

Đuro Đaković Group is committed to sustainable development, responsible business and contribution to environmental protection. Our approach to sustainability is based on the principle of dual significance, integrating key environmental, social and governance aspects to ensure long-term value for all our stakeholders and the community. ĐĐ Group consists of four companies: ĐĐ Grupa d.d., ĐĐ Specijalna vozila d.d., ĐĐ Strojna obrada d.o.o. and ĐĐ Energetika i infrastruktura d.o.o.

The principle of double significance

We recognize that our business activities have an impact on the environment and society, but also that environmental and social factors affect our business. Therefore, we actively manage these impacts to reduce risks and took advantage of opportunities for sustainable growth.

Environmental management

- **Waste management:** We aim to continuously reduce the intensity of generation of all waste by 5% per year and increase the proportion of waste that is recycled by 10% through further education of employees on the need to separate waste, reduction of packaging received from suppliers and optimization of production processes.
- **Energy management:** By 2030, we plan to reduce energy consumption through optimization of processes, further modernization of facilities and the introduction of renewable energy - our own solar power plant, and thus reduce the emission of greenhouse gases in Scope 2 by more than 30%.

Sustainable products and services

We develop light and superlight variants of existing wagons and thus contribute to the decarbonization of the transport sector. Our wagons are used in transport with a low or zero emission rate and enable easy maintenance, repair and reuse of individual modules, supporting the circular use of materials.

Product quality and safety

We ensure that all our products meet the highest quality and safety standards. We carry out strict controls at all stages of the production process to ensure the reliability and longevity of our vehicles.

Employee health and safety protection

The safety and well-being of our employees is our priority. We invest in continuous training, improving working conditions and promoting a culture of safety at work, with the aim of reaching the Croatian sectoral average of the injury at work rate in the next 3 years.

Social responsibility and human rights

- **Equality and inclusion:** We are committed to promoting diversity and equal opportunities for all employees, regardless of gender, age, nationality or any other personal characteristic.

- **Protection of human rights:** We respect and promote human rights in accordance with international standards, ensuring fair and just working conditions throughout our value chain.

Sustainable procurement and value chain

We work with suppliers who share our values and commitment to sustainability. We have implemented sustainability criteria into our procurement processes and educate our supplier to ensure compliance with environmental and social standards.

Innovation and digitalization

We invest in advanced technologies and digitization to increase efficiency, reduce our environmental footprint and improve monitoring and reporting of our sustainable practices.

Data security

We are committed to protecting the data of our customers, suppliers and employees. We apply the highest standards of cyber security to ensure the confidentiality, integrity and availability of information.

Compliance with the national and European strategic and regulatory framework

1. Compliance with the EU Green Plan

Đuro Đaković Group recognizes the importance of compliance with the objectives of the European Green Plan, which lays the foundations for sustainable business within the European Union. With our special vehicles and innovative solutions, we contribute to the transition to a climate-neutral economy. We aim to make a significant contribution to reducing greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels, in line with national targets.

2. Alignment with the EU Taxonomy

As a European company, Đuro Đaković Group follows the guidelines of the EU Taxonomy, which recognizes economic activities that contribute to sustainable goals. We are actively working to align our business with the sustainability criteria set through this regulation, which includes clear and transparent communication about our environmental, social and governance impacts to stakeholders.

3. Application of the principles of circular economy

We implement the principles of the circular economy in the design and production of our products, promoting efficient use of resources and minimization of waste throughout the entire product life cycle. We are continuously working on reducing the weight of all types of wagons and increasing the rate of circular use of materials

4. Climate risk management

Our policy includes systematic monitoring and management of climate risks throughout the entire supply chain. In accordance with the new CSR directive, in 2024, Đuro Đaković Group prepared a climate change risk and vulnerability assessment (CRVA) for its activities and is working on a plan and program to reduce the detected risks.

Progress monitoring and transparency

We regularly monitor and report on progress in achieving our sustainability goals. Our annual sustainability reports are available to the public and are independently audited to ensure the accuracy and credibility of the information.

Engagement with stakeholders

We actively engage with our stakeholders, including employees, customers, suppliers, the local community and regulators, to understand their needs and expectations and integrate them into our strategies and practices.

Continuous improvement

We are committed to continuously improving our sustainable practices through innovation, education and collaboration. We regularly review our policies and objectives to ensure their relevance and effectiveness in a changing business environment.

This policy represents our commitment to integrating sustainability into all aspects of the Đuro Đaković Group's operations. We believe that through responsible business we can create value for all our stakeholders and contribute to building a sustainable future.

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