



**GROGLASS
SUSTAINABILITY
REPORT 2024**



GENERAL DISCLOSURES

ESRS 2 **General disclosures**

BP-1 **General basis for preparation of sustainability statements**

General basis for preparation of sustainability statement

Groglass' Sustainability Report 2024 has been prepared with reference to the ESRS (Delegated Regulation (EU) 2023/2772). Although the company is not in the scope for mandatory sustainability reporting under the CSRD, the ESRS were used as guidelines on a voluntary basis to align with stakeholder expectations and to be ahead of direct regulatory requirements. In some disclosures, the drafts of the simplified ESRS were used as a guidance to gain more clarity about the requirements and which key data points are expected to be maintained in the simplified version.

Basis for preparation of sustainability statement

Individual

Extent to which sustainability statement covers upstream and downstream value chain

The scope of the sustainability statement comprises primarily Groglass' own operations that include two production facilities in Riga, Latvia, and the headquarters located on the same site as one of the production facilities. All the company's activities associated with the production of anti-reflective and other high-performance glass coatings were considered in the double materiality assessment

(DMA) and are fully covered in the sustainability statement. As to the company's value chain, the focus of the first DMA was on the 1st tier of suppliers and direct customers.

Option to omit specific piece of information corresponding to intellectual property, know-how or results of innovation has been used

No

Option allowed by Member State to omit disclosure of impending developments or matters in course of negotiation has been used

No

Reporting period start date

2024-01-01

Reporting period end date

2024-12-31

Report publication date

2026-01-21

BP-2 **Disclosures in relation to specific circumstances**

Disclosures in relation to specific circumstances

The time horizons set out in the ESRS 1 have been applied in this sustainability report: short-term < 1 year, mid-term 1 to 5 years, long-term > 5 years.

ESRS metric(s) for which upstream and (or) downstream value chain estimation has been used

Database values from DEFRA and Ecoinvent 3.10 were used to calculate the Scope 3 GHG emissions.

Explanation of changes in preparation and presentation of sustainability information and reasons for them

This is the first Groglass' sustainability report, so there were no changes in preparation and

presentation of sustainability information compared to the previous periods.

Other legislation or generally accepted sustainability reporting standards and frameworks based on which information has been included in sustainability statement

The information and data on the Groglass’ GHG emissions have been compiled and calculated according to the GHG Protocol.

European standards approved by European Standardisation System (ISO/IEC or CEN/CENELEC standards) have been relied on

Yes

Extent to which data and processes that are used for sustainability reporting purposes have been verified by external assurance provider and found to conform to corresponding ISO/IEC or CEN/CENELEC standard

Groglass has implemented the following ISO standard-based management systems:

- ISO 9001 for quality management
- ISO 14001 for environmental management
- ISO 45001 for occupational health and safety management

- ISO 50001 for energy management

All the systems are externally audited and their compliance with the respective ISO standard is certified by Bureau Veritas.

Use of phase-in provisions

In accordance with the Appendix C of ESRS 1, the company has omitted the information on the anticipated financial effects of sustainability-related risks and opportunities prescribed by ESRS E1-9, E2-6 and E5-6 for the first year of preparation of its sustainability statement.

In accordance with the Quick Fix Delegated Regulation (EU) 2025/1416, Wave 1 companies with up to 750 employees, may omit all information under ESRS S1 for FY 2024-2026. Based on this, S1-6 is partially disclosed and S1-7 is not disclosed.

GOV-1 The role of the administrative, management, and supervisory bodies

Composition of governing bodies, their roles and responsibilities and access to expertise and skills with regard to sustainability matters

Groglass is a limited liability company whose sole shareholder is SIA Alzette, a part of a private equity fund in the portfolio of the European asset manager Kartesia. The governing bodies of the company comprise Groglass’ Management Board and a

Supervisory Board on the Alzette’s level. The Management Board consists of three executive members (CEO, CFO and COO), and it reports to the Supervisory Board. The Supervisory Board consists of six members.

A Sustainability Committee comprising seven members was established in 2024. It is chaired by a member of the Management Board (COO) to ensure continuous strategic attention to sustainability. The

committee members represent key sustainability areas like HR and occupational health and safety, quality and environmental management, R&D, and others. The committee meets quarterly to follow up on the progress towards the targets set out in the Groglass’ Sustainability Roadmap. It also takes part in the development and coordination of sustainability-related documents and actions. Material matters are then reviewed and eventually approved by the Management Board.

The Sustainability Roadmap is fully integrated in the company’s business and budget, and thus reviewed quarterly by the Management Board. The Supervisory Board is semiannually informed about the progress on the roadmap. It also reviews and eventually approves sustainability-related initiatives and investments where such approval is needed according to the Groglass’ Articles of Association.

Information about composition and diversity of governing bodies

Executive/non-executive members of the governing bodies

	Executive	Non-executive
Management Board	3	0

Supervisory Board	0	6
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Independent members of the governing bodies	Number	Percentage
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Management Board	0	0
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Supervisory Board	0	0
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Gender composition of the governing bodies	Female	Male	TOTAL	Gender diversity ratio
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Management Board	0	3	3	0:3
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Supervisory Board	1	5	6	1:5
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Representation of employees and other workers

Employees are not directly represented on the Management Board, however, any employee can

apply to participate in board meetings by filling out an application form before the meeting. Additionally, various channels exist for voicing concerns and suggestions.

Board members' experience relevant to sectors, products and geographic locations of undertaking

Name:	Sergejs Kostjučenko	Romāns Grišajevs	Romans Šafarevičs
Position:	Chief Executive Officer (CEO)	Chief Financial Officer (CFO)	Chief Operating Officer (COO)
Education:	<ul style="list-style-type: none"> Stockholm School of Economics in Riga, EMBA, 2008–2010 Manchester Business School, MSc Information Systems, Organisation and Management, 2003–2004 	<ul style="list-style-type: none"> European Confederation of Directors Associations (EcoDa) (2025) - The European Board Diploma 	<ul style="list-style-type: none"> Stockholm School of Economics in Riga, Master of Business Administration, 2017–2019

· The University of Latvia, Bachelor's degree in Business Administration, 1996–2000

· Baltic Institute of Corporate Governance (BICG) (2023) - Board Member Certificate

· Latvia University of Agriculture, Bachelor's degree in Engineering of Food & Beverage Technology, 2005–2011

· Riga Technical University, Bachelor Degree in Organisation and Management of International Economic Relations, 2009–2013

Experience and competencies in sustainability:

· Completed the Baltic Institute of Corporate Governance (BICG) program “Corporate Governance for Executives” (2024), including a module on sustainability governance and ESG risk integration in financial management.

· Completed Sustainability in Business and Finance course (2009, Stockholm), as part of the EMBA Program in SSE.

· EcoDa & BICG education had specific modules related to governance and sustainability reporting with a focus on double materiality assessment, due diligence & transition plans.

· BICG focused on corporate governance best practices, stakeholder relationships.

Roles and responsibilities of governing bodies

The sustainability-related roles and responsibilities of the governing institutions are set out in the company's Sustainability Policy: Groglass' sustainability performance, company-wide commitment and coordination of initiatives across business units are overseen by the Management Board. It is responsible for meeting and fulfilling the sustainability goals and commitments of Groglass. The Sustainability Policy and its associated goals are reviewed annually with all the changes being approved by the Supervisory Board.

The CFO is responsible for the oversight of IRO at the governing body level. The IROs will be reviewed at least once every 3 years. The Supervisory Board will be informed of the IRO review results as

necessary, particularly in the event of significant changes.

Target setting for significant IROs will take place within the Sustainability Steering Committee, which is overseen by the COO. The COO will also monitor target achievement during the committee's quarterly meetings.

Significant IROs and targets will be integrated into the company's strategy, implementation, and risk management processes. These processes will be incorporated into the ISO management system documentation and management reviews.

Governing bodies or individual(s) responsible for oversight of impacts, risks and opportunities

Sustainability matters, incl. material impacts, risks and opportunities identified in the double materiality assessment, are overseen by the COO of the company. On an operational level, sustainability-related IROs are coordinated by the Quality Management System Manager.

Disclosure of how governing bodies and senior executive management oversee setting of targets related to material impacts, risks and opportunities and how progress towards them is monitored

Groglass developed its Sustainability Roadmap in 2024. The document contains 19 targets set in the

areas of Governance, Product, People and Planet. The document was approved by the Management Board and the Supervisory Board. The progress towards the sustainability targets set in it is regularly followed up by both governing bodies.

Sustainability-related expertise that bodies either directly possess or can leverage

In addition to the competencies listed above, the Management Board Members can leverage the expertise of the Sustainability Committee members that represent key sustainability areas like HR and occupational health and safety, quality and environmental management, R&D, and others.

GOV-2

Information provided to and sustainability matters addressed by the undertaking’s administrative, management, and supervisory bodies

Informing governing bodies about material IROs, implementation of due diligence, and results and effectiveness of policies, actions, metrics and targets

The Sustainability Roadmap is fully integrated in the company’s business and budget, and thus reviewed

quarterly by the Management Board. The Supervisory Board is semiannually informed about the progress on the roadmap. It also reviews and eventually approves sustainability-related initiatives and investments where such approval is needed according to the Groglass’ Articles of Association.

The main sustainability-related matters that on the agenda of the Management and Supervisory Boards in 2024:

· review of the external assessment of the company’s sustainability performance

· review and approval of the Sustainability Policy and Sustainability Roadmap

· establishment of the Sustainability Committee

The first full ESRS-based double materiality assessment, including IRO identification and assessment, was carried out in 2025.

GOV-3

Integration of sustainability-related performance in incentive schemes

Incentive schemes and remuneration policies linked to sustainability matters for members of governing bodies exist

No

GOV-4

Statement on due diligence

Information about due diligence process (or cross-reference)

Core elements of due diligence

Embedding due diligence in governance, strategy and business model

Engaging with affected stakeholders in all key steps of the due diligence

Identifying and assessing adverse impacts

Sections in the sustainability statement

ESRS 2 disclosures

Stakeholder engagement

Double materiality assessment and its methodology

Taking actions to address those adverse impacts

Topical sections

Tracking the effectiveness of these efforts and communicating

Topical sections; targets (if set)

GOV-5 **Risk management and internal controls over sustainability reporting**

Scope, main features and components of risk management and internal control processes and systems in relation to sustainability reporting

ensure accuracy of the reported information and data the four-eye principle is applied internally in the process of report preparation.

No formal assessment of risks related to sustainability reporting was carried out in 2024. To

SBM-1 **Strategy, business model, and value chain**

Significant groups of products and (or) services offered, including changes in reporting period

Groglass is one of the world’s leading developer and manufacturer of anti-reflective and other high-performance coatings on glass and acrylic serving diverse industries such as picture framing, museum showcases, high-end electronics displays, and other applications.

Significant markets and (or) customer groups served, including changes in reporting period

Groglass has a global customer base and serves primarily two markets: framing and technical glass segments.

Total number of employees (head count), at end of period

213

Total number of employees (head count), during period

191

Total revenue

25 645 348 EUR

Undertaking is active in fossil fuel (coal, oil and gas) sector

No

Undertaking is active in chemicals production

No

Undertaking is active in controversial weapons

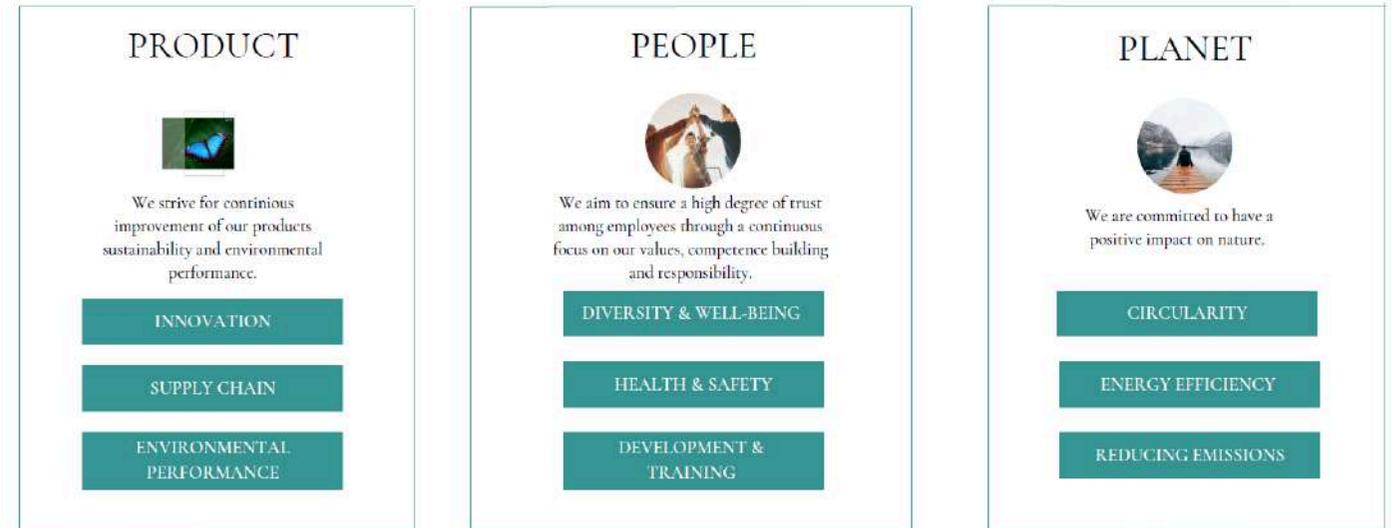
No

Undertaking is active in cultivation and production of tobacco

No

Description of sustainability-related goals

In March 2024, Groglass approved and published its [Sustainability Policy](#) that is built around three areas: Product, People, and Planet. The policy lays out the overall objectives and levers for each of these areas and sets the basic principles and roles for the policy implementation.



Innovation:

Groglass’ objective is to develop high-performance products that meet customer needs while maintaining exceptional environmental performance. Groglass is working to further integrate sustainability into internal

design processes and identify innovations that continue to make Groglass products and manufacturing processes more sustainable.

- Increase investment in R&D to support the development of new coatings.
- Collaborate with research institutions annually to explore new coating technologies and sustainable materials.
- Enhance innovation in manufacturing processes, with a focus on energy efficiency, emissions reduction, and production efficiency.

Supply chain:

All key materials are sourced responsibly according to social and environmental standards.

- Implement a comprehensive ethical sourcing program that includes a supplier code of conduct, risk assessments, a supplier rating program, and training to ensure that suppliers meet social and environmental standards.
- Implement a supplier code of conduct that includes social and environmental criteria and require all suppliers to comply with it.
- Enhance supply chain transparency by collecting and analysing data from suppliers to better understand their ESG practices and impacts.
- Set targets for reducing carbon emissions in the supply chain by promoting energy efficiency, renewable energy, and other sustainable practices.
- Revise and improve transportation and logistics management to reduce the environmental impact of internal logistics.

Environmental performance:

Groglass aims to enhance its product stewardship approach based on the results of Life Cycle Assessments (LCA) of its products, as well as the measurement of corporate carbon emissions, also known as the company's Carbon Footprint.

- Expand the Groglass EPD (Environmental Product Declaration) and Life Cycle Assessment program to new products to recognise their environmental impact, understand the impact of company inputs, and track the company's value chain and resource efficiency.
- Ensure compliance with environmental regulations and implement voluntary environmental standards.

Diversity & well-being:

Create an inclusive and empowering workplace that embraces diversity, promotes well-being, and values the contributions of every employee. Groglass is committed to providing equal opportunities for professional growth, fostering a culture of respect and belonging, and prioritising the physical, mental, and emotional health of its employees.

- Through comprehensive programs and a positive work environment, Groglass aims to nurture personal and professional development, enabling employees to flourish and succeed.
- Provide training and resources to managers and employees to support diversity and inclusion, including unconscious bias training, cultural competency training, and employee resource groups.
- Continue to focus on and implement initiatives to enhance workplace safety and prevent occupational hazards, ensuring the health and well-being of all employees.
- Foster a positive and inclusive work environment that promotes employee engagement, satisfaction, and overall well-being.
- Establish a comprehensive employee well-being program that includes initiatives focused on physical, mental, and emotional health.

Health & safety:

Health and safety are non-negotiable for Groglass. Groglass is committed to ensuring the safety and well-being of all employees to the highest possible standard by:

- Implementing comprehensive health and safety policies.
- Promoting a culture of safety.
- Providing ongoing training and education.
- Continuously monitoring and improving health and safety performance.

Development & training:

Create a high-performing and highly engaged workforce that embraces ongoing growth and development opportunities, empowered by an inclusive and innovative workplace culture.

- Increase participation in growth and development opportunities for employees at all levels.
- Ensure all managers and those in senior positions have participated in leadership development opportunities.
- Create a culture of innovation where all employees feel empowered to share their ideas, feedback, and unique perspectives, take reasonable risks, and experiment, contributing to greater business results.

- Constantly train and upskill Groglass employees to ensure the sustainable growth of both people and the company. Educate employees on sustainable choices within their professional and daily lives and encourage sustainable behaviour.

Circularity:

Groglass' mission is to manufacture coatings using circular economy principles, achieving zero waste to landfill and working with partners to create a sustainable value chain.

- Develop a waste reduction program that includes a goal to reduce the amount of waste generated during production.
- Achieve zero waste to landfill in production.
- Conduct regular assessments of company waste streams to identify new opportunities for recycling or reuse, and implement changes to internal processes accordingly.
- Collaborate with suppliers and customers to implement circular economy principles throughout the entire value chain, from raw materials to end-of-life products.

Energy efficiency:

Groglass' mission is to reduce its environmental impact and promote sustainable energy practices by increasing renewable energy usage, improving energy efficiency, and implementing energy recovery projects.

- Reduce electricity intensity per square metre of output across manufacturing facilities by increasing operational efficiency.
- Where possible, improve energy efficiency by switching to energy-efficient manufacturing devices and technologies.
- Conduct regular energy audits to identify opportunities for energy efficiency improvements.

Reducing emissions:

Groglass is dedicated to implementing measures that reduce its carbon footprint, focusing on GHG emissions to identify further reduction opportunities and increase climate resilience.

- Establish a carbon accounting system and define targets for CO2 reduction.
- Implement a strategy to reduce Scope 3 GHG emissions, including engagement with key suppliers.
- Identify key climate risks, analyse potential impacts, and incorporate preventive and responsive action plans into relevant decision-making processes to improve the company's climate resilience.

Based on this policy, a more specific and detailed document, the Sustainability Roadmap, was developed, laying out specific targets for the mentioned areas. In addition, the Roadmap includes several governance-related targets aimed at strengthening corporate culture and alignment between sustainability matters and business strategy and operations.

Both documents were developed considering the entire company and all of its activities. A significant portion of the targets set in the Roadmap relates to key stakeholder groups: employees, suppliers, and customers.

Disclosure of elements of strategy that relate to or impact sustainability matters

Strengthening sustainability through improved operational efficiency

The company's strategy for 2026-2030 is primarily focused on growing financial indicators through increasing product manufacturing volume, ensuring a high-quality product for end-users, and improving production efficiency. Non-productive time reduction, yield improvement and process robotisation.

Employee engagement

The business strategy also includes employee engagement monitoring through surveys and the quarterly eNPS (Employee Net Promoter Score). Measures for strengthening employee engagement include:

1. Structural units (departments) are encouraged to create action plans within their units, discussing the results within teams and seeking solutions within their sphere of influence. To promote successful and professional leadership, a manager development program has been implemented. A 360-degree survey has also been conducted to strengthen the feedback culture and individual development.
2. In quarterly employee meetings, the Management Board regularly presents the company's goals and the status of achieved results.
3. A KPI poster has been created and displayed in a location visible to employees.
4. To promote work efficiency and digitalisation.

Employee health and environmental safety

Significant attention is paid to employee health and environmental safety achieved through:

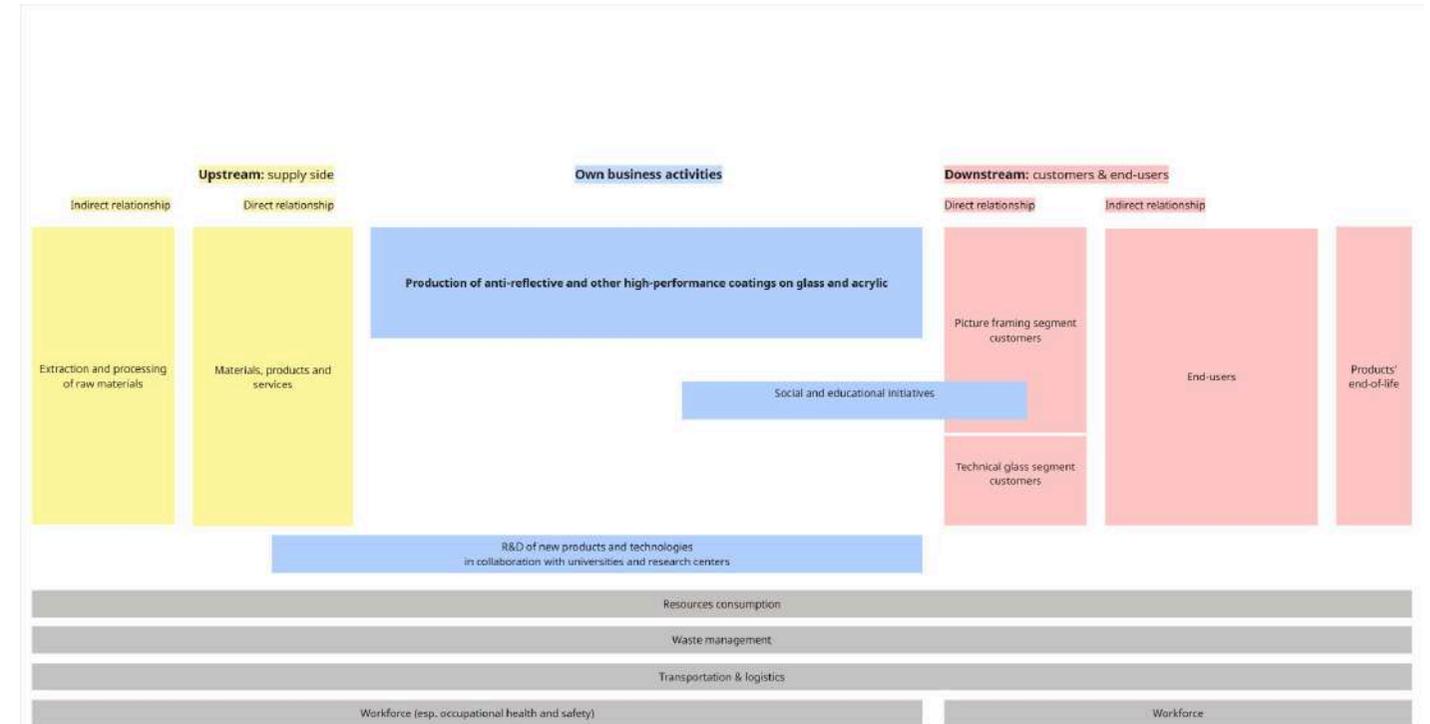
1. Tracking critical occupational safety indicators (investigation of accidents and near-misses, and defining corrective/preventive actions).

2. Zero environmental incidents (registration and investigation of emergency situations, and defining corrective/preventive actions).
3. Conducting monthly 6S audits.
4. Organising regular training sessions.

Groglass also aims to reduce its GHG emissions.

Business model and value chain

The most important elements of the Groglass' value chain are illustrated below. The value chain shows the key inputs, key downstream and upstream actors, as well as the elements that are material in the entire value chain.



For the double materiality assessment, the value chain was mapped on a detailed level; the detailed version, however, is not disclosed in the report.

According to the risk profiles of the [CountryRisk.io](https://countryrisk.io), significant Groglass suppliers are not located in countries with high risk, and 99% are located in low or very low-risk countries.

Inputs identified, together with the Groglass' technologies and competencies, enable the company to produce coated glass products of superior performance and high durability that benefit society at large through preservation of culture and art, as well as through enhanced technical glass properties for digital displays used in public spaces like stations and airports, medical equipment, and other applications.

SBM-2 **Interests and views of stakeholders**

Disclosure of how interests and views of stakeholders are taken into account by strategy and business model

Stakeholder inquiries and feedback received via the ongoing regular communication and interactions

are considered by respective departments on a regular basis and included in the company's development plans and activities, if relevant. Responses from the stakeholder survey of 2025 were used as an informative input by the internal

experts assigning quantitative values to the potentially material IROs.

Stakeholder overview

Shareholders

Workers

Customers

Suppliers

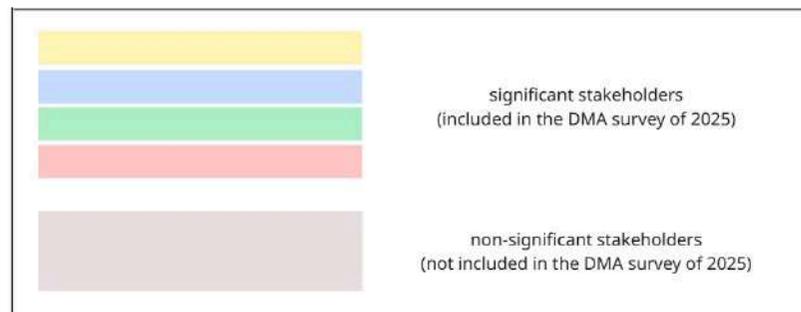
Research partners

Associations

Banks & insurers

Local municipality and national ministries

Society



Significant stakeholders

Stakeholder group	Engagement form and regularity	Material sustainability topics
Shareholders	Quarterly meetings with the Supervisory Board; monthly presentations; annual ESG questionnaire from the shareholder. Ad-hoc committees are organised when necessary.	Good governance and compliance, job creation and equal pay, health and safety, GHG emissions and energy consumption, water and waste.
Employees	Regular meetings and employee surveys; various trainings and instructions (feedback, questions and suggestions are welcomed during these); various e-tools for communication.	Working conditions, health and safety, work-life balance, equal treatment and opportunities of/for the own workforce, GHG emissions and energy consumption, substances of concern, corporate culture, protection of whistle-blowers, corruption and bribery, data protection and security.
Suppliers	Inquiries about sustainability topics; regular business meetings and informal discussions at exhibitions and networking events; annual customer satisfaction survey.	GHG emissions and energy consumption, pollution, substances of concern, waste, working conditions, health and safety, work-life balance of the own workforce and for the workers in supply chain, safety of consumers and/or end users, corporate culture, management of relationships with suppliers, corruption and bribery, data protection and security
Customers	Regular communication with suppliers; signing of the Supplier Code of Conduct; annual supplier evaluation.	GHG emissions, pollution, microplastics, working conditions, health and safety of the own workforce and for the workers in supply chain, information and safety for consumers and end-users, data protection and security.

All of the significant stakeholders were asked to participate in the stakeholder survey of 2025.

SBM-3

Material impacts, risks, and opportunities and their interaction with strategy and business model

Material IROs and how they interact with strategy and business model

In total, 26 impacts (13 negative and 13 positive), 26 risks and 5 opportunities were identified as potentially material and evaluated further in the double materiality assessment process. By assessing relevant characteristics of each IRO and applying materiality thresholds, 11 impacts (6 negative and 5 positive), 5 risks and 2 opportunities were identified as material.

Groglass is an energy-intensive manufacturer and according to the national regulations the company is categorised as a large electricity consumer. Thus, one of its most significant impacts is direct (as well as indirect) GHG emissions contributing to the climate change. Another significant group of negative environmental impacts is pollution-related. Due to high recyclability of glass, waste is considered both in terms of the environmental impact and opportunity.

A large part of material impacts and risks associated with own workforce are related to health and safety, as well as availability of workforce. As to the customers and end-users, Groglass has positive impacts and opportunities that stem from product and service transparency, and promotion of safe product handling practices.

Positive impacts are also related to the strong corporate culture and prevention of unethical behaviour. Data protection and security is considered in terms of a risk for both customer and employee data.

List of material impacts, risks and opportunities and their interaction with strategy and business model

Topic	Title & description	Type	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
E1	<p>GHG emissions from own operations (Scope 1 and 2)</p> <p>According to the national regulations Groglass is a large electricity consumer. The biggest part of the company's Scope 1 and 2 emissions comes from electricity consumption in the vacuum coating process. Currently, Groglass uses an average electricity mix from the grid which includes a significant part of electricity generated from fossil energy sources. This contributes to climate change and global warming.</p> <p>Potential emission reduction measures include switching partially or fully to purchasing electricity from renewable sources and investing in energy-efficient technologies.</p>	● Actual negative impact	●	●				●
E1	<p>GHG emissions from the value chain (Scope 3)</p> <p>The biggest part of Groglass Scope 3 emissions come from purchased goods and services, mostly glass and sputtering targets, and upstream and downstream transportation and distribution. This contributes to climate change and global warming.</p>	● Actual negative impact	●		●			●
E2	<p>Pollution of air in own production processes</p> <p>Vacuumline production emits CO2 from a gas boiler house. In chemical line production, volatile organic compounds (VOCs) are used for coating preparation, and solvents are used in the manufacturing process. These pollutants are linked to reduced air quality (especially smog formation) and may have both direct and indirect adverse effects on the broader environment, as well as on human health.</p> <p>The production plants have appropriate permits for polluting activities issued by the State Environmental Service to control the emission levels according to the national legislation.</p>	● Actual negative impact		●			●	●

Topic	Title & description	Type	Upstr.	Own L.	Down.	Short	Medi.	Long
E2	<p>Pollution of air from transport and logistics</p> <p>Transportation of raw materials, packaging and procured goods is done mostly by trucks and ships, and this emits NOx, COx, particulate matter (PM), and SO2. These pollutants contribute to smog formation, poor air quality, and various health problems.</p> <p>Reducing or optimizing deliveries (full loads) can limit emissions that arise from using various means of transport.</p>	● Actual negative impact	●	●	●	●	●	●
E5	<p>Superiority of vacuum coating technology</p> <p>Vacuum coating is superior to chemical and other types of coating because of the significantly higher durability of the coated product.</p>	● Actual positive impact		●		●		
E5	<p>Waste from own operations</p> <p>Waste from own operations consists mostly of production waste (the largest fraction being glass) and packaging waste (the largest fractions being wood, cardboard and plastics). The main sources of hazardous waste are chemicals used in the washing and chemical coating solution.</p> <p>Waste disposal in landfills results in environmental pollution and resource loss, therefore responsible waste management is an important part of the Groglass ISO 14001:2015 certified management system. The company has an internal waste sorting process and conducts regular audits. In 2024, 93% of the total waste was sorted and diverted to recycling.</p>	● Actual negative impact		●	●	●	●	
S1	<p>Workplace with elevated OHS impacts</p> <p>Groglass is committed to creating a safe and healthy workplace for all Groglass team members. In company production environment, Groglass pay special attention to several key safety aspects, including preventing physical injuries, ensuring good air quality, and maintaining safe noise levels. Groglass recognise that working with equipment like cranes and forklifts requires special care, so company have robust procedures to ensure everyone's safety around them. Protecting Groglass employees' health and safety, both now and in the future, is company top priority.</p> <p>To support this commitment, Groglass provide comprehensive safety training, supply all necessary personal protective equipment, and continually seek ways to make company workplace safer. Groglass value company employees' input through feedback channels and offer regular health monitoring to support their long-term well-being.</p>	● Actual negative impact		●			●	●

team operations downstream short-term medium-term long-term

Topic	Title & description	Type	Upstr.	Own C.	Down.	Short	Medi.	Long
S4	<p>Product and service transparency</p> <p>Groglass provides accurate and complete product descriptions and usage instructions as ready-made documents, with more details and product support available upon request. There are clear rules and procedures for warranties and handling of complaints.</p>	● Actual positive impact			●		●	●
S4	<p>Promoting safe product handling practices</p> <p>To educate customers about safe handling of glass products, Groglass provide an informative brochure about appropriate personal protective equipment (e.g., anti-cut gloves) and explanations of protection level markings. Customers can also use a Groglass' cleaning product that has a very low percentage of solvent in it and thus can serve as an alternative to more hazardous cleaners.</p>	● Actual positive impact			●		●	●
G1	<p>Strong corporate culture based on values</p> <p>Strong corporate culture rooted in the company's core values promotes ethical business conduct and serves as a compass for daily actions, decision-making, and relationships with clients, partners, and employees. Company's values can become a driving force that strengthens identity and boosts long-term success.</p>	● Actual positive impact	●	●	●			●
G1	<p>Prevention of unethical behaviour</p> <p>Work on prevention of unethical behaviour includes clear procedures and rules for procurement and semi-annual training about the Employee Code of Conduct, incl. conflicts of interest. Another mechanism for detection and prevention of unethical behaviour is the whistleblowing channel available internally for employees.</p>	● Actual positive impact		●			●	●
E1	<p>Increased stakeholder scrutiny for GHG emissions and climate impacts</p> <p>There is an increased interest from investors and customers in overall GHG emissions and CO2 footprint of Groglass products. That may eventually turn into pressure for climate change mitigation plans and cause additional costs for developing and implementing them. Failure to set up and implement such plans may lead to reputational risks and financial effects stemming from a decreased interest on the investor side and customers switching to suppliers with a more proactive stance in climate matters.</p>	● Risk		●	●		●	●

Team Operations Downstream Short-term Medium-term Long-term

Topic	Title & description	Type	Upstr.	Own L.	Down.	Short	Medi.	Long
E2	<p>Environmental risks</p> <p>SCs pose risks to the aquatic environment and resources and contribute to the ozone layer depletion. Potentially rising costs of SCs can increase overall production expenses and affect availability of these chemicals.</p>	Risk	●	●				●
S1	<p>Risk of high-consequence OHS accidents</p> <p>High-consequence OHS accidents may cause prolonged sick leaves, permanent disabilities and lethality leading to financial compensations and reputational damage. Exposure to chemical substances, incl. some SCs, may cause acute or chronic health problems.</p>	Risk		●			●	●
S1	<p>Availability of workforce</p> <p>Challenges in the Latvian labour market can complicate finding employees for basic production tasks to meet fluctuating demand. This situation can potentially affect the stability of the production process and increase the workload on the existing team, which in turn raises issues of occupational safety and health related to fatigue. The risk increases during moments of rapid growth in production orders, when the quick training of a large number of new employees can become a challenge for Groglass experienced personnel.</p>	Risk		●		●	●	
G1	<p>Data protection and security incidents</p> <p>Data protection and security is highly relevant for both customer and employee data. Incidents and security breaches may result in significant fines and reputational threats.</p>	Risk	●	●	●	●	●	●
E5	<p>Downcycling and recycling of glass waste</p> <p>Glass is a highly recyclable material that maintains most of its quality and purity. Glass recycling conserves virgin materials and uses significantly less energy than processing of virgin materials, thus reducing environmental impacts associated with primary glass production. Glass waste diverted to recycling gives Groglass reduced prices for other waste management services. Additionally, flat glass with minor quality issues that cannot be used in production is downcycled into a resource for testing/calibration of equipment.</p>	Opportunity		●	●	●		

Team Operations Downstream Short-term Medium-term Long-term

Topic	Title & description	Type	Upstr.	Own L.	Down.	Short	Medi.	Long
S4	<p>EPDs for a growing share of Groglass product portfolio</p> <p>EPDs can improve market access, primarily in the technical glass segment, by giving an edge over competitors who lack verified data. Life cycle assessments that EPDs are based on can clearly highlight environmental hotspots in own operations and in the supply chain. These insights can then serve as a guidance for own R&D and help to prioritise focus areas for working with suppliers.</p>	● Opportunity	●	●	●		●	●

IRO-1 Description of the processes to identify and assess material impacts, risks, and opportunities

Description of double materiality assessment process

Objective of the Assessment

In 2025, Groglass conducted its first double materiality assessment according to the ESRS and the related implementation guidance. The aim was to identify and assess the materiality of sustainability topics relevant to the Groglass' operations and take a closer look at the associated impacts, risks and opportunities from the impact and financial materiality perspectives. This strongly contributes to the company aligning with stakeholder expectations and being ahead of direct regulatory requirements.

In 2023, Groglass, with a help of an external consultant, conducted an ESG maturity assessment and developed its first sustainability policy and strategy based on the outcomes of that assessment. These documents served as an important input into the DMA process.

Scope and Boundary

The scope of the DMA comprises primarily Groglass' own operations that include two production facilities in Riga, Latvia, and the headquarters located on the same site as one of the production facilities. All the company's activities associated with the production of anti-reflective and other high-performance glass coatings were considered in the DMA. As to the company's value chain, the

focus of this first DMA was on the 1st tier of suppliers and customers.

Methodology

Although Groglass is not a subject to the Corporate Sustainability Reporting Directive, the DMA was carried out following the principles and the framework set out in the ESRS and the related implementation guidance.

The main steps of the DMA process were:

- mapping of the value chain and stakeholder identification
- development of the list of potentially material IROs
- stakeholder engagement and IRO materiality assessment
- identification of material IROs and selection of the relevant ESRS disclosure requirements for reporting

Impact materiality was assessed using the following impact characteristics: scale and scope (for all impacts), irremediability (only for negative impacts), and likelihood (only for potential impacts). These parameters were first assigned the appropriate value on a scale from 1 to 5, and then the average value method was used to calculate the total impact score. For potential negative impacts related to human rights, impact 'severity' took precedence

over its 'likelihood'. This is reflected in the score calculation through applying a 2:1 weighting, respectively. Groglass applies this weighting for potential negative impacts connected to the subtopics of the S1, S2, and S4 that were considered relevant to the company's operations.

Financial materiality of sustainability risks and opportunities was assessed by multiplying their likelihood and magnitude (both parameters were assigned the appropriate value on a scale from 1 to 5). This is the preferred and most widely used risk assessment method in industry practice (incl. in the ISO 31000) providing a wider scoring range compared to, for example, average values. Importantly, the multiplication method is also aligned with the current risk assessment methodology in the company. The potential financial magnitude was assessed either 1) based on the estimated impact of the event on the company's financial figures, if possible to estimate, 2) or based on the estimated impact of the event on the company's reputation and/or its ability to achieve its strategic goals.

Stakeholder Engagement

In the stakeholder engagement of 2025, the following key direct stakeholder groups were prioritised: suppliers, customers, employees and investor representatives. A survey was sent out to these groups where respondents were asked to

assess the importance of the ESG topics relevant to the Groglass' operations from their perspective of a supplier, customer, employee or investor. This was then used as an informative input by the internal experts assigning quantitative values to the potentially material IROs.

Stakeholder inquiries and feedback received as part of the ongoing regular communication and interactions were also considered in the DMA process.

Criteria for Materiality

The material subtopics were selected based on the IRO scores and materiality thresholds that were defined for impacts, risks and opportunities. These thresholds are described and justified in the internal DMA methodology.

If at least one IRO under the subtopic surpassed the materiality threshold set, the topic was listed as material. In accordance with the ESRS requirements, a topic can be material from both perspectives (impact materiality and financial materiality) or only from one perspective (i.e., there is a material impact associated with the given topic or there is a material risk and/or opportunity associated with the given topic).

Identification of Material Topics

Through the DMA, Groglass has identified the following ESRS standards and topics are material to

the Groglass' operations:

ESRS standard	Subtopics
ESRS E1 Climate change	Climate change mitigation
ESRS E2 Pollution	Pollution of air, water and soil Substances of concern
ESRS E5 Circular economy	Resource outflows Waste
ESRS S1 Own workforce	Health and safety Availability of workforce (company-specific)
ESRS S4 Consumers and end-users	Personal safety of consumers and/or end-users Information-related impacts for consumers and/or end-users
ESRS G1 Business conduct	Corporate culture Corruption and bribery Data protection and security (company-specific)

Prioritisation Process

For potential negative impacts related to human rights, impact 'severity' took precedence over its 'likelihood'. This is reflected in the score calculation through applying a 2:1 weighting, respectively. Groglass applies this weighting for potential negative impacts connected to the subtopics of the S1, S2, and S4 that were considered relevant to the company's operations.

Review and Validation

The DMA methodology was developed in cooperation with an external consultant and discussed internally. The list of material IROs, as well as materiality thresholds, were reviewed and approved by the Groglass' Management Board in October 2025.

Updates and Frequency

To reflect changes in its operating environment and stakeholder expectations, the company aims to review its materiality assessment and the IRO list once every three years. Reassessment of the materiality should also be carried out in the case of significant changes in the company's operations, products or structure. Minor adjustments can be incorporated into the IROs on a continuous basis.

Materiality matrix

The materiality matrix serves as a strategic tool for organisations to focus their efforts and resources on addressing the most significant sustainability issues that matter to both the business and its stakeholders. Issues that fall into the high importance and high stakeholder interest quadrant are considered the most material and require the organisation's attention and action.



● Environment ● Social ● Governance

Non-material

Material

Financial materiality

Material sustainability topics

- 1 E1 Climate change mitigation
- 2 E2 Pollution of air
- 3 E2 Substances of concern
- 4 E5 Resource outflows related to products and services
- 5 E5 Waste
- 6 S1 Working conditions
- 7 S1 Health and safety
- 8 S4 Information-related impacts for consumers and/or end-users
- 9 S4 Personal safety of consumers and/or end-users
- 10 G1 Corporate culture
- 11 G1 Corruption and bribery
- 12 G1 Data protection and security

Non-material sustainability topics

- 13 E1 Climate change adaptation
- 14 E1 Energy
- 15 E2 Microplastics
- 16 E3 Water withdrawals
- 17 E3 Water consumption
- 18 E5 Resources inflows, including resource use
- 19 S1 Equal treatment and opportunities for all
- 20 S1 Work-life balance
- 21 S2 Working conditions
- 22 G1 Protection of whistle-blowers
- 23 G1 Management of relationships with suppliers including payment practices

Methodologies and assumptions applied in the IRO identification process

Identification of potentially material IROs started by selecting environmental, social, and governance topics that are relevant to Groglass’ operations. First, in accordance with the requirements set out in ESRS 1 and EFRAG Implementation Guidance 1 Materiality Assessment, universal sustainability topics and subtopics were selected from the list given in the ESRS 1 AR16. The selection was done based on the previously mapped value chain. No company-specific topics were identified at this point.

Once the relevant topics were determined, potentially material IROs were identified in cooperation with an external consultant and internal discussions based on the definitions given in the ESRS Annex II. The impact materiality looked at the impacts that Groglass’ own activities and its value chain have or could have on the environment and people. The financial materiality dealt with sustainability-related risks and opportunities that could have financial effects on the company.

During the IRO identification, one company-specific subtopic (availability of workforce) was identified. In addition to that, data protection and security is relevant to both customer and employee data, therefore these two were grouped as one and further treated as a company-specific subtopic under ESRS G1.

See also “Sources and inputs used in the DMA” below.

Process to identify, assess, prioritise and monitor potential and actual impacts on people and environment, informed by due diligence process

See above “Description of double materiality assessment process”, subsection “Methodology.”

Process focuses on specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts

No

Process includes consultation with affected stakeholders to understand how they may be impacted and with external experts

Yes

Description of how process includes consultation with affected stakeholders to understand how they may be impacted and with external experts

In the stakeholder survey of 2025, stakeholders were asked how important various sustainability topics are to them. Further consultations deep-diving into effects of specific impacts might be considered in the future.

For more information on stakeholders, see ESRS 2 SBM-2 “Interests and views of stakeholders.”

Process used to identify, assess, prioritise and monitor risks and opportunities that have or may have financial effects

See above “Description of double materiality assessment process”, subsection “Methodology.”

Sources and inputs used in the DMA

- Corporate Sustainability Reporting Directive (CSRD) transposed into the national laws of Latvia by the Law on Sustainability Disclosures

- European Sustainability Reporting Standards (ESRS) and the related guidance and explanatory documents, primarily, EFRAG Implementation Guidance 1 Materiality Assessment and Implementation Guidance 2 Value Chain

- Groglass’ internal documentation directly or indirectly related to sustainability matters (for example, Sustainability Policy, Sustainability Roadmap, documentation for the quality, environmental, occupational health and safety, and energy management management systems, etc.)

- internal expert knowledge and opinions

- stakeholder input gathered through the survey of 2025 and regular communication with various stakeholder groups

- sustainability information on the websites of other glass coating manufacturers

Date of the approval of the DMA methodology and results by the Management Board

16/10/2025

IRO-2 Disclosure requirements in ESRS covered by the undertaking's sustainability statement

List of ESRS Disclosure Requirements complied with in preparing sustainability statement

See the Appendix "Disclosure requirements and incorporation by reference" at the end of the report.

Datapoints that derive from other EU legislation and their location in the sustainability statement

The abbreviation **NM** in the column "Page" means that the datapoint is **not material** for Groglass. The abbreviation **NA, phase-in** in the same column means **not applicable in the phase-in period**.

Disclosure Requirement and related datapoint	SFDR	Pillar 3	Benchmark Regulation	EU Climate Law	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	✓		✓		5
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			✓		5
ESRS 2 GOV-4 Statement on due diligence paragraph 30	✓				9
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	✓	✓	✓		10
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	✓		✓		10
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	✓		✓		10
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			✓		10
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				✓	32
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		✓	✓		32
ESRS E1-4 GHG emission reduction targets paragraph 34	✓	✓	✓		40

ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	✓				40
ESRS E1-5 Energy consumption and mix paragraph 37	✓				40
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	✓				40
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	✓	✓		✓	41
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	✓	✓		✓	41
ESRS E1-7 GHG removals and carbon credits paragraph 56				✓	43
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66				✓	NA, phase-in
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)		✓			NA, phase-in
ESRS E1-9 Location of significant assets at material physical risk paragraph 66 ©.					
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 ©.		✓			NA, phase-in
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69				✓	NA, phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	✓				50
ESRS E3-1 Water and marine resources paragraph 9	✓				NM
ESRS E3-1 Dedicated policy paragraph 13	✓				NM
ESRS E3-1 Sustainable oceans and seas paragraph 14	✓				NM
ESRS E3-4 Total water recycled and reused paragraph 28 ©	✓				NM
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	✓				NM

ESRS 2- IRO 1 - E4 paragraph 16 (a) i	✓		NM
ESRS 2- IRO 1 - E4 paragraph 16 (b)	✓		NM
ESRS 2- IRO 1 - E4 paragraph 16 ©	✓		NM
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	✓		NM
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 ©	✓		NM
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	✓		NM
ESRS E5-5 Non-recycled waste paragraph 37 (d)	✓		60
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	✓		60
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	✓		64
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	✓		64
ESRS S1-1 Human rights policy commitments paragraph 20	✓		66
ESRS S1-1 Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8, paragraph 21		✓	66
ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	✓		66
ESRS S1-1 workplace accident prevention policy or management system paragraph 23	✓		66
ESRS S1-3 grievance/complaints handling mechanisms paragraph 32 ©	✓		69
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and ©	✓	✓	78
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	✓		78
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	✓	✓	NM
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	✓		NM

ESRS S1-17 Incidents of discrimination paragraph 103 (a)	✓		NM
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	✓	✓	NM
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	✓		NM
ESRS S2-1 Human rights policy commitments paragraph 17	✓		NM
ESRS S2-1 Policies related to value chain workers paragraph 18	✓		NM
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	✓	✓	NM
ESRS S2-1 Due diligence policies on issues addressed by the fundamental ILO Conventions 1 to 8, paragraph 19		✓	NM
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	✓		NM
ESRS S3-1 Human rights policy commitments paragraph 16	✓		NM
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	✓	✓	NM
ESRS S3-4 Human rights issues and incidents paragraph 36	✓		NM
ESRS S4-1 Policies related to consumers and end-users paragraph 16	✓		81
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	✓	✓	81
ESRS S4-4 Human rights issues and incidents paragraph 35	✓		84
ESRS G1-1 UN Convention against Corruption paragraph 10 (b)	✓		89
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	✓		89
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	✓	✓	94
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	✓		94

Explanation of how material information to be disclosed in relation to material impacts, risks and opportunities has been determined

First, material IROs were selected according to the materiality thresholds defined in the DMA

methodology. These were then linked to the corresponding ESRS subtopics. If a topical standard contains several subtopics, only those relevant to the material IROs of the company are disclosed. The ESRS 2 is fully disclosed.

For the list of the material ESRS and their subtopics, see above “Description of double materiality assessment process”, subsection “Identification of Material Topics.”



**ENVIRONMENTAL
DISCLOSURES**

E1 Climate change

E1.GOV-3 Integration of sustainability related performance in incentive schemes

Disclosure of how climate-related considerations are factored into remuneration of members of governing bodies

No climate-related considerations are factored into remuneration of members of the governing bodies.

E1-1 Transition plan for climate change mitigation

Transition plan for climate change mitigation

Groglass has not yet developed a transition plan for climate change mitigation. A general, qualitative objective to reduce GHG emissions is included in the business strategy for 2026-2030. According to the company's Sustainability Roadmap, feasibility of reduction measures like purchasing electricity from

renewable sources and buying certified wood for packaging are evaluated annually.

Decarbonisation levers identified and key actions planned

Preliminary analysis of potential decarbonisation levers identify the following measures for Scope 1 and 2 emission reduction:

- purchasing electricity from renewable sources (partially or fully);
- further increasing energy and operational efficiency;
- buying certified wood for packaging;
- minimise shipping orders by air.

In 2024, the energy efficiency projects were implemented. The projects overall energy savings is estimated at 45 MWh/year.

Undertaking is excluded from EU Paris-aligned Benchmarks

No

Material impacts, risks and opportunities and their interaction with strategy and business model

Climate-related IROs

Topic	Title & description	Type	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
E1	<p>GHG emissions from own operations (Scope 1 and 2)</p> <p>According to the national regulations Groglass is a large electricity consumer. The biggest part of the company's Scope 1 and 2 emissions comes from electricity consumption in the vacuum coating process. Currently, Groglass uses an average electricity mix from the grid which includes a significant part of electricity generated from fossil energy sources. This contributes to climate change and global warming.</p> <p>Potential emission reduction measures include switching partially or fully to purchasing electricity from renewable sources and investing in energy-efficient technologies.</p>	● Actual negative impact	●	●				●
E1	<p>GHG emissions from the value chain (Scope 3)</p> <p>The biggest part of Groglass Scope 3 emissions come from purchased goods and services, mostly glass and sputtering targets, and upstream and downstream transportation and distribution. This contributes to climate change and global warming.</p>	● Actual negative impact	●		●			●
E1	<p>Increased stakeholder scrutiny for GHG emissions and climate impacts</p> <p>There is an increased interest from investors and customers in overall GHG emissions and CO2 footprint of Groglass products. That may eventually turn into pressure for climate change mitigation plans and cause additional costs for developing and implementing them. Failure to set up and implement such plans may lead to reputational risks and financial effects stemming from a decreased interest on the investor side and customers switching to suppliers with a more proactive stance in climate matters.</p>	● Risk		●	●		●	●

Disclosure of how resilience analysis has been conducted

No formal resilience analysis has been conducted. As part of the double materiality assessment, climate-related physical risks (both acute and chronic) and their potential impacts on the

Groglass' operations were assessed as non-material. Thus, a more detailed analysis, incl. climate scenario analysis, was considered currently unfeasible.

As to increased carbon pricing through mechanisms like the EU Emission Trading Scheme 2 and Carbon

Border Adjustment Mechanism (CBAM), Groglass is not directly affected by these. Such mechanisms may apply to the company's carbon-intensive suppliers, however, the financial effects of potential increase in the cost of raw materials and electricity in the future due to these mechanisms is estimated as minimal.

The material risk of increased stakeholder scrutiny for GHG emissions and climate impacts can be considered a transition risk. The first step towards addressing it and drafting potential mitigation measures and targets is calculating and disclosing GHG emissions.

E1.IRO-1

Description of the processes to identify and assess material climate-related impacts, risks and opportunities

Process for identification of climate-related IROs

Climate-related IROs were identified as an integral part of the DMA process and assessed according to

its IRO assessment methodology and materiality thresholds; no separate process was developed for these IROs. The IROs below the current materiality threshold are not further analysed.

Energy consumption and measures for energy efficiency are also analysed and monitored as an important aspect of the company's ISO 14001-

based environmental management system and ISO 50001-based energy management system.

See also E1.SBM-3.

E1-2 Policies related to climate change mitigation and adaptation

Policies to manage material climate-related IROs

Sustainability Policy

Sustainability matters addressed by the policy:

Climate change, Climate change mitigation
Pollution, Pollution of air
Circular economy, Waste
Own workforce, Health and safety
Circular economy, Resource outflows related to products and services
Business conduct, Corporate culture
Pollution, Pollution of water
Pollution, Pollution of soil
Business conduct, Management of relationships with suppliers including payment practices
Consumers and end-users, Information-related impacts for consumers and/or end-users
Consumers and end-users, Personal safety of consumers and/or end-users

Description of key contents of policy:

A general, overarching policy that lays out three Groglass' sustainability pillars (Product, People, Planet) and their respective levers or focus areas. The policy also describes in broad strokes sustainability-related roles and responsibilities of the company's governing institutions. The most senior level in the organisation that is accountable for the implementation of the policy: Management Board.

Contents of the policy are listed under ESRS 2 SBM-1 "Description of sustainability-related goals".

Environmental Policy

Sustainability matters addressed by the policy:

Climate change, Climate change mitigation
Climate change, Energy
Pollution, Pollution of air
Pollution, Pollution of water
Pollution, Pollution of soil
Pollution, Substances of concern
Circular economy, Resource outflows related to products and services
Circular economy, Waste

Description of key contents of policy:

The policy lays out the main principles and directions for the environmental management to reduce the company's negative impact on the environment, to produce high-quality products with lowest possible impacts and to strengthen Groglass' brand image. The main directions for the actions are taken are waste management, effective use of energy and resources, reducing emissions and pollution, action plans for emergency situations, and improvement of the purchasing process.

The company's environmental management system is based on the ISO 14001. The most senior level in the organisation that is accountable for the implementation of the policy: Management Board.

Energy Management Policy

Sustainability matters addressed by the policy:

Climate change, Climate change mitigation
Climate change, Energy

Description of key contents of policy:

The policy aims to ensure sustainable, competitive and energy-efficient operations through implementing best available technologies, purchasing energy-efficient products and services, and continuously improving energy efficiency of the company.

Groglass' energy management system is based on the ISO 50001. The most senior level in the organisation that is accountable for the implementation of the policy: Management Board.

The scope of the policies

All policies listed above encompass the entire company (own operations).

E1-3 Actions and resources in relation to climate change policies

Actions and resources related to climate change mitigation and adaptation

Since risks associated with climate change adaptation have been assessed as minimal, this is

not further addressed in the report. As to the climate change mitigation, Groglass has included its commitment to emission reduction both in its business strategy for 2026-2030 and the policies

listed above. The next steps to be taken include definition of a base year and setting of quantitative targets, along with development of a more detailed plan on how to achieve them.

Key actions

Emission data collection and analysis

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation
Circular economy, Waste

Description of key action

Emission data are collected and analysed to gain the basis for defining a base year and setting appropriate and realistic emission reduction

targets, as well as to increase the company's transparency regarding its GHG emissions.

This key action (data collection and analysis) will deliver several concrete and fundamental outcomes, which are a prerequisite for any meaningful climate strategy:

- Defined base year and established GHG emissions inventory: a comprehensive and verifiable database of the company's historical and current emissions (including Scope 1, 2, and, where feasible, Scope 3 emissions) will be

established. This will allow to define a base year against which to measure future progress.

- Identification of key emission sources ("hotspots"): the data analysis will pinpoint which processes, equipment, or operational sites generate the majority of emissions. This will allow resources and investments to be focused where they will deliver the greatest impact.
- Development of realistic and science-based targets (SBTs): based on accurate data and

trends, the company will be able to set data-driven, realistic, and ambitious emission reduction targets (e.g., in line with the Science Based Targets initiative, SBTi), rather than generic ones.

- Establishment of a data management system: a robust methodology and process for data collection will be implemented, ensuring consistent and comparable year-over-year tracking and reporting.

Publication of the first sustainability report

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation

Circular economy, Resource outflows related to products and services
Business conduct, Corporate culture
Climate change, Climate change adaptation
Circular economy, Resources inflows, including resource use

Description of key action

Publication of the first sustainability report aims at increased transparency for stakeholders, thus mitigating the risk of increased stakeholder scrutiny

for the lack of sustainability-related information, incl. GHG emissions and climate impacts.

Development of the Ecodesign Policy

Sustainability matters addressed by the actions and/or resources:

Pollution, Pollution of air

Climate change, Climate change mitigation
Circular economy, Waste
Consumers and end-users, Information-related impacts for consumers and/or end-users

Description of key action

Such policy would demonstrate to stakeholders that Groglass is seeking to further improve the Group's environmental performance through

environmentally conscious design decisions across R&D and production process.

Increasing operational efficiency

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation
Climate change, Climate change adaptation

Climate change, Energy
Pollution, Pollution of air
Circular economy, Waste
Own workforce, Health and safety
Own workforce, Working conditions

Description of key action

Increased operational efficiency also helps to lower environmental impacts of the company's production processes. For more details, see "Elements of

strategy that relate to or impact sustainability matters" under ESRS 2 SBM-1.

Reuse of wooden packaging

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation
Circular economy, Resource outflows related to products and services

Circular economy, Waste

Description of key action

The purchased glass is delivered either in a wooden packaging (End-Cup type) or on metal racks without

packaging. The wooden packaging is resized in Groglass joinery/carpentry shop and reused for different types of outgoing packaging. These wooden materials will only be scrapped after several cycles, once it has been determined that the material is no longer suitable for reuse. The

materials are then handed over to the waste management provider, where it is fully processed into oriented strand board (OSB) panels.

Reusable metal racks for glass deliveries

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation
Circular economy, Waste
Circular economy, Resource outflows related to products and services

Description of key action

The purchased glass is delivered either in a wooden packaging (End-Cup type) or on metal racks without

packaging. Metal racks are returned to the supplier for continuous reuse, thus preventing generation of waste in the first place.

Using powder instead of an interlayer material (LDPE, paper)

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation

Circular economy, Waste

Description of key action

Previously, paper or LDPE film was used as an interlayer material to protect the glass from abrasion. To reduce the consumption of these materials, a powdering line was introduced which

creates a layer of powder between the glass sheets protecting them from friction. The powder is used in the production of stock sheet glass. For cut-to-size products, where the customer does not have the equipment for de-powdering, LDPE film is used as the interlayer.

Decarbonisation lever types

See “Decarbonisation levers identified and key actions planned” under ESRS E1-1.

E1-4 Targets related to climate change mitigation and adaptation

GHG emissions reduction targets and (or) any other targets have been set to manage material climate-related impacts, risks and opportunities

No

E1-5 **Energy consumption and mix**

Energy consumption and mix 2024

Energy consumption (in MWh)	Electricity*	Heating/Cooling	TOTAL
From fossil sources	11965 (75,8%)	0	11965
<i>coal and coal products</i>	0	0	0
<i>crude oil and petroleum products</i>	0	0	0
<i>natural gas</i>	0	667	667
<i>other fossil sources</i>	0	0	0
<i>purchased electricity, heat, steam, or cooling from fossil sources</i>	0	606	606
From nuclear sources	2450 (15,5%)	0	2450
From renewable sources	1374 (8,7%)	0	1374
<i>biomass, biofuels, biogas</i>	0	0	0
<i>purchased electricity, heat, steam, cooling from RES</i>	0	0	0
<i>self-generated renewable energy</i>	0	0	0
TOTAL	15789	1273	17062

*No guarantees of origin were obtained by Groglass in 2024. Thus the share of electricity from fossil / nuclear / renewable sources is calculated according to the residual mix published on the [AIB](#) website

E1-6 **Gross Scopes 1, 2, 3 and Total GHG emissions**

GHG emissions 2024

GHG emissions	metric tonnes of CO2eq
Scope 1 emissions	323
% of Scope 1 emissions from regulated emission trading schemes	0
Scope 2 emissions, location-based	8352
Scope 2 emissions, market-based	78067
Scope 3 emissions	
Category 1 - Purchased goods and services	31582
Category 3 - Fuel- and energy-related activities	184
Category 4 - Upstream transportation and distribution	5290
Category 5 - Waste generated in operations (incl. wastewater)	328
Category 6 - Business travel	68
Category 7 - Employee commuting	82
Category 9 - Downstream transportation and distribution	3995
TOTAL, location-based	50150

TOTAL, market-based

121463

Methodologies, assumptions and emission factors used

Organisational boundaries: all Groglass activities.

Operational boundaries include:

- All Scope 1 direct emissions (e.g., fuel used in company vehicles, refrigerant, natural gas use for chemical production facilities).
- All Scope 2 indirect emissions (from purchased electricity and heat, purchased cooling).
- Key Scope 3 emissions related to purchased goods and services, water use, fuel and energy related activities, upstream and downstream transporting and distribution, end-of-life

treatment of sold products, employee commuting and business travel.

Calculation methodology by GHG Protocol Corporate Accounting and Reporting Standard.

Location- and market-based Scope 2 emissions were calculated using publicly available emission factors. Location-based emission factors are available on the website of the Ministry of Climate and Energy, and market-based emission factors: on the website of the Latvian transmission system operator AST.

The most significant Scope 3 categories were selected based on their impact and emission volume. These emissions were calculated using publicly available emission factors, as no primary

data was obtained from suppliers or other value chain partners

Biogenic emissions of CO2 from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions

0 tCO2eq

Biogenic emissions of CO2 from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions

0 tCO2eq

Percentage of GHG Scope 3 calculated using primary data

0 %

GHG emissions intensity, location-based (total GHG emissions per net revenue)

0.002

GHG emissions intensity, market-based (total GHG emissions per net revenue)

0.0047

Net revenue

25 645 348 EUR

E1-7 **GHG removals and GHG mitigation projects financed through carbon credits**

Removals and carbon credits are used

No.

E1-8 **Internal carbon pricing**

Internal carbon pricing schemes are used No.

E2 **Pollution**

E2.IRO-1 **Description of the processes to identify and assess material pollution-related impacts, risks and opportunities**

Process to identify and assess pollution-related IROs

Pollution-related IROs were identified as an integral part of the DMA process and assessed according to its IRO assessment methodology and materiality thresholds. Pollution and pollutants are also thoroughly analysed and monitored as an important aspect of the company's ISO 14001-based environmental management system.

See also ESRS 2 IRO-1 and ESRS 2 SMB-1.

Site locations and business activities have been screened to identify pollution-related IROs in own operations and upstream and downstream value chain

Yes

Methodologies, assumptions and tools used to screen site locations and business activities

The DMA was carried out for all Groglass' activities and considered also upstream and downstream transportation and logistics. Within the environmental management system processes, both production facilities are screened for

environmental aspects, incl. pollution and pollutants.

Consultations have been conducted (pollution)

No

Results of materiality assessment (pollution)

Two impacts and one risk were assessed as material in the DMA process.

IRO title and description

Type

Pollution of air in own production processes

Vacuumline production emits CO2 from a gas boiler house. In chemical line production, volatile organic compounds (VOCs) are used for coating preparation, and solvents are used in the manufacturing process. These pollutants are linked to reduced air quality (especially smog formation) and may have both direct and indirect adverse effects on the broader environment, as well as on human health.

The production plants have appropriate permits for polluting activities issued by the State Environmental Service to control the emission levels according to the national legislation.

Actual negative
impact

Pollution of air from transport and logistics

Transportation of raw materials, packaging and procured goods is done mostly by trucks and ships, and this emits NOx, COx, particulate matter (PM), and SO2. These pollutants contribute to smog formation, poor air quality, and various health problems.

Reducing or optimizing deliveries (full loads) can limit emissions that arise from using various means of transport.

Actual negative
impact

Environmental risks

SCs pose risks to the aquatic environment and resources and contribute to the ozone layer depletion. Potentially rising costs of SCs can increase overall production expenses and affect availability of these chemicals.

Risk

E2-1 Policies related to pollution**Policies to manage material IROs related to pollution****Sustainability Policy****Sustainability matters addressed by the policy:**

Climate change, Climate change mitigation
Pollution, Pollution of air
Circular economy, Waste
Own workforce, Health and safety
Circular economy, Resource outflows related to products and services
Business conduct, Corporate culture
Pollution, Pollution of water
Pollution, Pollution of soil
Business conduct, Management of relationships with suppliers including payment practices
Consumers and end-users, Information-related impacts for consumers and/or end-users
Consumers and end-users, Personal safety of consumers and/or end-users

Description of key contents of policy:

A general, overarching policy that lays out three Groglass' sustainability pillars (Product, People, Planet) and their respective levers or focus areas. The policy also describes in broad strokes sustainability-related roles and responsibilities of the company's governing institutions. The most senior level in the organisation that is accountable for the implementation of the policy: Management Board.

Contents of the policy are listed under ESRS 2 SBM-1 "Description of sustainability-related goals".

Environmental Policy

Sustainability matters addressed by the policy:

Climate change, Climate change mitigation
Climate change, Energy
Pollution, Pollution of air
Pollution, Pollution of water
Pollution, Pollution of soil
Pollution, Substances of concern
Circular economy, Resource outflows related to products and services
Circular economy, Waste

Description of key contents of policy:

The policy lays out the main principles and directions for the environmental management to reduce the company's negative impact on the environment, to produce high-quality products with lowest possible impacts and to strengthen Groglass' brand image. The main directions for the actions are taken are waste management, effective use of energy and resources, reducing emissions and pollution, action plans for emergency situations, and improvement of the purchasing process.

The company's environmental management system is based on the ISO 14001. The most senior level in the organisation that is accountable for the implementation of the policy: Management Board.

Disclosure of whether and how policy addresses mitigating negative impacts related to pollution, use of chemicals, and environmental incidents

The Sustainability Policy states that Groglass aims to minimise environmental impacts of their products based on the results of life cycle

assessments. The Environmental Policy lays out the following directions for pollution-related matters:

- to reduce the emission of pollutants into the environment, the amount of waste generated, as well as the level of noise and vibration
- to reduce the chemical consumption by substituting hazardous chemicals with less

hazardous ones

- to develop plans for containment and utilisation of chemicals in emergency situations.

Within the environmental management system, measures are taken to fundamentally prevent the occurrence of such emergency situations. This involves developing an emergency response plan

and guidelines for handling chemical spills, monitoring waste indicators, defining annual goals, and identifying suitable waste recycling opportunities. Furthermore, attempts are made to substitute particularly hazardous substances with less hazardous alternatives; if substitution is not possible, special attention is paid to the use of PPE (Personal Protective Equipment).

E2-2 **Actions and resources related to pollution**

Key actions

Development of the Ecodesign Policy

Sustainability matters addressed by the actions and/or resources:

Pollution, Pollution of air

Climate change, Climate change mitigation
Circular economy, Waste
Consumers and end-users, Information-related impacts for consumers and/or end-users

Description of key action

Such policy would demonstrate to stakeholders that Groglass is seeking to further improve the Group's environmental performance through

environmentally conscious design decisions across R&D and production process.

Reducing emissions to air at the chemical plant

Sustainability matters addressed by the actions and/or resources:

Pollution, Pollution of air

Own workforce, Health and safety

Description of key action

A project is underway at the chemical plant to identify technical solutions for reducing air emissions. The feasibility evaluation for this project involves developing a detailed action plan, which will

include parameters such as (but not limited to) an assessment of equipment suppliers, delivery times, and costs. However, due to low production activity at the chemical plant, a final decision on the implementation of specific actions will be made later, according to the situation.

Increasing operational efficiency

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation
Climate change, Climate change adaptation

Climate change, Energy
Pollution, Pollution of air
Circular economy, Waste
Own workforce, Health and safety
Own workforce, Working conditions

Description of key action

Increased operational efficiency also helps to lower environmental impacts of the company's production processes. For more details, see "Elements of

strategy that relate to or impact sustainability matters" under ESRS 2 SBM-1.

E2-3 Targets related to pollution

Pollution-related targets

Topic Target title & description

Zero environmental incidents

E2 The target is related to the objectives of the Environmental Policy and is set voluntarily for the entire company (own operations) on a per year basis. Environmental incidents are defined as any unplanned or unexpected event that causes or has the potential to cause an adverse significant impact on the environment (e.g. air, water or soil) or a breach of environmental law and thus the target measures the effectiveness of processes and procedures to avoid such incidents. The measures for reaching and monitoring the target include registration and investigation of emergency situations and defining corrective and/or preventive actions.

(Baseline) **N/A**

2024 (Actual) **0**

2024 (Target) **0**

E2 Environmental complaints

E5

Topic Target title & description

S1 The target of zero complaints related to the environmental management system is in accordance with the Environmental Policy and has been set voluntarily. The target applies to the company's core operations, as well as interactions with nearby stakeholders (neighbours, regulatory bodies, residents). A complaint is defined as any officially registered (written or verbal) expression of dissatisfaction from an external stakeholder concerning the company's environmental aspects. Measures for achieving and monitoring the target include the registration and investigation of complaints, as well as the determination of corrective and/or preventive actions. The indicator is calculated annually.

(Baseline) **N/A**

2024 (Actual) **1**

2024 (Target) **0**

Total gaseous organic carbon emissions to air at the chemical plant

E2 The target is to ensure that the chemical plant's total organic carbon (TOC) air emissions do not exceed 50 mg C/m³. This target is set for the year 2024, and it applies to the company's own core operations.
S1 The target is set in accordance with the company's Environmental Policy. The value of the target is based on the national legislative requirements (a Category B polluting activity permit), which are established to ensure air quality and protect the environment. The monitoring is conducted annually by engaging an independent, certified LEGMC (Latvian Environment, Geology and Meteorology Centre) laboratory to perform the measurements. Testing is done according to LVS EN 12619:2013.

(Baseline) **N/A**

2024 (Actual) **25.8**

2024 (Target) **50**

Waste indicator

E2 The goal is to reduce the amount of waste generated by the company's own operations, including the amount of waste sent to landfill, and to find solutions for waste recycling. The waste indicator is measured annually
E5 in accordance with the Environmental Policy and is comparable to the previous year's indicator.

More information on waste indicators is provided in the Circular Economy section.

(Baseline) **N/A**

2024 (Actual) **1.6**

Topic Target title & description

2024 (Target) 1.6

Disclosure of whether and how target relates to prevention and control of air pollutants/emissions to water/pollution to soil/SCs and respective specific loads

Target	Relates to prevention and control:			
	Air pollutants	Emissions to water	Pollution to soil	SCs and CVHC
Zero environmental incidents	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
Complaint received in the field of environmental management system	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Total gaseous carbon emissions to air in a chemical plant	<input checked="" type="checkbox"/>			
Waste indicator		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	

Pollution-related target is mandatory (required by legislation)/voluntary

The TOC-target is based on the national legislative requirements (a Category B polluting activity

permit), which are established to ensure air quality and protect the environment. The other above-mentioned targets are set voluntarily.

Information about targets that have been implemented at site-level (pollution)

The (TOC) target applies only to the chemical plant. The other targets apply to both plants together.

E2-4 **Pollution of air, water and soil**

Emissions to air by pollutant

Pollutant	Unit	Amount
Total organic carbon (TOC) (as total C or COD/3)	mg C/m ³	25.8 ± 2.0

Emissions to water by pollutant

Pollutant	Unit	Amount
Chlorides* (as total Cl)	kg	71800

*NaCl is used for water softening.

This amount represents the total chlorides used in the water preparation system in 2024. It does not directly specify the quantity of pollutants emitted to wastewater. However, this amount is well below the gradation threshold.

Process(es) and measurement methodologies to collect data for pollution-related accounting and reporting

MS Dynamics Ax handles chemical substance tracking. Usage can be tracked after the chemicals

are written off. Water pollution is very difficult to measure directly. Wastewater quality is regularly controlled by the supplier. If the analysis results are within limits, measurements are taken once every

two years. If results are outside the norms, then the measurements are repeated once a quarter.

Groglass's wastewater measurements are within permitted limits.

Air pollution: Measurements are conducted by the independent LEGMC (Latvian Environment, Geology and Meteorology Centre) laboratory.

E2-5 Substances of concern and substances of very high concern

Substances of concern (SCs) and substances of very high concern (SVHCs)

A few SCs are used in the chemical coating process and for equipment cleaning and maintenance. These have STOT SE 1, 2 properties (presumed to

be toxic to specific organs or organ systems in the body following a single exposure), Aquatic Chronic 1, 2, 3 and 4 properties (substances that are toxic or harmful to aquatic life, with long-lasting effects), Skin Sens. 1, 1A (skin sensitisation category 1) and STOT RE 1, 2 (specific target organ toxicity,

repeated exposure categories 1 and 2). Negligible amounts of SCs are used in the research testing processes.

To lower the potential impacts and risks associated with the use of SCs, in 2024, a technical substance

with the hazard classification Carc. 1B; Muta. 1B; Aquatic Chronic 2 was replaced with a less hazardous substance classified as Aquatic Chronic 2.

No SVHCs are used in the company's operations.

Amounts of SCs used in the reporting year

	STOT SE 1	STOT SE 2	STOT RE 1	Skin Sens. 1	Skin Sens. 1A	Aquatic Chronic 2	Aquatic Chronic 3	Aquatic Chronic 4	TOTAL*, kg
SCs procured and used in the production	36	25225	100	100	4180	188	14168	253	33825

SCs that leave the company as products	0	0	0	0	0	0	0	0	0
SCs that leave the company as part of products or services	0	0	0	0	0	0	0	0	0

*According to the ESRS E2-5, the SCs shall be grouped and reported by hazard class. This implies that a single substance might need to be counted under multiple hazard classes. However, in the total amounts, these substances are counted only once to avoid double counting.

In addition to the chemicals listed in the table, chlorine tablets, lubricants and other technical substances are used. Accounting routine for the use of these chemicals is implemented in 2025 and the amounts used will be disclosed in the next report.

Some of the SCs are released from the company as emissions (directly into the environment) and these are classified in categories Aquatic Chronic 1, Aquatic Chronic 2, Skin Sens. 1, Skin Sens. 1A, and STOT RE 1. However, quantities of these substances discharged into water cannot be reliably traced or quantified

E5 Circular economy

E5.IRO-1 Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities

Process to identify and assess IROs related to resource use and circular economy

IROs related to circular economy were identified as an integral part of the DMA process and assessed according to its IRO assessment methodology and materiality thresholds. Flows of materials, incl. waste streams, are also thoroughly analysed and monitored as an important aspect of the company's

ISO 14001-based environmental management system.

See also ESRS 2 IRO-1 and ESRS 2 SMB-1.

Methodologies, assumptions and tools used to screen site locations and business activities

The DMA was carried out for all Groglass' activities and considered also upstream and downstream transportation and logistics. Within the environmental management system processes, both production facilities are screened for

environmental aspects, incl. flows of materials and waste.

Process for conducting consultations with affected communities (resource use and circular economy)

No formal consultations have been conducted on matters related to circular economy.

Results of materiality assessment (resource use and circular economy)

Two impacts (one positive, one negative) and one opportunity were assessed as material in the DMA process.

IRO title and description	Type
<p>Superiority of vacuum coating technology</p> <p>Vacuum coating is superior to chemical and other types of coating because of the significantly higher durability of the coated product.</p>	Actual positive impact
<p>Waste from own operations</p> <p>Waste from own operations consists mostly of production waste (the largest fraction being glass) and packaging waste (the largest fractions being wood, cardboard and plastics). The main sources of hazardous waste are chemicals used in the washing and chemical coating solution.</p> <p>Waste disposal in landfills results in environmental pollution and resource loss, therefore responsible waste management is an important part of the Groglass ISO 14001:2015 certified management system. The company has an internal waste sorting process and conducts regular audits. In 2024, 93% of the total waste was sorted and diverted to recycling.</p>	Actual negative impact
<p>Downcycling and recycling of glass waste</p> <p>Glass is a highly recyclable material that maintains most of its quality and purity. Glass recycling conserves virgin materials and uses significantly less energy than processing of virgin materials, thus reducing environmental impacts associated with primary glass production. Glass waste diverted to recycling gives Groglass reduced prices for other waste management services. Additionally, flat glass with minor quality issues that cannot be used in production is downcycled into a resource for testing/calibration of equipment.</p>	Opportunity

Stages of value chain where resource use, risks and negative impacts are concentrated

The most resource- and impact-intensive stages of the value chain are upstream and own operations

where significant amounts of energy and raw materials (incl. virgin materials in the upstream processes) are used. While cutting and preparing of the glass products still require certain amounts of energy, the use phase of the Groglass's products

have low material and energy needs. When the products reach their end-of-life stage, high recyclability of glass allows diverting them towards waste recovery operations, mostly recycling.

E5-1 Policies related to resource use and circular economy

Policies to manage material IROs related to resource use and circular economy

Sustainability Policy

Sustainability matters addressed by the policy:

Climate change, Climate change mitigation
Pollution, Pollution of air
Circular economy, Waste
Own workforce, Health and safety
Circular economy, Resource outflows related to products and services
Business conduct, Corporate culture
Pollution, Pollution of water
Pollution, Pollution of soil
Business conduct, Management of relationships with suppliers including payment practices
Consumers and end-users, Information-related impacts for consumers and/or end-users
Consumers and end-users, Personal safety of consumers and/or end-users

Description of key contents of policy:

A general, overarching policy that lays out three Groglass' sustainability pillars (Product, People, Planet) and their respective levers or focus areas. The policy also describes in broad strokes sustainability-related roles and responsibilities of the company's governing institutions. The most senior level in the organisation that is accountable for the implementation of the policy: Management Board.

Contents of the policy are listed under ESRS 2 SBM-1 "Description of sustainability-related goals".

Environmental Policy

Sustainability matters addressed by the policy:

Climate change, Climate change mitigation
Climate change, Energy
Pollution, Pollution of air
Pollution, Pollution of water
Pollution, Pollution of soil
Pollution, Substances of concern
Circular economy, Resource outflows related to products and services
Circular economy, Waste

Description of key contents of policy:

The policy lays out the main principles and directions for the environmental management to reduce the company's negative impact on the environment, to produce high-quality products with lowest possible impacts and to strengthen Groglass' brand image. The main directions for the actions are taken are waste management, effective use of energy and resources, reducing emissions and pollution, action plans for emergency situations, and improvement of the purchasing process.

The company's environmental management system is based on the ISO 14001. The most senior level in the organisation that is accountable for the implementation of the policy: Management Board.

Summary of the policies related to resource use and circular economy

While the Sustainability Policy lays out the overarching approach to all sustainability matters, the Environmental Policy sets the main directions for environmental matters, incl. effective and sparing use of resources and materials, and responsible waste management. In addition to that, the ISO 14001-based environmental management system (EMS) plays a significant role in matters relating to resource use and circular economy. One

of the main principles of the EMS is to take into account the recyclability of materials for production and packaging upon their selection.

While Groglass recycles its own glass waste to a large degree, production of high-performance coated glass requires superior quality of raw materials, and only virgin glass suits these quality requirements. The suitability of recycled glass has been tested by the company; the results, however, were not acceptable in terms of the product quality. Likewise, the fragility of the product requires

significant amounts of high-quality packaging materials, limiting the options for the use of recycled materials.

Although not explicitly stated in the policies, Groglass applies the waste hierarchy principles in its waste management:

- prevention of waste (through effective and sparing use of resources and materials)
- reuse (through reusable metal frames for transportation of flat glass)

· recycling (through high recycling rates of own glass waste and high recyclability of materials used for packaging)

Glass sheets that do not pass the pre-production quality check are downcycled and used for setting up and calibrating the equipment before being diverted to recycling. Disposal is seen as the least favourable option for managing the company's waste. Currently, Groglass does not actively engage in sustainable sourcing.

E5-2 Actions and resources related to resource use and circular economy

Key actions

Emission data collection and analysis

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation
Circular economy, Waste

Description of key action

Emission data are collected and analysed to gain the basis for defining a base year and setting

appropriate and realistic emission reduction targets, as well as to increase the company's transparency regarding its GHG emissions.

This key action (data collection and analysis) will deliver several concrete and fundamental outcomes, which are a prerequisite for any meaningful climate strategy:

- Defined base year and established GHG emissions inventory: a comprehensive and verifiable database of the company's historical

and current emissions (including Scope 1, 2, and, where feasible, Scope 3 emissions) will be established. This will allow to define a base year against which to measure future progress.

- Identification of key emission sources ("hotspots"): the data analysis will pinpoint which processes, equipment, or operational sites generate the majority of emissions. This will allow resources and investments to be focused where they will deliver the greatest impact.

- Development of realistic and science-based targets (SBTs): based on accurate data and trends, the company will be able to set data-driven, realistic, and ambitious emission reduction targets (e.g., in line with the Science Based Targets initiative, SBTi), rather than generic ones.

- Establishment of a data management system: a robust methodology and process for data collection will be implemented, ensuring

consistent and comparable year-over-year tracking and reporting.

Publication of the first sustainability report

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation

Circular economy, Resource outflows related to products and services
Business conduct, Corporate culture
Climate change, Climate change adaptation
Circular economy, Resources inflows, including resource use

Description of key action

Publication of the first sustainability report aims at increased transparency for stakeholders, thus mitigating the risk of increased stakeholder scrutiny

for the lack of sustainability-related information, incl. GHG emissions and climate impacts.

Development of the Ecodesign Policy

Sustainability matters addressed by the actions and/or resources:

Pollution, Pollution of air

Climate change, Climate change mitigation
Circular economy, Waste
Consumers and end-users, Information-related impacts for consumers and/or end-users

Description of key action

Such policy would demonstrate to stakeholders that Groglass is seeking to further improve the Group's environmental performance through

environmentally conscious design decisions across R&D and production process.

Increasing operational efficiency

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation
Climate change, Climate change adaptation

Climate change, Energy
Pollution, Pollution of air
Circular economy, Waste
Own workforce, Health and safety
Own workforce, Working conditions

Description of key action

Increased operational efficiency also helps to lower environmental impacts of the company's production processes. For more details, see "Elements of

strategy that relate to or impact sustainability matters" under ESRS 2 SBM-1.

Reuse of wooden packaging

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation
Circular economy, Resource outflows related to products and services

Circular economy, Waste

Description of key action

The purchased glass is delivered either in a wooden packaging (End-Cup type) or on metal racks without

packaging. The wooden packaging is resized in Groglass joinery/carpentry shop and reused for different types of outgoing packaging. These wooden materials will only be scrapped after several cycles, once it has been determined that the material is no longer suitable for reuse. The

materials are then handed over to the waste management provider, where it is fully processed into oriented strand board (OSB) panels.

Reusable metal racks for glass deliveries

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation
Circular economy, Waste
Circular economy, Resource outflows related to products and services

Description of key action

The purchased glass is delivered either in a wooden packaging (End-Cup type) or on metal racks without

packaging. Metal racks are returned to the supplier for continuous reuse, thus preventing generation of waste in the first place.

Using powder instead of an interlayer material (LDPE, paper)

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation

Circular economy, Waste

Description of key action

Previously, paper or LDPE film was used as an interlayer material to protect the glass from abrasion. To reduce the consumption of these materials, a powdering line was introduced which

creates a layer of powder between the glass sheets protecting them from friction. The powder is used in the production of stock sheet glass. For cut-to-size products, where the customer does not have the equipment for de-powdering, LDPE film is used as the interlayer.

E5-3 Targets related to resource use and circular economy

Resource use and circular economy related targets

Topic Target title & description

Environmental complaints

- E2 The target of zero complaints related to the environmental management system is in accordance with the Environmental Policy and has been set voluntarily. The target applies to the company's core operations, as well
- E5 as interactions with nearby stakeholders (neighbours, regulatory bodies, residents). A complaint is defined as any officially registered (written or verbal) expression of dissatisfaction from an external stakeholder
- S1 concerning the company's environmental aspects. Measures for achieving and monitoring the target include the registration and investigation of complaints, as well as the determination of corrective and/or preventive actions. The indicator is calculated annually.

Topic Target title & description

(Baseline) **N/A**

2024 (Actual) **1**

2024 (Target) **0**

Waste indicator

E2 E5 The goal is to reduce the amount of waste generated by the company's own operations, including the amount of waste sent to landfill, and to find solutions for waste recycling. The waste indicator is measured annually in accordance with the Environmental Policy and is comparable to the previous year's indicator.

More information on waste indicators is provided in the Circular Economy section.

(Baseline) **N/A**

2024 (Actual) **1.6**

2024 (Target) **1.6**

Recycled waste percentage

E1 E5 In own operations, Groglass generates the following types of waste: glass waste, wood waste, construction and demolition waste, paper/plastic film waste, metal waste, municipal waste and chemical waste. Of these, paper/plastic film, glass, metal, and wood waste are handed over for recycling.

The amount of recyclable waste is expressed as a percentage relative to the total amount of waste generated during a given year. This target is set voluntarily and is tracked annually by analysing the waste indicator. The target is established in accordance with the Environmental Policy and is comparable to the previous year's indicator.

(Baseline) **N/A**

2024 (Actual) **93.3**

2024 (Target) **90**

The targets are mandatory (required by legislation)/voluntary

All targets related to resource use and circular economy are set voluntarily.

Disclosure of how the targets relate to the items listed in E5-3, §24-25

Two of the targets described above relate to waste management, primarily prevention of waste and

recycling. The target on zero environmental complaints is a general target covering all environmental matters.

E5-5 Resource outflows

Key products and materials that come out of the undertaking's production process

The two key groups of the company's resource outflows towards the customers are:

- 1) finished products - coated mineral and organic glass used for framing and in technical glass applications;
- 2) outgoing packaging materials for product transportation (mostly wood frames, cardboard boxes and plastic film);

Additionally, there is an outflow of waste. The main waste fractions are glass (the largest fraction), incoming packaging materials, wastewater and municipal waste.

Expected durability of the products, in relation to the industry average for each product group

Reference service life: > 30 years.

Reparability and recyclability of products and packaging

Glass products are not repairable, if broken. Mineral glass products are fully recyclable. The coatings make up a tiny fraction (0,01 %) of the final product and thus do not affect its recyclability for general purposes.

Coated organic glass products requires more sophisticated recycling methods. However, they are significantly less fragile and thus are the preferred option, for example, in the regions with increased risks of seismic activity

Outgoing packaging materials are highly recyclable, almost 100%. Declarations of packaging contents and recyclability are provided to customers upon request.

The rates of recyclable content in products

100 %

The rates of recyclable content in products packaging

100 %

Methodologies used to calculate data (resource outflows)

The amount of finished products is measured in m². The amounts of packaging materials used are calculated based on a model that was developed internally, based on direct sample measurements of the amounts used for various types of packaging.

Waste streams and materials present in the company's waste

The main non-hazardous waste fractions are:

- glass - the largest fraction and highly recyclable; defective glass is used for equipment set up and calibration before recycling;
- incoming packaging materials - wood frames are resized and reused for outgoing packaging; most of other incoming packaging materials are sorted and recycled;
- wastewater - collected and treated by the local provider wastewater services who also takes regular measurements of the company's wastewater quality;

- municipal and construction waste - the smallest fraction, unsorted and diverted to disposal.

Hazardous waste include organic solvents (waste class 080111), other organic solvents, washing liquids and desalting agents (070704, 070104), absorbents, filter materials (including oil filters not otherwise specified), wiping material and protective clothing contaminated with dangerous substances (150202,150203), packaging containing residues of or contaminated by dangerous substances (150110), other batteries and accumulators (160605).

Total amount of radioactive waste

0 t

Methodologies used to calculate data (waste generated)

Data on the amounts of waste and how it is further managed is received from the waste management providers.

The company's engagement in product end-of-life waste management

Groglass does not take an active part in the product end-of-life waste management. As explained above,

mineral glass products are highly recyclable, while coated organic glass products requires more sophisticated recycling methods.

Waste and its management

Non-hazardous waste

	Unit	Amount
Reuse	tonnes	0
Recycling or recovery	tonnes	2212
Disposal	tonnes	149

Hazardous waste

Reuse	tonnes	0
Recycling or recovery	tonnes	9
Disposal	tonnes	1

TOTAL

	tonnes	2370
Reuse	%	0
Recycling or recovery	%	93.7
Disposal	%	6.3

**SOCIAL
DISCLOSURES**



S1 Own workforce

S1.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model

Identified material impacts, risks and opportunities

Topic	Title & description	Type	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
S1	<p>Workplace with elevated OHS impacts</p> <p>Groglass is committed to creating a safe and healthy workplace for all Groglass team members. In company production environment, Groglass pay special attention to several key safety aspects, including preventing physical injuries, ensuring good air quality, and maintaining safe noise levels. Groglass recognise that working with equipment like cranes and forklifts requires special care, so company have robust procedures to ensure everyone’s safety around them. Protecting Groglass employees’ health and safety, both now and in the future, is company top priority.</p> <p>To support this commitment, Groglass provide comprehensive safety training, supply all necessary personal protective equipment, and continually seek ways to make company workplace safer. Groglass value company employees’ input through feedback channels and offer regular health monitoring to support their long-term well-being.</p>	● Actual negative impact		●			●	●
S1	<p>Risk of high-consequence OHS accidents</p> <p>High-consequence OHS accidents may cause prolonged sick leaves, permanent disabilities and lethality leading to financial compensations and reputational damage. Exposure to chemical substances, incl. some SCs, may cause acute or chronic health problems.</p>	● Risk		●			●	●

eam operations stream term um-term term

Topic	Title & description	Type	Upstr.	Own	Down	Short	Medium	Long
S1	<p>Availability of workforce</p> <p>Challenges in the Latvian labour market can complicate finding employees for basic production tasks to meet fluctuating demand. This situation can potentially affect the stability of the production process and increase the workload on the existing team, which in turn raises issues of occupational safety and health related to fatigue. The risk increases during moments of rapid growth in production orders, when the quick training of a large number of new employees can become a challenge for Groglass experienced personnel.</p>	Risk		●		●	●	

All people in its own workforce who can be materially impacted by undertaking are included in scope of disclosure under ESRS 2

Yes.

Types of employees and non-employees in its own workforce subject to material impacts

See the disclosures S1-6. Data on non-employees are not disclosed in this year's report.

Characteristics of material negative impacts (own workforce)

"Workplace with elevated OHS impacts" is an actual negative impact that was assessed as material for Groglass. Higher OHS risks and impacts are typical for manufacturing industry compared to other sectors. The workplace environment at Groglass

includes various equipment, machinery, glass products, heavy weights, and certain amount of chemicals.

OHS matters are constantly monitored and managed through an ISO 45001-based and externally certified OHS management system that has been in place since 2018. Various measures are implemented both on a continuous basis and as one-time initiatives to prevent OHS incidents and to minimise the impacts that are constantly present in everyday working environment (for example, noise).

Material risks and opportunities arising from impacts and dependencies on own workforce

Two workforce-related risks were identified as material in the DMA of 2025:

- risk of high-consequence OHS accidents; arising from the associated impact "Workplace with elevated OHS impacts"

- availability of workforce, especially of relatively low qualified, but highly disciplined production workers and on short notice (for unplanned production peaks); arising from the dependency on workforce

Disclosure of which of the material risks and opportunities relate to specific groups of people and how this understanding was developed

Although relevant for all employees, both of the material risks under this topic relate to a greater degree to production workers.

IROs related to own workforce were identified as an integral part of the DMA process and assessed according to its IRO assessment methodology and materiality thresholds. Occupational health and safety matters are also thoroughly analysed and monitored through the company's ISO 45001-based OHS management system. This system serves as a

key tool for understanding risks and impacts associated with OHS, incl. which employee groups are affected by certain risks and impacts.

See also ESRS 2 IRO-1 and ESRS 2 SMB-2.

Material impacts on workers that may arise from transition plans for reducing negative impacts on environment and achieving greener and climate-neutral operations

No such impacts are currently identified.

Operations and countries at significant risk of incidents of forced or compulsory labour

Not applicable.

Operations and countries at significant risk of incidents of child labour

Not applicable.

Policies related to own workforce

Policies to manage material IROs related to the own workforce

Sustainability Policy

Sustainability matters addressed by the policy:

Climate change, Climate change mitigation
 Pollution, Pollution of air
 Circular economy, Waste
 Own workforce, Health and safety
 Circular economy, Resource outflows related to products and services
 Business conduct, Corporate culture
 Pollution, Pollution of water
 Pollution, Pollution of soil
 Business conduct, Management of relationships with suppliers including payment practices
 Consumers and end-users, Information-related impacts for consumers and/or end-users
 Consumers and end-users, Personal safety of consumers and/or end-users

Description of key contents of policy:

A general, overarching policy that lays out three Groglass' sustainability pillars (Product, People, Planet) and their respective levers or focus areas. The policy also describes in broad strokes sustainability-related roles and responsibilities of the company's governing institutions. The most senior level in the organisation that is accountable for the implementation of the policy: Management Board.

Contents of the policy are listed under ESRS 2 SBM-1 "Description of sustainability-related goals".

Employee Code of Conduct

Sustainability matters addressed by the policy:

Business conduct, Protection of whistle-blowers
 Business conduct, Corporate culture
 Business conduct, Corruption and bribery
 Business conduct, Data protection and security
 Own workforce, Work-life balance
 Own workforce, Equal treatment and opportunities for all
 Consumers and end-users, Information-related impacts for consumers and/or end-users
 Consumers and end-users, Personal safety of consumers and/or end-users

Description of key contents of policy:

The Groglass Employee Code of Conduct has been developed to establish a unified business practice and work culture based on the Company's core values and ethical principles. The values, which are binding for all employees, are attention to details, taking responsibility, allowing for change, and working in a team.

The principles of the Employee Code of Conduct include adherence to international and national legal requirements, ensuring human rights, prohibiting discrimination, and protecting the company's property. Employees must ensure honest, complete, and accurate communication, avoiding defamation and disrespectful conduct towards colleagues. Conflicts of interest must be prevented by separating personal interests from work duties. Trainings on the contents of the Code and mechanisms for reporting violations are managed by the Administrative and HR Department. In case of violations, an Ethics Committee is set up to review the submitted information or the violation in question.

Employee Data Privacy Policy**Sustainability matters addressed by the policy:**

Business conduct, Corporate culture
Business conduct, Data protection and security
Own workforce, Other work-related rights
Own workforce, Working conditions

Description of key contents of policy:

This policy establishes the procedures by which Groglass, acting as the controller, processes and protects employee personal data in accordance with the General Data Protection Regulation (GDPR) and other applicable regulations. Data is collected and processed for various purposes, including personnel management, payroll calculations, mandatory health checks, as well as for ensuring company security (incl. video surveillance) and business operations. The legal basis for data processing may be employee consent, the performance of a contract, a legal obligation, or the company's legitimate interests. The policy outlines data transfer to third parties, such as state authorities, insurers, and service providers, while ensuring data protection. The document defines specific data retention periods. Employees have the right to request access to their data, request its rectification or deletion, as well as to withdraw their consent and lodge complaints.

Occupational Health & Safety and Fire Safety Policy**Sustainability matters addressed by the policy:**

Own workforce, Health and safety
Own workforce, Working conditions

Description of key contents of policy:

The Occupational Health & Safety and Fire Safety Policy (in short, the OHS Policy) is based on the ISO 45001 and aims to ensure a safe and harmless working environment for all Groglass' employees by promoting their physical, mental and social wellbeing and by implementing measures to prevent accidents at work and occupational diseases and to reduce the number of working days lost.

The key principles laid out in the policy:

- the working environment is set up so as to avoid OHS risks and to minimise the impact of those risks that are unavoidable;

- workplace adjustments, equipment, working and production methods that reduce negative health impacts;
- inclusion of the developments in technology, hygiene and occupational medicine;
- replacement of the hazardous with safe or less hazardous alternatives;
- collective protective measures are prioritised over individual protective measures where possible;
- special attention is paid to vulnerable groups like pregnant women, women in the postpartum period, teenagers, etc.

The matters related to the working environment are overseen by a dedicated OHS specialist. The most senior level in the organisation responsible for the implementation of the OHS policy is the Management Board.

Human rights policy commitments relevant to own workforce

While there is no separate human rights policy at Groglass, the commitment to operate in accordance with the requirements of international and national laws relevant to the industry, as well as the principles of the UN Global Compact is laid out in the Code of Conduct. This document also commits to equal treatment of all employees and prohibits any form of discrimination, child labour and forced labour.

Matters like commencement and termination of employment, access to work resources, working time, remuneration, and vacation are reglamented in the Internal Rules of Procedure and several supporting procedures, thus ensuring equal treatment of all employees that in direct employment relationship with Groglass.

Human rights aspects related to the working environment are addressed in the OHS policy (see above). In addition to that, the company has OHS-related internal procedures for visitors and employees of the companies that provide services to Groglass.

Processing of employee data, incl. rights related to data privacy, are addressed in the Employee Data

Privacy Policy.

Processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, and the ILO Declaration on Fundamental Principles and Rights at Work

Groglass commits to comply with the above mentioned principles in its Code of Conduct. The Code is developed in accordance with the principles of the UN Global Compact which are derived from other international documents, incl. Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

The compliance with these principles is monitored through the employee engagement processes and mechanisms described below in S1-2 "Processes for engaging with own workers and workers' representatives about impacts."

Policies are aligned with relevant internationally recognised instruments

Yes

Description of how policies are aligned with relevant internationally recognised instruments

The company's Code of Conduct is developed in accordance with the principles of the UN Global Compact which are derived from other international documents, incl. Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

Policies explicitly address trafficking in human beings

No

Policies explicitly address forced labour or compulsory labour

Yes

Policies explicitly address child labour

Yes

Workplace accident prevention policy or management system is in place

Yes

Policies aimed at elimination of discrimination

Groglass Code of Conduct explicitly prohibits any form of discrimination, incl. based on racial and ethnic origin, religion, age, sex, sexual orientation, family status, political opinion, income level, incapacity for work or disability. The Code also promotes equal treatment of all employees. The equal treatment is further detailed in the Internal Rules of Procedure which set the rules for employment commencement and termination, remuneration, etc.

Groglass has no specific policy on inclusion or positive action for people from groups at particular risk of vulnerability in its own workforce.

Supplier codes of conduct include provisions addressing safety of workers

Yes

Supplier codes of conduct include provisions addressing precarious work

Yes

Supplier codes of conduct include provisions addressing human trafficking

No

Supplier codes of conduct include provisions addressing use of forced labour or child labour

Yes

Supplier codes of conduct provisions are fully in line with applicable ILO standards

Yes

S1-2 **Processes for engaging with own workers and workers' representatives about impacts**

Disclosure of whether and how perspectives of own workforce inform decisions or activities aimed at managing actual and potential impacts

Open communication and structured feedback processes enable employee engagement and participation in decision-making and opportunities for growth and development. There are several communication channels that provide an opportunity for every employee to receive information and express their opinion: a quarterly employee pulse survey, a quarterly employee general meeting, an employee intranet, an email for suggestions/complaints, and a mailbox for paper messages. The annual trainings on the Code of Conduct, as well as other trainings and instructions,

also provide an opportunity for employee feedback. Groglass also conducts annual development reviews for mid-level managers and specialists.

Groglass' employees were one of the key stakeholder groups engaged in the stakeholder survey of 2025. As to the material impact "Workplace with elevated OHS impacts", the company sets targets related to the work environment, and employees are involved in the annual assessment of their working environment.

Forms of engagement include direct communication with the OHS specialist or the option to leave a message in HR portal. Additionally, internal claims can be registered through the Production Shift Manager; these claims will be

reviewed to determine the necessity of corrective actions.

Engagement with own workforce or their representatives

Groglass engages directly with employees through the mechanisms described above.

Function and most senior role within undertaking that has operational responsibility for ensuring that engagement happens and that results inform undertakings approach

The responsibility for employment engagement lies with the Administrative and HR Department. The key

roles responsible are the HR Manager (for employee satisfaction, training and development, and other HR matters) and the OHS specialist (for matters related to the working environment, health and safety).

Disclosure of how effectiveness of engagement with its own workforce is assessed

The effectiveness of engagement is evaluated by indirect metrics like eNPS (Employee Net Promoter Score) and percentage of employees responding to the employee surveys.

Processes to remediate negative impacts and channels for own workers to raise concerns

General approach to and processes for providing or contributing to remedy where undertaking has caused or contributed to a material negative impact on own workforce

In the DMA of 2025, elevated OHS impacts were identified as material for own workforce. The ISO 45001-based OHS management system includes processes for identifying specific impacts on specific worker groups and how these impacts are best prevented and ensuring that the unique needs, vulnerabilities, and exposures of different worker groups are fully reflected in the organisation's risk assessment and operational controls. This includes integrating dedicated procedures for consultation, participation, training, monitoring and review. As a result, the organisation can more effectively prevent harm, reduce disparities in risk exposure, and implement timely remedial actions, thereby supporting a safer, healthier, and more inclusive working environment for all workers.

Employees are involved in the assessment of work environment risks through interviews and on-site observation of work processes. Risks are reviewed annually. If the protocol remains valid (i.e., no changes have occurred during the year), it is marked as 'reviewed.' If updates are required, a re-assessment is performed. Additionally, a re-assessment is conducted after every accident. Immediate assessment is also carried out if there are any changes, such as the introduction of new equipment.

Various measures are implemented both on a continuous basis and as one-time initiatives to prevent OHS incidents and to minimise the impacts that are constantly present in everyday working environment (for example, noise). If an incident has occurred, it is promptly investigated and corrective actions are implemented.

If an employee has developed work-related ill health it is also getting investigated, measures are taken in accordance with occupational doctor recommendations (for example, workload is reduced, workplace adjustments are provided).

Channels in place for its own workforce to raise concerns or needs directly with the undertaking

The primary way for resolving issues and raising concerns is through one's direct manager or, if this is not possible for some reason, through the Administrative and HR Department. Matters related to health and safety can also be taken up directly with the OHS specialist.

Apart from that, employees can raise their concerns through the various communication and engagement channels described in S1-2 "Processes for engaging with own workers and workers' representatives about impacts." Concerns can also be submitted on the internal HR portal, and there is a whistleblowing procedure in place for reporting potentially illegal, unsafe or unethical

activities or situations that cannot be resolved otherwise.

Third-party mechanisms for raising concerns

OHS related-concerns can also be raised through the Mission Zero platform, which is a voluntary and public initiative established in 2022 by the companies aiming at zero workplace accidents, prevention of work-related fatalities and preventive measures to protect and preserve the health of employees. Reports through the website can be submitted both in an anonymous and non-anonymous way.

Disclosure of how workforce can access channels at level of the undertaking they are employed by or contracted to work for

All employees who are in direct employment relationship with Groglass can use any of the channels described in S1-2 "Processes for engaging with own workers and workers' representatives about impacts." If the whistleblowing channel is used, the report can be submitted in any of the following ways: 1) in person to the Administrative and HR Department; 2) by sending it to a designated e-mail address; 3) by sending it by post; 3) by putting it in the box for incoming mail.

Temporary employees hired from the employment agencies during production peaks can report

emergency situations directly to the Production Shift Manager or through their own employer. Unfortunately, agency workers do not have the option to submit claims anonymously.

Grievance or complaints handling mechanisms related to employee matters exist

The mechanisms are the same for all matters.

Processes through which undertaking supports or requires availability of channels

Regular employee surveys are sent to all employees; information about other channels are provided in relevant trainings and instructions.

There is a display in the work areas, where current information and popularisation of reporting channels are displayed.

Disclosure of how issues raised and addressed are tracked and monitored and how effectiveness of channels is ensured

The mechanism for addressing received complaints or whistleblowing reports is described in ESRS G1-1.

There are no dedicated mechanisms for assessing effectiveness. However, messages have been received via the email for suggestions and in the physical mailboxes, which may indirectly indicate the effectiveness of these channels.

Disclosure of whether and how it is assessed that its own workforce is aware of and trust structures or processes as way to raise their concerns or needs and have them addressed

Surveys regarding awareness of these channels are not conducted. See also S1-3 "Disclosure of how

issues raised and addressed are tracked and monitored and how effectiveness of channels is ensured".

Policies regarding protection against retaliation for individuals that use channels to raise concerns or needs are in place

See G1-1 "Business conduct policies and corporate culture."

S1-4 **Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions**

Key actions

Reducing emissions to air at the chemical plant

Sustainability matters addressed by the actions and/or resources:

Pollution, Pollution of air

Own workforce, Health and safety

Description of key action

A project is underway at the chemical plant to identify technical solutions for reducing air emissions. The feasibility evaluation for this project involves developing a detailed action plan, which will

include parameters such as (but not limited to) an assessment of equipment suppliers, delivery times, and costs. However, due to low production activity at the chemical plant, a final decision on the implementation of specific actions will be made later, according to the situation.

Increasing operational efficiency

Sustainability matters addressed by the actions and/or resources:

Climate change, Climate change mitigation
Climate change, Climate change adaptation

Climate change, Energy
Pollution, Pollution of air
Circular economy, Waste
Own workforce, Health and safety
Own workforce, Working conditions

Description of key action

Increased operational efficiency also helps to lower environmental impacts of the company's production processes. For more details, see "Elements of

strategy that relate to or impact sustainability matters" under ESRS 2 SBM-1.

Risk mitigation measures

Sustainability matters addressed by the actions and/or resources:

Own workforce, Working conditions
Own workforce, Health and safety

Description of key action

Various measures to mitigate workplace risks are implemented every year. The following measures were implemented in 2024:

- Kits were prepared for work at height and hot work;

- All lifting slings were replaced—the old ones were discarded, and new slings with fewer connection points were purchased.
- The cable was visibly marked to prevent crane contact;
- Stop-solutions for forklifts were purchased and implemented;

- A trolley was fabricated for transporting heavy rolls of foil;
- To prevent the risk of tripping over cables on the floor in the carpentry workshop, the cables were re-routed through the ceiling.

Well-being measures

Sustainability matters addressed by the actions and/or resources:

Own workforce, Health and safety
Own workforce, Working conditions

Description of key action

Organisation of seminars on healthy eating habits, physiotherapy consultations, exercise sessions,

and workplace ergonomics training.

Participation in "Mission Zero"

Sustainability matters addressed by the actions and/or resources:

Own workforce, Working conditions
Own workforce, Health and safety

Description of key action

"Mission Zero" is a social initiative and a collaborative platform for employers in Latvia, centring on occupational health and safety.

Its core essence:

- Goal: To achieve 0 (zero) accidents, 0 fatalities, and 0 occupational diseases in companies. The vision is that every employee returns home just as healthy as when they arrived at work.
- Operating Principle: Companies sign a charter, pledging that health and safety is a priority (more important than profit or deadlines).
- Community: It is a place where responsible companies share "best practices"- real

examples and solutions for improving the work environment and mitigating risks (such as the previously mentioned stop-solutions and ergonomics).

- In Summary: It is a movement to shift safety culture - from formal paperwork to genuine care for people.

Groglass has been a member of the "Mission Zero" initiative since 2022. Through this platform, the company facilitates experience exchange visits,

participates in training seminars, and consults with specialists from other organisations.

The initiative also serves as a mechanism for employers and specialists to align their views and advocate for necessary improvements to the regulatory framework. Crucially, "Mission Zero" involves collaboration with the State Labour Inspectorate, establishing a direct feedback loop to identify the practical challenges faced by employers and OHS specialists, and to highlight areas where legislation requires updating.

Measures for mitigating workforce shortage

Sustainability matters addressed by the actions and/or resources:

Own workforce, Working conditions

Description of key action

Workforce shortage on the labour market is mitigated by leveraging leased staff solutions for

short-term production peaks and strengthening employee retention through regular remuneration reviews and a competitive benefits package.

Disclosure on whether and how action has been taken to provide or enable remedy in relation to actual material impact

See S1-3 “Processes to remediate negative impacts and channels for own workers to raise concerns.”

Additional initiatives or actions with primary purpose of delivering positive impacts for own workforce

See key actions in ESRS S1-4.

Description of how effectiveness of actions and initiatives in delivering outcomes for own workforce is tracked and assessed

There are no specific measurements of the effectiveness of the S1 key actions. The eNPS (Employee Net Promoter Score) can provide an indirect indication of the overall effectiveness of the key actions under S1.

Process through which undertaking identifies what action is needed and appropriate in response to particular actual or potential negative impact on own workforce

See S1-3 “Processes to remediate negative impacts and channels for own workers to raise concerns.”

Disclosure of whether and how it is ensured that own practices do not cause or contribute to material negative impacts on own workforce

Prevention, mitigation and eventual remedy of negative impacts on own workforce is ensured through the ISO 45001-based and externally certified OHS management system. For more details, see S1-3 “Processes to remediate negative impacts and channels for own workers to raise concerns.”

Resources allocated to the management of material impacts

The budget for OHS related activities is set up based on the actions planned for the given year. It is

then reviewed and approved as an integral part of the annual budget. The responsibility for the implementation lies with the OHS specialist at the Administrative and HR Department.

If additional resources are required for projects that emerge during the year, Investment Committee meetings are organised to decide on the feasibility of implementation.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Targets related to managing material IROs

Topic Target title & description

Environmental complaints

E2 The target of zero complaints related to the environmental management system is in accordance with the Environmental Policy and has been set voluntarily. The target applies to the company’s core operations, as well as interactions with nearby stakeholders (neighbours, regulatory bodies, residents). A complaint is defined as any officially registered (written or verbal) expression of dissatisfaction from an external stakeholder concerning the company’s environmental aspects. Measures for achieving and monitoring the target include the registration and investigation of complaints, as well as the determination of corrective and/or preventive actions. The indicator is calculated annually.

(Baseline) **N/A**

Topic Target title & description

2024 (Actual) 1

2024 (Target) 0

Total gaseous organic carbon emissions to air at the chemical plant

E2 The target is to ensure that the chemical plant's total organic carbon (TOC) air emissions do not exceed 50 mg C/m³. This target is set for the year 2024, and it applies to the company's own core operations.

S1 The target is set in accordance with the company's Environmental Policy. The value of the target is based on the national legislative requirements (a Category B polluting activity permit), which are established to ensure air quality and protect the environment. The monitoring is conducted annually by engaging an independent, certified LEGMC (Latvian Environment, Geology and Meteorology Centre) laboratory to perform the measurements. Testing is done according to LVS EN 12619:2013.

(Baseline) N/A

2024 (Actual) 25.8

2024 (Target) 50

Zero serious accidents

S1 The goal defined in the Occupational Health and Safety Policy is "0" serious accidents resulting in work incapacity exceeding 1 day.

The calculation methodology for this indicator included both Groglass' own employees and agency workers. The indicator are calculated annually.

(Baseline) N/A

2024 (Actual) 0

2024 (Target) 0

S1 **Accident severity rate**

This metric measures the severity of accident outcomes by tracking the amount of operational time lost due to injuries. It indicates whether the incidents were minor (resulting in few lost days) or severe.

SR = (Total work days lost due to accident X 1,000) / Total man hours worked.

Result corresponds to an average of days lost per 1,000 hours worked.

Topic Target title & description

Total work days lost due to accidents - an occupational injury or illness, other than a fatal injury, which results in a person being unfit for work. NB! Lost workdays for each injured employee should be totaled. Lost workdays are counted according to GRI 403: starting the day after the accident or injury occurs. Lost workdays include all calendar days (working days, weekends, holidays).

When calculating the accident severity rate (ASR) for company, should include accidents for both low-risk and high-risk jobs.

The 2024 was the first year when the Accident severity rate was listed.

The calculation methodology for this indicator included both Groglass' own employees and agency workers. The indicator are calculated annually.

2024 (Baseline) **N/A**

2024 (Actual) **0.9**

2024 (Target) **N/A**

Accident frequency rate

This indicator measures how often accidents occur within the company in relation to the hours worked. It allows for the comparison of safety levels regardless of changes in the number of employees.

AFR = (Number of recordable accidents x 200,000) / Total man hours worked

S1 Result gives the number of accidents per 100 employees.

200,000 – used to standardise the number (equals 40 hours per week x 100 employees x 50 weeks per year).

The calculation methodology for this indicator included both Groglass' own employees and agency workers. The indicator are calculated annually.

(Baseline) **N/A**

2024 (Actual) **3.09**

2024 (Target) **2**

Engagement of own workforce in target setting and tracking performance against targets

The Company's primary annual objectives are defined in collaboration with Supervisory Board and

the Management Board. To determine the strategy for achieving these objectives, engagement discussions are held with department heads, after which the goals are cascaded within each department. To meet departmental targets, each

team defines specific KPIs for their operations and outlines the necessary activities. The annual goal-setting process is inclusive, involving all department heads, as well as mid-level managers and specialists.

Disclosure of references to standards or commitments which targets are based on

See in "Targets related to managing material IROs" ESR S1-5.

Characteristics of the undertaking's employees

Number of employees by gender

Gender	Number of employees (head count)
Male	158
Female	55
Other	0
Not reported	0
Total Employees	213

Employees by contract type and gender (in head count)

Contract type	Male	Female	Other/Not reported	TOTAL
Permanent employees	157	55	0	212
Temporary employees	1	0	0	1
Non-guaranteed-hours employees	0	0	0	0
Full-time employees	157	53	0	210
Part-time employees	1	2	0	3

Health and safety metrics

Health and safety metrics

2024

Percentage of people in the undertakings own workforce who are covered by the undertaking's OHS management system *

employees	100
non-employees	100
TOTAL	100

Number of fatalities as a result of work-related injuries and work-related ill health

employees	0
non-employees	0
other workers working on the undertaking's sites (subcontractors)	0
TOTAL	0

Recordable work-related accidents

number, employees	5
number, non-employees	1
TOTAL	6
Rate (AFR)**, employees	2,58

Rate (AFR)**, non-employees	0,51
TOTAL	3,09
number of hours worked	387851

Number of cases of recordable work-related ill health

employees	0
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Number of days lost due to work-related injuries, recordable work-related accidents and work-related ill health

employees	351
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* The company's OHS management system is ISO 45001-based and externally certified.

**The recordable work-related accident rate (AFR, accident frequency rate) is calculated as follows:

$$FR = \frac{\text{Number of recordable accidents} \times 200,000}{\text{Total man hours worked}}$$

S4 Consumers and end-users

S4.SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business mode

Processes to identify material consumer-related IROs

Consumer-related IROs were identified as an integral part of the DMA process and assessed

according to its IRO assessment methodology and materiality thresholds (see ESRS 2 IRO-1 and ESRS 2 SMB-1). Two impacts (both positive) and one opportunity were assessed as material in the DMA

process. Since no material negative impacts on consumers and end-users were identified, the S4 disclosures related to negative impacts are omitted.

Identified material impacts, risks and opportunities

Topic	Title & description	Type	Upstream	Own operations	Downstream	Short-term	Medium-term	Long-term
S4	Product and service transparency Groglass provides accurate and complete product descriptions and usage instructions as ready-made documents, with more details and product support available upon request. There are clear rules and procedures for warranties and handling of complaints.	 Actual positive impact			●		●	●
S4	Promoting safe product handling practices To educate customers about safe handling of glass products, Groglass provide an informative brochure about appropriate personal protective equipment (e.g., anti-cut gloves) and explanations of protection level markings. Customers can also use a Groglass' cleaning product that has a very low percentage of solvent in it and thus can serve as an alternative to more hazardous cleaners.	 Actual positive impact			●		●	●

Topic	Title & description	Type	Upstr.	Own	Down	Short	Medium	Long
S4	<p>EPDs for a growing share of Groglass product portfolio</p> <p>EPDs can improve market access, primarily in the technical glass segment, by giving an edge over competitors who lack verified data. Life cycle assessments that EPDs are based on can clearly highlight environmental hotspots in own operations and in the supply chain. These insights can then serve as a guidance for own R&D and help to prioritise focus areas for working with suppliers.</p>	● Opportunity	●	●	●		●	●

All consumers and end-users who can be materially impacted by undertaking are included in scope of disclosure under ESRS 2

Yes.

The very end-users of Groglass products are the users of art and culture in museums, exhibition halls (i.e. visitors), showcase users in stores, and users of technical screens at the airports, medical institutions, etc. In most cases, they do not have direct contact with the product and do not perceive it as a separate part of their experience. Thus, for the purpose of the S4 standard, Groglass defines its consumers as customers and their employees that come in direct contact with the company's product and that have certain demands for the product's

quality and performance, and an interest in its environmental footprint.

See also the value chain illustration in SBM-1 "Strategy, business model, and value chain" and stakeholder mapping in SBM-2 "Interests and views of stakeholders."

Types of consumers and end-users subject to material impacts

The key groups of the Groglass' product users that benefit from the product and service transparency and safe product handling practices are glass distributors, glass processors. This includes the employees of these companies who come into direct contact with the Groglass products through cutting, preparing and washing the product.

The users of the Groglass products do not include the following groups:

- consumers of products that are inherently harmful to people and/or increase risks for chronic disease;
- consumers of services that potentially negatively impact their rights to privacy, to have their personal data protected, to freedom of expression and to non-discrimination;
- consumers who are dependent on accurate and accessible product- or service-related information, such as manuals and product labels, to avoid potentially damaging use of a product or service;
- consumers who are particularly vulnerable to health or privacy impacts or impacts from marketing and sales strategies, such as children or financially vulnerable individuals.

Activities that result in positive impacts and types of consumers and end-users that are or could be positively affected

See the impact descriptions above, under the disclosure "Identified material impacts, risks and opportunities".

Material risks and opportunities arising from impacts and dependencies on consumers and end-users (incl. specific groups of consumers)

The sustainability-related opportunity of expanding the EPD portfolio of the company's products arises mainly from the interest of the technical glass segment in the environmental performance of their acquired products.

Policies related to consumers and end-users

Policies to manage material IROs related to consumers and end-users

Sustainability Policy

Sustainability matters addressed by the policy:

Climate change, Climate change mitigation
 Pollution, Pollution of air
 Circular economy, Waste
 Own workforce, Health and safety
 Circular economy, Resource outflows related to products and services
 Business conduct, Corporate culture
 Pollution, Pollution of water
 Pollution, Pollution of soil
 Business conduct, Management of relationships with suppliers including payment practices
 Consumers and end-users, Information-related impacts for consumers and/or end-users
 Consumers and end-users, Personal safety of consumers and/or end-users

Description of key contents of policy:

A general, overarching policy that lays out three Groglass' sustainability pillars (Product, People, Planet) and their respective levers or focus areas. The policy also describes in broad strokes sustainability-related roles and responsibilities of the company's governing institutions. The most senior level in the organisation that is accountable for the implementation of the policy: Management Board.

Contents of the policy are listed under ESRS 2 SBM-1 "Description of sustainability-related goals".

Employee Code of Conduct

Sustainability matters addressed by the policy:

Business conduct, Protection of whistle-blowers
 Business conduct, Corporate culture
 Business conduct, Corruption and bribery
 Business conduct, Data protection and security
 Own workforce, Work-life balance
 Own workforce, Equal treatment and opportunities for all
 Consumers and end-users, Information-related impacts for consumers and/or end-users
 Consumers and end-users, Personal safety of consumers and/or end-users

Description of key contents of policy:

The Groglass Employee Code of Conduct has been developed to establish a unified business practice and work culture based on the Company’s core values and ethical principles. The values, which are binding for all employees, are attention to details, taking responsibility, allowing for change, and working in a team.

The principles of the Employee Code of Conduct include adherence to international and national legal requirements, ensuring human rights, prohibiting discrimination, and protecting the company’s property. Employees must ensure honest, complete, and accurate communication, avoiding defamation and disrespectful conduct towards colleagues. Conflicts of interest must be prevented by separating personal interests from work duties. Trainings on the contents of the Code and mechanisms for reporting violations are managed by the Administrative and HR Department. In case of violations, an Ethics Committee is set up to review the submitted information or the violation in question.

Human rights policy commitments relevant to consumers and/or end-users

While the company’s Code of Conduct is primarily oriented towards Groglass employees, the principles and norms laid out in the document are equally valid in the communication and interactions with the customers and their representatives. For

more specific commitments related to human rights, see S1-1 “Policies related to own workforce.”

Engagement with consumers and/or end-users

See S4-2 “Processes for engaging with consumers and end users about impacts” below.

Description of whether and how policies are aligned with relevant internationally recognised instruments

See S1-1 “Policies related to own workforce.”

Cases of non-respect of the UN Guiding Principles on Business and Human Rights, ILO Declaration on Fundamental Principles and Rights at Work that involve consumers and/or end-users

No such cases were identified by Groglass in the reporting year.

S4-2 **Processes for engaging with consumers and endusers about impacts**

General process to engage with consumers and/or end-users

Regular direct engagement forms include communication via the sales team, as well as discussions and feedback in business meetings, exhibitions and networking events. The feedback is also received through the annual customer satisfaction questionnaire and analyse the findings to implement necessary adjustments based on

customer feedback. Declarations of conformity are regularly issued; complaints about the product and/or delivery, and inquiries about sustainability topics are reviewed and addressed when such arise. Customer feedback, incl. sustainability-related inquiries, serve as an input for the further development of product portfolio and company-level decisions. A recent example for this is the increasing interest in the product EPDs from the

customers in the technical glass segment, which is expected to result in the development of such declarations for technical glass products.

Groglass customers were also one of the key stakeholder groups surveyed in the DMA process of 2025. For more details on this process, see ESRS 2 IRO-1 “Description of the processes to identify and assess material impacts, risks, and opportunities.”

The functions involved in the regular engagement activities are primarily the Sales Department, the Order Management Department, and to a certain degree the Marketing Department. The DMA-related engagement activities are coordinated by the Quality System Manager in the Administrative and HR Department.

S4-3

Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Channels for consumers to raise concerns and processes to handle customer claims

In the DMA of 2025, no negative impacts on consumers as defined under S4.SBM-3 were

identified.

Any concerns can be raised directly with Groglass through the mechanisms listed in S4-2 "Processes for engaging with consumers and end-users about

impacts." The procedure for submitting quality-related claims is laid out in the General Terms of Business Sale and Delivery that are publicly available on the [company's website](#).

There are no third-party grievance mechanisms for customers/consumers.

S4-4

Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Key actions

Development of the Ecodesign Policy

Sustainability matters addressed by the actions and/or resources:

Pollution, Pollution of air

Climate change, Climate change mitigation
Circular economy, Waste
Consumers and end-users, Information-related impacts for consumers and/or end-users

Description of key action

Such policy would demonstrate to stakeholders that Groglass is seeking to further improve the Group's environmental performance through

environmentally conscious design decisions across R&D and production process.

Simplified procedure of claims

Sustainability matters addressed by the actions and/or resources:

Consumers and end-users, Information-related impacts for consumers and/or end-users

Description of key action

For large and regular customers, there is a simplified procedure for handling of lower-value claims.

Development of Customer Service Policy

Sustainability matters addressed by the actions and/or resources:

Consumers and end-users, Information-related impacts for consumers and/or end-users

Description of key action

Benefits of establishing a comprehensive Customer Service Policy:

- Standardisation and consistency: ensures that every interaction aligns with the company's quality standards, guaranteeing that all clients receive fair, consistent, and professional treatment regardless of region or account manager.
- Operational efficiency: provides clear guidelines and protocols for employees, reducing ambiguity in decision-making and accelerating complaint resolution times.

- Accountability and transparency: establishes defined benchmarks and KPIs against which the company's performance can be measured and reported annually.
- Employee empowerment: equips the sales and support teams with a structured framework, giving them the confidence and tools to handle complex client situations effectively.
- Risk management: mitigates reputational risks by ensuring a proactive and systematic

approach to issue resolution, preventing minor incidents from escalating into major grievances.

- Continuous improvement: creates a feedback loop where service data is collected and analysed, allowing the company to identify systemic issues and implement long-term strategic improvements.

Social media presence

Sustainability matters addressed by the actions and/or resources:

Consumers and end-users, Information-related impacts for consumers and/or end-users

Description of key action

Increase in the number of followers on prioritised social media platforms:
- Facebook

- Instagram
- LinkedIn and others

Actions planned or underway to pursue material opportunities related to consumers and end-users

The potential development of Environmental Product Declarations (EPDs) is reviewed by the Management Board at least annually. A conceptual decision is made to either proceed with or postpone the initiative, in alignment with the company's business development strategy.

Disclosure of how the undertaking ensures that own practices do not cause or contribute to material negative impacts on consumers and end-users

See the impact descriptions in "Identified material impacts, risks and opportunities" (under S4.SBM-3 "Material impacts, risks and opportunities and their interaction with strategy and business mode.")

Severe human rights issues and incidents connected to consumers and/or end-users

No such incidents have been identified by Groglass in the reporting period.

Resources allocated to management of material impacts

The budget for customer-related activities is set up based on the actions and events planned for the given year. It is then reviewed and approved as an integral part of the annual budget.

S4-5 **Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities**

Targets related to managing material IROs

No other specific targets are set. Activities related to managing material IRO are defined in S4-4 "Key actions".

Process for setting the targets, incl. direct engagement of consumers or their representatives in this process

Consumers and end-users are not directly engaged in setting the targets or tracking the undertaking's

performance against them.

A pair of brass scales of justice is shown against a dark, blurred background. The scales are positioned on the right side of the frame, with the pans hanging from a central vertical beam. The lighting is dramatic, highlighting the metallic texture of the pans and the intricate details of the chains and beams. The overall mood is serious and legal.

**GOVERNANCE
DISCLOSURES**

G1 Business conduct

G1.GOV-1 The role of the administrative, supervisory and management bodies

Role of the governing bodies related to business conduct

The highest level of responsibility to approve and implement all policies, incl. those addressing business conduct matters, lies with the company's Management Board. The key documents addressing

business conduct are Groglass' Code of Conduct, the Internal Rules of Procedure, the Purchasing Procedure, and the Supplier Code of Conduct.

The content of these documents is reviewed and updated by the responsible department managers. The company's Management Board then reviews the

changes and approves the documents. The documents are reviewed when necessary (if changes have occurred) or at least once every 2 years, in accordance with the internally established procedure.

Expertise of the governing bodies on business conduct matters

See ESRS 2 GOV-1.

G1-1 Business conduct policies and corporate culture

Policies that relate to business conduct matters

Sustainability Policy

Sustainability matters addressed by the policy:

Climate change, Climate change mitigation
 Pollution, Pollution of air
 Circular economy, Waste
 Own workforce, Health and safety
 Circular economy, Resource outflows related to products and services
 Business conduct, Corporate culture
 Pollution, Pollution of water
 Pollution, Pollution of soil
 Business conduct, Management of relationships with suppliers including payment practices
 Consumers and end-users, Information-related impacts for consumers and/or end-users
 Consumers and end-users, Personal safety of consumers and/or end-users

Description of key contents of policy:

A general, overarching policy that lays out three Groglass' sustainability pillars (Product, People, Planet) and their respective levers or focus areas. The policy also describes in broad strokes sustainability-related roles and responsibilities of the company's governing institutions. The most senior level in the organisation that is accountable for the implementation of the policy: Management Board.

Contents of the policy are listed under ESRS 2 SBM-1 "Description of sustainability-related goals".

Employee Code of Conduct

Sustainability matters addressed by the policy:

Business conduct, Protection of whistle-blowers
Business conduct, Corporate culture
Business conduct, Corruption and bribery
Business conduct, Data protection and security
Own workforce, Work-life balance
Own workforce, Equal treatment and opportunities for all
Consumers and end-users, Information-related impacts for consumers and/or end-users
Consumers and end-users, Personal safety of consumers and/or end-users

Description of key contents of policy:

The Groglass Employee Code of Conduct has been developed to establish a unified business practice and work culture based on the Company's core values and ethical principles. The values, which are binding for all employees, are attention to details, taking responsibility, allowing for change, and working in a team.

The principles of the Employee Code of Conduct include adherence to international and national legal requirements, ensuring human rights, prohibiting discrimination, and protecting the company's property. Employees must ensure honest, complete, and accurate communication, avoiding defamation and disrespectful conduct towards colleagues. Conflicts of interest must be prevented by separating personal interests from work duties. Trainings on the contents of the Code and mechanisms for reporting violations are managed by the Administrative and HR Department. In case of violations, an Ethics Committee is set up to review the submitted information or the violation in question.

Supplier Code of conduct

Sustainability matters addressed by the policy:

Business conduct, Corruption and bribery
Business conduct, Data protection and security
Business conduct, Corporate culture
Business conduct, Management of relationships with suppliers including payment practices

Description of key contents of policy:

The Supplier Code of Conduct sets out GroGlass' principles for sustainable and responsible corporate leadership. The Code applies to all GroGlass suppliers and their sub-suppliers globally, who are expected to promote compliance within their own supply chains. The core principles of the Code mandate respect for international human rights and the dignity, privacy, and individual rights of all persons. In terms of labour practices, suppliers must adhere to applicable labour laws, ensure fair wages and appropriate working hours, and strictly prohibit forced and child labour. The company maintains zero tolerance for corruption, extortion, and bribery. Furthermore, suppliers must be committed to preserving natural resources by adhering to environmental regulations and prohibiting harmful environmental practices such as soil, water, and air pollution. By engaging in business with Groglass suppliers acknowledge and agree to comply with this Code of Conduct.

Employee Data Privacy Policy

Sustainability matters addressed by the policy:

Business conduct, Corporate culture
Business conduct, Data protection and security
Own workforce, Other work-related rights
Own workforce, Working conditions

Description of key contents of policy:

This policy establishes the procedures by which Groglass, acting as the controller, processes and protects employee personal data in accordance with the General Data Protection Regulation (GDPR) and other applicable regulations. Data is collected and processed for various purposes, including personnel management, payroll calculations, mandatory health checks , as well as for ensuring company security (incl. video surveillance) and business operations. The legal basis for data processing may be employee consent, the performance of a contract, a legal obligation, or the company's legitimate interests. The policy outlines data transfer to third parties, such as state authorities, insurers, and service providers, while ensuring data protection. The document defines specific data retention periods. Employees have the right to request access to their data, request its rectification or deletion, as well as to withdraw their consent and lodge complaints.

Description of how the undertaking establishes, develops, promotes and evaluates its corporate culture

The key document that addresses Groglass' corporate culture is its Code of Conduct that lays out the company values and main principles for ethical conduct. These form the very basis of the employee attitude towards work and are to be applied both internally and in the communication and interactions with external parties. All employees, incl. managers and members of the

Management Board, are annually trained on the Code and its requirements. The HR Department Manager is responsible for the training.

Adherence to the Code of Conduct is overseen by the Ethics Commission. When a complaint or whistleblowing report is received, an ad-hoc review committee is formed by the Management Board to investigate the matter.

Ethical corporate behaviour is also being promoted through Groglass' Supplier Code of Conduct, where zero tolerance for corruption, extortion, and bribery

and prohibition of unlawful advantages to influence business decisions are clearly stated.

Mechanisms for identifying, reporting and investigating concerns about unlawful behaviour or behaviour in contradiction of its code of conduct or similar internal rules

In Latvia, all companies with more than 50 employees are required to establish a whistleblowing procedure according to the Whistleblowing Law which transposes the EU

Directive (EU) 2019/1937. Such procedure has been in place in Groglass since 2022, and it is primarily meant for employees. The information and training about the procedure is provided to all employees as part of the training on the Code of Conduct. New employees are introduced to the procedure upon the beginning of employment.

If an employee knows of or suspects a potential violation in the workplace (for example, violations of workplace safety, corruption, discrimination, mobbing, or risks for the company reputation),

he/she is obliged to use the whistleblowing mechanism and submit the whistleblowing form in any of the following ways: 1) in person to the Administrative and HR Department; 2) by sending it to a designated e-mail address; 3) by sending it by post; 3) by putting it in the box for incoming mail.

To protect the whistleblower's identity, the report is registered and reviewed as restricted access information, and the submitter's data is pseudonymised. The whistleblower's report can also be submitted anonymously.

Various concerns can also be submitted on the internal HR portal and Employee Intranet.

Possible violations may be reported by external parties (external stakeholders) by sending a formal submission or complaint to the Groglass postal address or electronically to the email address indicated on the Groglass website.

When a complaint or whistleblowing report is received, an ad-hoc review committee is formed by

the Management Board to investigate the matter.

Policies on anti-corruption or anti-bribery consistent with United Nations Convention against Corruption are in place

Groglass has no separate policy on anti-corruption and bribery. However, the principles and measures for preventing bribery and corruption described in the Code of Conduct, the Internal Rules of Procedure, the Competition Law Compliance Guidelines, and the Supplier Code of Conduct are in line with the United Nations Convention against Corruption.

Safeguards for reporting irregularities including whistleblowing protection

The Code of Conduct prohibits to retaliate or cause any negative consequences to a whistleblower if the issue was raised in accordance with the requirements set out in the Whistleblowing Law or

this Code. To protect the whistleblower's identity, the report is registered and reviewed as restricted access information, and the submitter's data is pseudonymised.

Undertaking is committed to investigate business conduct incidents promptly, independently and objectively

Yes, the procedure for investigation of business conduct incidents is laid out in the internal Guidelines for Compliance with Competition Law for compliance with competition law and regulations.

Training within organisation on business conduct

All employees, incl. managers and members of the Management Board, are annually trained on the Code and its requirements.

Employee Code of Conduct training is conducted once a year, either in-person or remotely. The

training is delivered using a presentation, which is subsequently distributed to all employees via email. During the training, specific scenarios are discussed, and upon completion of the training, all employees fill out an electronic test to verify their knowledge.

Functions that are most at risk in respect of corruption and bribery

No formal assessment of the most-at-risk functions has been carried out. However, functions that deal with and make decisions on financial matters and business development do receive more extensive training / training that is more focused on issues like conflict of interest, gifts, cooperation with companies represented by relatives or family members.

The highest risks could be related to Procurement (purchase of raw materials) and the Technical Department (implementation of investment projects).

G1-3 Prevention and detection of corruption and bribery

Procedures to prevent, detect, and address allegations or incidents of corruption or bribery

The following documents and procedures are relevant to prevention, detection and addressing incidents of corruption or bribery:

- established accounting procedures and financial disclosures in accordance with the Law on Annual Statements and Consolidated Annual Statements (incl. independent auditor's report);
- Groglass' Code of Conduct and the associated Internal Rules of Procedure, incl. regular trainings;

- a detailed Purchasing Procedure that lays out the purchasing process, roles and responsibilities;
- the whistleblowing procedure;
- Procedure for investigation of business conduct incidents is laid out the internal guidelines for compliance with competition law and regulations;

- Guidelines for Compliance with Competition Law;
- Supplier Code of Conduct which is to be signed by suppliers upon entering into the contractual relationship with the company. By engaging in business with SIA Groglass, suppliers acknowledge that they understand and agree to comply with this Supplier Code of Conduct.

See also G1-1 Business conduct policies and corporate culture.

Investigators or investigating committee are separate from chain of management involved in prevention and detection of corruption or bribery

A meeting is convened with the Management Board members to discuss the composition of the commission, ensuring the situation can be assessed as independently as possible. The report is initially received only by the HR representative.

Process to report outcomes to the governing bodies (if there is such a process)

Reports and incidents are reported to the Board and reviewed as described above.

Information about how policies are communicated to those for whom they are relevant (prevention and detection of corruption or bribery)

The policies are primarily communicated via trainings. New employees get acquainted with the

policies relevant to their position at the beginning of the employment. Groglass' Code of Conduct is available to all employees in the document management system and on the internal server.

Information about nature, scope and depth of anti-corruption or anti-bribery training programmes offered or required

Anti-corruption and anti-bribery matters are part of the training on the Code of Conduct. The training is conducted annually, and all employees are required to complete it.

In addition, the Guidelines were sent to high-risk functions for review and familiarisation. There is no separate training program for Guidelines for Compliance with Competition Law.

Extent to which training is given to members of the governing bodies

Just like all other employees, members of the Management Board are required to complete the annual trainings on the Code of Conduct.

G1-4 Confirmed incidents of corruption or bribery

Number of convictions for violation of anti-corruption and anti-bribery laws

0

Amount of fines for violation of anti-corruption and anti-bribery laws

0 EUR

Number of confirmed incidents of corruption or bribery

0

G1.IRO-1 Processes to identify and assess material IROs

Processes to identify and assess material IROs related to business conduct matters

IROs related to circular economy were identified as an integral part of the DMA process and assessed

according to its IRO assessment methodology and materiality thresholds.

See also ESRS 2 IRO-1 and ESRS 2 SMB-1.

Results of the materiality assessment (business conduct)

Two impacts (both positive) and one risk were assessed as material in the DMA process.

IRO title and description

Type

Strong corporate culture based on values

Strong corporate culture rooted in the company's core values promotes ethical business conduct and serves as a compass for daily actions, decision-making, and relationships with clients, partners, and employees. Company's values can become a driving force that strengthens identity and boosts long-term success.

Actual positive impact

Prevention of unethical behaviour

Work on prevention of unethical behaviour includes clear procedures and rules for procurement and semi-annual training about the Employee Code of Conduct, incl. conflicts of interest. Another mechanism for detection and prevention of unethical behaviour is the whistleblowing channel available internally for employees.

Actual positive impact

Data protection and security incidents

Data protection and security is highly relevant for both customer and employee data. Incidents and security breaches may result in significant fines and reputational threats.

Risk

Company-

Data protection and security

specific:

Information about data protection and security

Currently, the employee data security system is supported by management and technical controls:

1. Key employee data is stored in the corporate HR portal. The portal is located in the cloud and is supported by an external IT company. Administrative access to the portal is limited to the HR team.

Employee access is SSO with 2FA, integrated with the corporate user directory MS Entra ID.

2. Employee personal materials are stored on the corporate file server. Access to the network drive is limited to the HR team. All requests for access to the file server are registered in the company's ticketing portal.

3. The internal procedure for handling employee data is laid out in the Employee Data Privacy Policy.

According to the company's IT strategy, Groglass constantly implements the best practices of the ISO27001 standard. There is also a plan to upgrade the HR portal David to the new version of the HR system.

Customer data security sales CRM system prioritises client data protection through various security measures and compliance with

data privacy regulations like GDPR. These measures include data encryption, secure connections, separate databases for each client, regular security audits, and adherence to industry standards like SOC 2 and SOC 3. Pipedrive also offers features like user permissions, single sign-on (SSO), and two-factor authentication (2FA) to enhance security.

Disclosure requirements and incorporation by reference

ESRS 2	General disclosures
BP-1	General basis for preparation of sustainability statements
BP-2	Disclosures in relation to specific circumstances
GOV-1	The role of the administrative, management, and supervisory bodies
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management, and supervisory bodies
GOV-3	Integration of sustainability-related performance in incentive schemes
GOV-4	Statement on due diligence
GOV-5	Risk management and internal controls over sustainability reporting
SBM-1	Strategy, business model, and value chain
SBM-2	Interests and views of stakeholders
SBM-3	Material impacts, risks, and opportunities and their interaction with strategy and business model
IRO-1	Description of the processes to identify and assess material impacts, risks, and opportunities
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement

E1	Climate change
E1.GOV-3	Integration of sustainability related performance in incentive schemes
E1-1	Transition plan for climate change mitigation
E1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
E1.IRO-1	Description of the processes to identify and assess material climate-related impacts, risks and opportunities
E1-2	Policies related to climate change mitigation and adaptation
E1-3	Actions and resources in relation to climate change policies
E1-4	Targets related to climate change mitigation and adaptation
E1-5	Energy consumption and mix
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions
E1-7	GHG removals and GHG mitigation projects financed through carbon credits
E1-8	Internal carbon pricing
E2	Pollution
E2.IRO-1	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities
E2-1	Policies related to pollution
E2-2	Actions and resources related to pollution
E2-3	Targets related to pollution
E2-4	Pollution of air, water and soil
E2-5	Substances of concern and substances of very high concern

E5	Circular economy
E5.IRO-1	Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities
E5-1	Policies related to resource use and circular economy
E5-2	Actions and resources related to resource use and circular economy
E5-3	Targets related to resource use and circular economy
E5-5	Resource outflows
S1	Own workforce
S1.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model
S1-1	Policies related to own workforce
S1-2	Processes for engaging with own workers and workers' representatives about impacts
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
S1-6	Characteristics of the undertaking's employees
S1-14	Health and safety metrics

S4	Consumers and end-users
S4.SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business mode
S4-1	Policies related to consumers and end-users
S4-2	Processes for engaging with consumers and endusers about impacts
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities
G1	Business conduct
G1.GOV-1	The role of the administrative, supervisory and management bodies
G1-1	Business conduct policies and corporate culture
G1-3	Prevention and detection of corruption and bribery
G1-4	Confirmed incidents of corruption or bribery
G1.IRO-1	Processes to identify and assess material IROs
Company-specific:	Data protection and security