its environmental performance.

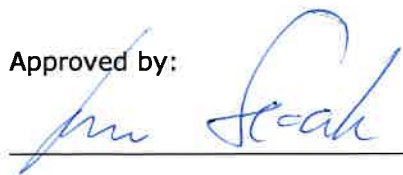
Through ongoing investment in operational excellence, energy efficiency, sustainability initiatives, and value-chain collaboration, the Company aims to further reduce its greenhouse gas emissions, support the sustainability objectives of the Nipro Group and contribute to the transition toward a more sustainable and low-carbon future.



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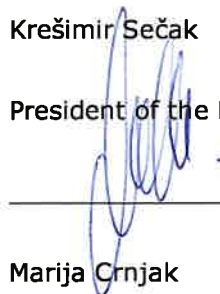
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Approved by:



Krešimir Sečak

President of the Management Board



Marija Crnjak

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Igor Feljak

Member of the Management Board

Date: July 24, 2026



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