

SUSTAINABILITY REPORT 2022



CEO'S SPEECH

More than 20 years of waste management experience as well as permanent monitoring of current waste management trends are important basis for innovative, highly efficient and environmentally friendly solutions for a wide range of our clients.

We believe that our mission is to deliver professional ecological solutions the modern world needs. This way we want to help to contribute to its sustainable development.

Our aim is to change the perspective and view of waste as a potential source that can be eventually put back to the production process.



stefan hanigovsky

CEO, FECUPRAL, LTD.

THE COMPANY PROFILE

FECUPRAL, spol. s r.o. is a small/medium-sized family enterprise based in Eastern Slovakia. We are one of the leading companies operating in the Hazardous Waste Treatment and Material and Energy recovery industry. As a comprehensive provider of services for industrial and municipal waste producers, we build on 20 years of experience with innovative technologies, equipment and processing techniques. We offer highly efficient solutions for waste treatment and ecological waste recovery. We provide environmental services to more than 1000 customers and treat more than 200 of various waste types. The enterprise was incorporated on August 21, 1997. Currently, more than 70 employees work for FECUPRAL, spol. s r.o. In 2022, the company reported a net sales revenue increase of 71.17%. Over the same period, its total assets grew by 78.98%.

As the core element of our corporate strategy, sustainability is integrated into all our major processes. This is ensured not just through binding targets and a set of directives but also through fundamental Company management decisions.

As an active part of an industry that plays a crucial role in environmental protection, FECUPRAL set several **Strategic sustainability targets**:

- 1. Reducing Environmental Impact:** This involves minimizing waste generation, optimizing energy consumption, and adopting cleaner technologies.
- 2. Resource Efficiency:** We strive to use resources efficiently, such as water, raw materials, and energy. This includes recycling, reusing materials, and implementing circular economy principles.
- 3. Carbon Neutrality:** We aim to reduce carbon footprint and eventually achieve carbon neutrality. This involves offsetting emissions through various initiatives and investing in renewable energy projects.
- 4. Social Responsibility:** Sustainability isn't just about the environment; it also includes social aspects. We focus on fair labor practices, diversity and inclusion, and community engagement.
- 5. Transparency and Reporting:** Setting targets is essential, but transparently reporting progress is equally crucial. We publish sustainability reports to share our achievements and challenges.

ENVIRONMENTAL POLICY

The aim of FECUPRAL, spol. s r.o.'s environmental policy is to promote sustainable practices within our operations and contribute to a healthier environment.

Main objectives included in our environmental policy are:

- 1. Compliance with Regulations:** Ensuring compliance with local, national, and international environmental laws and regulations is a fundamental goal. We aim to operate within legal boundaries and minimize any negative impact on the environment.
- 2. Resource Conservation:** Efficiently using resources such as water, energy, and raw materials is crucial. The environmental policy has a set of targets for reducing resource consumption and waste generation.
- 3. Pollution Prevention:** We strive to minimize pollution by implementing best practices, adopting clean technologies, and managing hazardous materials responsibly.
- 4. Biodiversity Preservation:** Protecting natural habitats and biodiversity is essential. We actively engage in conservation efforts or support local initiatives.
- 5. Continuous Improvement:** The policy encourages ongoing assessment and improvement. Regular reviews help identify areas for enhancement and track progress toward sustainability goals.
- 6. Stakeholder Engagement:** Involving employees, suppliers, customers, and the community fosters a shared commitment to environmental responsibility.

Waste reduction, reuse and recycling

FECUPRAL is dedicated to environmental sustainability and recognizes the importance of minimizing waste generation, promoting the responsible reuse and recycling of materials to minimize waste generation, reduce our carbon footprint and reducing our overall environmental impact.

This Environmental Policy for Waste Reduction, reuse and recycling outlines our commitment to responsible waste management and serves as a framework for our operations and initiatives in this regard. Our goal is to reduce waste at the source and, as an active member of circular economy, to support a circular economy with our business.

Energy efficiency

We recognize the critical role of energy efficiency in reducing greenhouse gas emissions and conserving natural resources. This Environmental Policy for Energy Efficiency

outlines our commitment to responsible energy management and serves as a framework for our operations and initiatives to reduce energy consumption and environmental impact.

We are guided by the following key principles in our energy efficiency efforts:

- Energy reduction
- Effective energy management
- Sustainable procurement
- Renewable energy
- Employee engagement
- Continuous improvement
- Compliance
- Communication

Renewable energy

We recognize the importance of renewable energy in addressing climate change and ensuring a cleaner, healthier planet.

We will proactively seek opportunities to transition to renewable energy sources, such as solar, wind and other sustainable options, to power part of our operations with a focus on reducing our carbon footprint. FECUPRAL also prioritizes energy efficiency by implementing measures to optimize energy consumption within our facilities. This includes regular assessments, upgrades, and maintenance of energy-efficient equipment and systems to reduce overall energy consumption.

Our procurement decisions will prioritize renewable energy from local, responsible sources, and we actively support the development of our very own renewable sources. The progress is regularly monitored and measured in achieving our renewable energy goals and commit to ongoing improvement. FECUPRAL is committed to realizing a sustainable, low-carbon future through the responsible use of renewable energy.

Sustainable Resource Management

FECUPRAL is committed to managing natural resources sustainably to minimize waste, reduce our carbon footprint, and contribute to a sustainable future. We are guided by the following key principles in our sustainable resources management efforts:

- Resource Conservation
- Sustainable Procurement
- Recycling and Reuse
- Supply Chain Responsibility

By responsible sourcing we take into account the impacts of our supply chain throughout every step, from sourcing raw materials to delivering the final product. By promoting transparency, open communication, and ethical practices, we contribute to a more sustainable and responsible global supply network.

SOCIAL RESPONSIBILITY

FECUPRAL pursues a sustainable development policy aimed at promoting human rights, contributing to social well-being and protect the environment. Social responsibility is linked to our commitment to contribute to sustainable economic development and responsible business practices.

At Fecupral, we recognize the importance of social responsibility in shaping our actions and impact. Here's how we embrace this ethos:

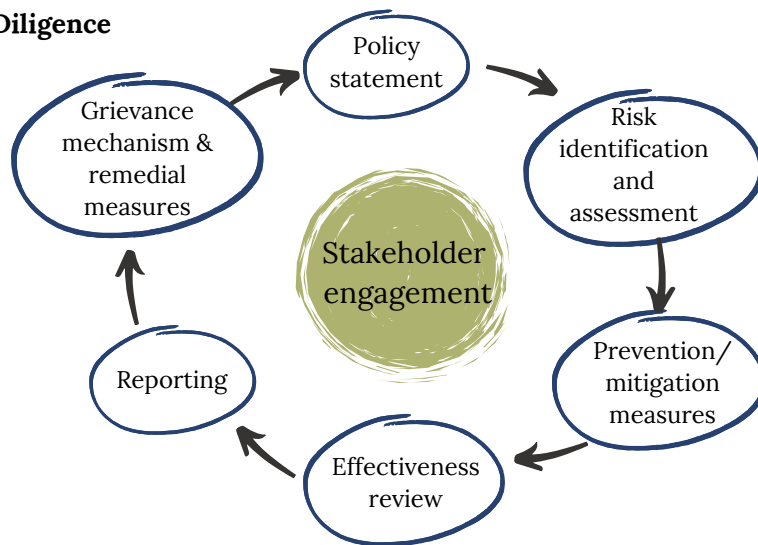
- 1. Environmental Stewardship:** We actively address our environmental impact. By minimizing waste, adhering to circular economy principles, and conserving energy, we contribute to a healthier planet.
- 2. Ethical Labor Practices:** Our commitment extends to treating employees fairly. We provide equal pay for equal work, support work-life balance, and offer benefits like parental leave.
- 3. Charitable Giving:** Fecupral engages in charitable initiatives that benefit our community. Whether through donations, volunteerism, or other means, we strive to make a positive difference.
- 4. Innovation Culture:** We encourage employees to share ideas through platforms like the Ideas Pool and Forum. Suggestions for process improvement, safety, and health are rewarded and implemented.
- 5. Transparency:** We openly communicate about the overall structure of employee compensation, ensuring fairness and trust.

By integrating social responsibility into our practices, we contribute to a better world—one where people, planet, and prosperity thrive together.

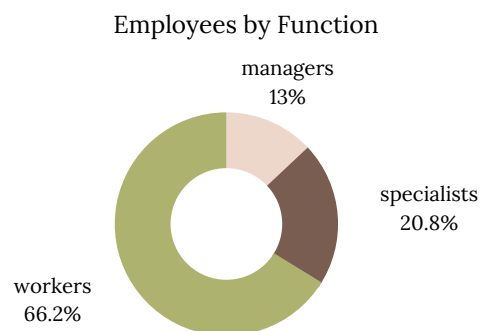
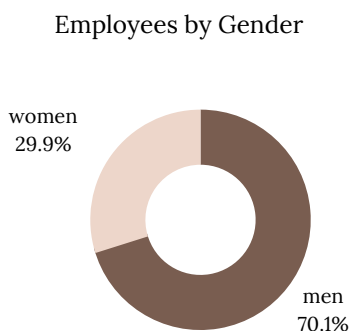
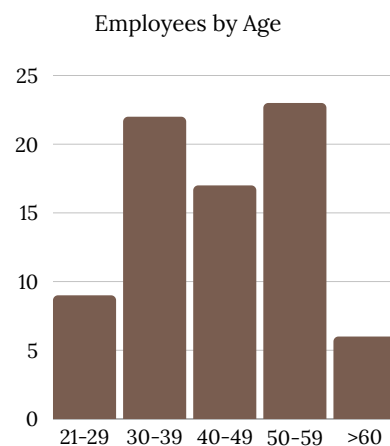
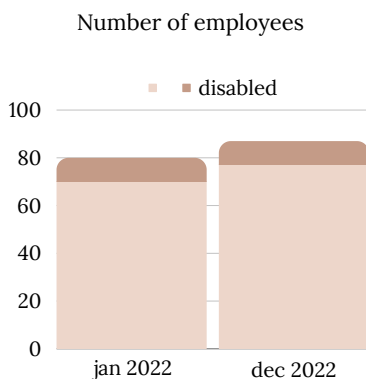
HUMAN RIGHTS AND WORKING CONDITIONS

In FECUPRAL, we implement measures to ensure respect for human rights both within our own company and along our entire value chain. We are aware that the implementation of human rights due diligence is a continuous process that must be constantly adapted and improved. This process comprises a declaration of principles, risk identification and assessment processes, prevention and mitigation measures, measures for determining effectiveness and reporting, along with access to grievance mechanisms and the implementation of remedial measures.

Human Rights Due Diligence in Accordance with UNGPs and OECD



Year 2022 in figures



Working conditions

At our organization, we prioritize the well-being of our employees and their families. Our compensation and benefits aim to provide an adequate standard of living. Here's how we foster a positive work environment:

- **Empowering Environment:** We encourage each employee to perform at their best, innovate, and develop. Ample development opportunities are provided, and we actively support a feedback culture throughout the enterprise.
- **Equal Pay:** Under comparable conditions, we ensure equal pay for equal work. Our compensation system combines a basic salary with performance-related elements and additional rewards.
- **Tailored Benefits:** Beyond legal requirements, we offer various benefits that respect local market needs. These include maternity and paternity leave, flexible working hours, remote work options, life and accident insurance, and assistance programs.
- **Transparency:** We believe in transparent communication. Employees receive clear information about the overall structure of their compensation, promoting trust and understanding.
- **Gender Equality:** We attach great importance to equal pay for men and women in similar roles with similar experience.

Promoting Innovation and Employee Well-Being

At our workplace, we actively foster a culture of innovation and continuous improvement. Here's how we achieve this:

- **Ideas Pool and Forum:** We provide additional platforms for employees to share work-related suggestions. The Ideas Pool and Forum allow team members to contribute ideas on process enhancements, occupational safety, and health protection. These valuable insights are not only rewarded but also put into practice.
- **Rest and Leisure:** We deeply respect the right to rest and leisure. Our employees enjoy paid vacation, ensuring they recharge and maintain a healthy work-life balance.
- **Family Life Support:** We recognize the importance of family life. Our policies include provisions for parental leave and other comparable benefits. We support working parents in utilizing career opportunities while caring for their families.
- **Flexible Work Arrangements:** We understand that our employees' lifestyles are diverse. Our flexible work-time arrangements empower individuals to balance their professional commitments with personal and family needs. Whether planning leisure time or caring for close relatives, our employees have the flexibility they need.

Together, we create an environment where innovation thrives, well-being is prioritized, and everyone can contribute their best.

Inclusion, Diversity and Minority Rights

Mutual understanding and a company culture that leverages talented and skillful employees with a range of backgrounds along with equal treatment of all employees is a fundamental principle of our corporate policy.

No person is to be unfairly disadvantaged, favoured or ostracized because of irrelevant characteristics such as race, national origin, gender, age, physical characteristics, social origin, disability, union membership, religion, family status, pregnancy, sexual orientation, gender identity, gender expression or any unlawful criterion under applicable law.

We have established clear commitments for gender balance. We want to demonstrate progress year-on-year to increase the proportion of women in top management to 33% by 2025 and by 50% by 2050.

Harassment of any kind is forbidden.

We expect our employees to be respectful, professional, and fair in their dealings with colleagues and third parties, including customers, suppliers and officials.

We highly respect rights of national minorities in Slovakia regulated by the Constitution of the Slovak Republic and we actively monitor and support equal treatment of minorities among all stakeholders.

Ethical Recruiting

Ethical recruitment means hiring workers lawfully and in a fair and transparent manner that respects and protects their rights.

For us, ethical recruiting is commitment to fairness and helping make the legal profession accessible to all individuals on a non-discriminatory basis, free of harassment.

FECUPRAL is strongly opposed to discrimination, including that which is based upon sex, gender, age, race, religion, national or ethnic origin, disability, sexual orientation, parental, marital, domestic partner status or the prejudice of clients related to such matters. In addition to considering these Principles, all parties involved in the recruiting and hiring process should strictly observe all relevant laws, accreditation standards, and institutional policies.

Forced and Child Labour

All forms of forced and compulsory labour are strictly prohibited.

We comply with all applicable laws and agreements on working time and paid leave.

We follow a clear 'zero tolerance to child labour' policy in our business operations worldwide.

Freedom of association and collective bargaining

We are committed to an open and constructive dialogue with our employees and their representatives.

Our employees are free to join organizations of their choice that represent them. These organizations may engage in collective bargaining according to the applicable legal regulations.

All employees have the right to elect their own representatives. Employees who act as representatives are neither disadvantaged nor favoured in any way.

Learning and Training

Our employees need a broad spectrum of competencies, skills and knowledge. We view it as a central task to offer our employees a broad range of continuing education options for their development.

Through easily accessible learning opportunities, we enable our employees to learn according to their own needs and schedule. With the help of digital technologies, we offer the option of a personalized learning offering. As part of our learning environment, customized content can specifically be selected from internal and external sources via the variety of learning platforms.

MANAGEMENT SYSTEM FOR HUMAN RIGHTS AND WORKING CONDITIONS

FECUPRAL established the Human Rights Management System to strengthen our practice of our Human Rights Policy. The system is designed to help us identify, assess, and resolve human rights violations that may occur at any point during the course of our business. In 2022, we began conducting due diligence investigations into violations based on employee surveys. We will continue monitoring human rights issues and take action to improve the situation for disadvantaged employees and stakeholders.

Grievance mechanisms

FECUPRAL continuously works to establish efficient and transparent grievance mechanisms for our projects. These processes are established in recognition of the importance of transparency and accountability throughout all activities and project cycles.

The concerns and complaints of project-affected people and other stakeholders can be made freely and will be addressed in a manner that is fair, transparent, objective, and constructive. All are considered confidential to external parties. Occasionally, some may be treated confidentially internally as well based on the nature of the claim or concern.

Whistleblowing

We also have an whistleblower channel available for anyone involved in or affected by our activities to raise a concern anonymously. Here, anyone is able to report concerns related to suspected illegal actions or violations of FECUPRAL Code of Conduct.

HEALTH AND SAFETY

Health and safety in the workplace is crucial for protecting employees and visitors. As an employer, Fecupral have a duty of care to ensure a safe working environment under the Health and Safety at Work Regulations. But we believe beyond legal requirements, prioritizing health and safety is also good business practice.

Here are some reasons why health and safety matters to us:

- **Morally Right:** Ensuring workers return home safe and healthy at the end of each day is the right thing to do.
- **Efficiency and Productivity:** By protecting your workers, you reduce absences, making your workplace more efficient and productive.
- **Productivity Boost:** Research shows that workers are more productive in workplaces committed to health and safety.
- **Cost Savings:** Fewer illnesses and accidents mean less downtime and cost savings for your business.
- **Investor and Customer Confidence:** Demonstrating commitment to sustainability and social responsibility attracts investors and customers.
- **Employee Attraction and Retention:** Job seekers seek employers with shared values, so strong health and safety practices help attract and retain top talent.
- **Competitive Advantage:** A good health and safety record builds trust, while poor performance affects profitability and reputation.
- **Long-Term Benefits:** Prioritizing health and safety secures long-term benefits for your business and the wider community.

Fecupral, spol. s r.o., as a hazardous waste treatment company, must adhere to stringent health and safety standards to protect both their employees and the environment. We have adopted several measures to secure this goals:

1. **Risk Assessment:** Regular risk assessments are essential. Fecupral evaluates potential hazards associated with handling waste, including exposure to toxic chemicals, physical risks, and biological hazards. Proper risk assessment informs safety protocols and preventive measures.
2. **Personal Protective Equipment (PPE):** Employees working with hazardous waste should wear appropriate PPE, such as gloves, goggles, respirators, and protective clothing. PPE helps minimize exposure to harmful substances.
3. **Training and Education:** Regular training sessions are crucial. Employees need to understand the risks, emergency procedures, and safe handling practices. Training should cover topics like spill response, waste segregation, and proper disposal methods.

- **Emergency Preparedness:** Fecupral should have well-defined emergency response plans. These plans should address scenarios like spills, leaks, fires, and chemical exposures. Regular drills and exercises ensure that employees are prepared to handle emergencies effectively.
- **Waste Segregation and Labeling:** Proper segregation of hazardous waste is essential. Clear labeling ensures that waste is handled correctly. Fecupral should follow guidelines for waste classification and labeling.
- **Ventilation and Containment:** Proper ventilation systems in waste treatment areas help prevent exposure to harmful fumes. Containment measures prevent spills and leaks.
- **Health Monitoring:** Regular health check-ups for employees exposed to hazardous waste are crucial. Monitoring helps detect early signs of health issues related to exposure.
- **On Site Waste Minimization:** Fecupral should actively work on waste minimization strategies. Reducing the volume of hazardous waste generated benefits both health and the environment.
- **Record Keeping:** Accurate records of waste handling, safety procedures, and incidents are essential. These records help track compliance and identify areas for improvement.

Health and safety is a shared responsibility. All employees, from management to frontline workers, play a vital role in maintaining a safe workplace. Regular audits and continuous improvement efforts ensure that Fecupral operates in accordance with the highest health and safety standards.

ADHERENCE TO ETHICAL AND LABOR LAW REGULATIONS BY SUPPLIERS

Compliance with provisions on sustainable development is one of the basic obligations arising from every concluded contract and orders.

- The Supplier undertakes to comply with the General Declaration UN Human Rights Convention, United Nations Convention on the Rights of the Child, and the International Agreement work organization. That means ensuring fair and equal treatment and the elimination of any discrimination or harassment as well as support for the introduction of fair wages and benefits and compliance with working time rules.
- The Supplier undertakes to strictly comply with all binding obligations labor law, in particular legislation regulations concerning illegal work, child labor, forced labor and trade union rights.
- The Contractor undertakes to respect the objectives of the applicable policy in the field of prevention, health and safety, in particular as regards safety rules on workplace, to supply products and services under conditions which make it possible to minimize health risks and the safety of its own staff and employees of FECUPRAL, and strive to further improve health and work conditions of its employees.
- The supplier undertakes to comply with legal regulations on the protection of the environment and to take the necessary measures to limit its impact on the environment, in particular reducing its energy and primary resource consumption; reducing the amount of waste discharged into water, air or soil; emergency prevention pollution; reducing the amount of waste generated in its own activities and monitoring their liquidation; control impact and emission of substances dangerous for the environment and health.
- The Contractor undertakes to strictly comply with valid and effective legislation prohibiting bribing public officials and individuals, influencing public officials to reap the benefits, money laundering, extortion or other forms of corruption.
- The Supplier must implement technical and organizational security measures to guarantee the security of personal data. Information must be stored on secure networks and access must be restricted to those employees and partners who are entitled to access our systems.

- The Supplier undertakes to comply with fair competition and anti-trust laws to protect free and unrestricted competition between all players at all levels of the supply chain. Antitrust laws prohibit agreements or concerted practices that aim at or result in the restriction of competition and the abuse of a dominant position.
- Suppliers are expected to use good judgment, to adhere to high ethical standards, and to conduct their affairs in such a manner as to avoid any actual or potential conflict between their personal interests and those of the Partner.
- The Supplier further undertakes not to use subcontractors, who do not comply with these obligations.

AIR QUALITY

Our facility in Prešov have all operating permits that are required by the Slovak Air Law. These permits are enforceable by the issuing agency, usually the state, as well as the Slovak Environmental Agency (SAŽP). The permit is comprehensive, and intended to include “all applicable requirements” under the Air Law and underlying regulations that apply to the facility. The permits can be voluminous and include emissions limits and standards and work practice requirements, as well as air pollution control equipment, stack testing, continual gas monitoring, recordkeeping, and reporting requirements.

FECUPRAL is required to provide periodic monitoring reports to the regulatory authorities and certify compliance at least annually, identifying any deviations from the applicable requirements. Included in the various permit or rule types are: conditions that limit the amount of air emissions; applicable federal, state, and local authority regulations; work practice standards; and monitoring related to the operation and maintenance of air pollution control equipment, reporting of process conditions, and recordkeeping requirements.

FECUPRAL is committed to environmental progress and strives for 100% compliance with all federal, state, and local agencies’ rules, regulations, and permit conditions, even as the regulations become more stringent. Therefore, in order to reduce emissions, Fecupral has taken a number of measures and actions. It has installed a new automatic emission monitoring system made by Japanese-made Horiba, which records emissions such as NO_x, SO_x, TOC and solid pollutants continuously 24 hours a day. The data from the monitoring system are transmitted remotely by computer directly to the Slovak Environmental Inspectorate in Košice, which monitors the data and evaluates them.

At the same time, Fecupral regularly every year and according to the law is obliged to ensure monitoring by a certified company measuring emissions, heavy metals and PCBs into the air, but also to test the monitoring system itself.

WATER

FECUPRAL is fully aware of the importance of water for humans and the human body, as well as for animals and flora.

Therefore, the company behaves in this sense very responsibly, regularly checking water condition, quality and monitors the condition of the technical equipment for conducting and storing water in the tank.

Fecupral uses 2 water sources in its activities. For drinking purposes, it uses water from a state source and buys it from Východoslovenská vodárenská spoločnosť and for technical use it uses its own source of water - a well dug on its own land.

Technical water is filtered softened and kept in a tank for use in operation and technology.

CHEMICALS

Improper or careless waste treatment practices have significant effects on our environment, including polluting water sources, poisoning wildlife, and creating toxic sites which aren't suitable for animal or human habitation.

To prevent any dangerous situation at the workplace, FECUPRAL adopted several hazardous waste treatment best practices:

- Proper Hazardous Waste Determinations
- Proper Labeling of Hazardous Waste
- Uniform Hazardous Waste Manifest as the shipping document
- Written Hazardous Waste Contingency Plan that lays out an organized, planned and coordinated response to an emergency
 - Established training routine for employees in order to increase the safety standards of your workplace
 - Daily inspection of the hazardous waste container storage areas

ENVIRONMENTAL NGO SUPPORT

Efforts to develop environmental awareness have led FECUPRAL to establish and support non-profit organization Green Cubator focused on the following activities:

- education in the field of sustainable development goals and raising public awareness of this issue
- community involvement and dissemination of environmental education and awareness in the field of circular economy
- support for local crafts with the aim of eco-innovation in the area in the form of a new sustainable approach to creation
- promoting alternative forms of art and creation in line with the Centre's policy
- organizing and presenting eco-innovative work in the form of exhibitions, shows, etc.
- organizing summer schools focused on youth and building their relationship to environmental issues and the circular economy
- forming an inclusive and sustainable society
- upcycling - production of waste products
- support and development of eco-innovation
- re-use of waste textiles collected from Prešov citizens



FECUPRAL, S.R.O.
2022

