

# SUSTAINABLE BUSINESS REPORT 2013.





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# 1.0

## STATEMENT OF THE BOARD PRESIDENT



Dear Stakeholders,

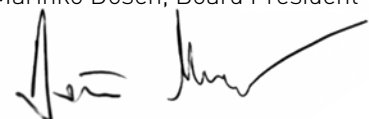
It is my great pleasure to welcome you here on the pages of this second 'Sustainable Business Report' of the ADP Group. Corporate socially responsible operation is a common business practice of the modern society, which greatly affects the evaluation of the business performance of each company. As each individual should strive to live in harmony with the nature, so every company must endeavor to operate in harmony with the environment. Therefore, in contemporary management of companies it is extremely important to constantly work on developing and implementing a strategy of corporate socially responsible operations, and to inform its stakeholders on it. A report that you are currently reading is intended for all stakeholders in the ADP Group for a more detailed reference on the activities and results of the ADP Group in 2013 and 2014 in terms of the business sustainability.

In order to further develop the socially responsible operations of our company and continue this positive trend, we have launched a series of our own activities, and also joined some socially beneficial actions. We have continued to act proactively in the form of educating our employees and making them more aware of the issues of respecting the human rights, a healthy personal development and socially affirmative action.

We have supported and actively participated in the project aimed at sensitizing the business community on the need to employ the disabled persons. In this project, the AD Plastik has allowed students with disabilities to perform their work practices in the company with the possibility of their subsequent employment. In 2014, the middle and senior management in the AD Plastik underwent training on the "Anti-Bribery and Corruption Measures" within which a desirable mode of behavior in problematic situations was shown in practical examples.

Although our market is imposing new business challenges on us daily, requiring that should be prepared to respond to them, our vision and goals are clear. We want to be a leading manufacturer of plastic car parts on the market of Eastern Europe, which surely can be achieved. With the creativity, innovation, determination and effectiveness that are all important characteristics for achieving our goals, in the contemporary business world it is highly important to adapt to market changes and meet the demands of customers and all our stakeholders. The AD Plastik is a company that has shown for many years of operation now that it can respond to all challenges, which gives us security and motivation for successful implementation of our plans. We are satisfied with the achieved results because they show the positive developments, and it is only the beginning of the realization of our plans and objectives that we have very ambitiously set in the strategy on the development of the ADP Group socially responsible business operations. We are open for all your suggestions, comments and criticisms in order to reach our goals in the field of sustainable business further progress as soon as possible and as easier as possible.

Marinko Došen, Board President



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## ABOUT THE REPORT

One of the prerequisites for participation in the supply chain of the world's car manufacturers is meeting the high standards of the environmental and business sustainability. With the release of this second-in-row 'Sustainable Business Report', we want to highlight how important a segment of raising the social responsibility is in the ADP Group. In this way, we continue to encourage and develop two-way communication with all our stakeholders, fully aware of our role and responsibilities towards the society and the environment in which we operate.

### 2.1. REPORT SCOPE AND FRAMEWORK

The dynamics of reporting stakeholders is determined by the first "Sustainable Business Report" and it refers to a two-year period. This is the second Report of ADP Group and it covers the period of 2013 and 2014. Guidelines for sustainability reporting of the Global Reporting Initiative (GRI), version 3.0. were used in this report. The report meets the B level of reporting requirements according to Guidelines G3 GRI. Apart from reporting according to the GRI requirements, this report also complies with reporting obligations according to the requirements of the Global Compact initiative, while we are the member of this initiative, and this report also represents the Global Compact Progress Report. The next report of ADP Group will be published in 2015 and it will cover the period of a year in line with the requirements of the Global Compact and reporting obligations under the European directive on non-financial reporting.

Report on Sustainable Business of ADP Group comprises the parent company AD Plastik d.d., ADP Mladenovac in Serbia, ZAO PHR and ADP Kaluga in Russia. In this report, ADP Group publishes its results in terms of economic, environmental and social performance. The results are presented according to the regions in which ADP Group operates, therefore we will obtain results for Croatia, Serbia and Russia.



## 2.2. CONTACT

The possible questions or comments regarding this report and its contents, please send to the following address:

AD Plastik d.d.

Ana Luketin

Department of Corporate Communications

Matoševa 8, 21 210 Solin

informacije@adplastik.hr

www.adplastik.hr

## 2.3. DESCRIPTION OF KEY IMPACTS AND OPPORTUNITIES

AD Plastik belongs to the prestigious supply chain of some of the world's largest automobile manufacturers, and its success is also based on the monitoring of global trends and market development along with adherence to high standards of quality and competitiveness. The automotive industry is very resource-intensive at the stage of car production, and operation stage and at the stage of disposal if the vehicles are not being recycled. Car manufacturers and all their suppliers are aware of their responsibilities and the need for constant development and improvement of materials and products to reduce the environmental impact not only during production but also during use and disposal of the final product. In its development program AD Plastik has an ongoing process of research and development in order to improve production. The results of this improvement lead to a reduced consumption of resources and better utilization of energy and materials in order to reduce environmental impact and thus, consequently, improvement of competitiveness of products on the market. The long-term survival of AD Plastik depends on the success of this process, and our success in it is shown by the fact that that we are still one of the most wanted automotive suppliers, as well as the Renault award for socially most responsible supplier that we have recently received.

In the strengthening of environmental standards and increasing the criteria that follow the environmental impact of our industry we see an opportunity to point ourselves in the process of continuous investment in reducing the impact in front of our competitors and to achieve even better results.

# 3.0

## ORGANIZATIONAL PROFILE

The AD Plastik d.d. is the largest Croatian manufacturer of plastic parts for the automotive industry. The company was founded in 1992 by secession from the former Jugoplastika, to be formed as a joint stock company under its current name in 1996. It was privatized in 2001, based on the so-called employees' shareholding program, which was successfully implemented. Therefore, the employees of the AD Plastik are nowadays owners of almost one fifth of the shares of their company.

The activity of the AD Plastik in Croatia is the production of plastic parts from plastic masses for car interiors and exteriors. The production in Croatia takes place at sites in Solin, where the company headquarters are located, and in Jankomir in Zagreb. In addition to production in Croatia, the company has factories organized as companies functioning in the capacity of legal business entities in Serbia, the three of them in Russia (in the vicinity of Samara, St. Petersburg and in Kaluga), in Slovenia and Romania.

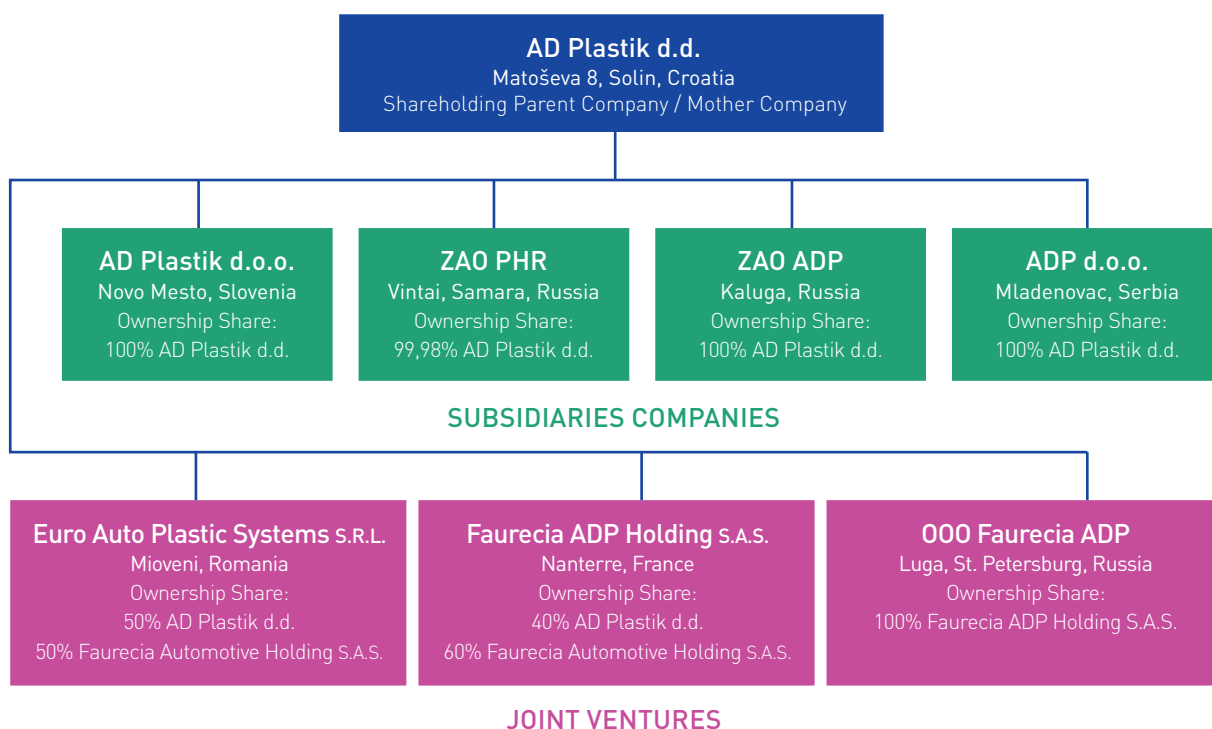
The largest buyers, with which the AD Plastik and other members of the Group have successfully developed long-term business cooperation, are the following: Renault, Nissan, PSA, Ford, Opel, VW, Dacia, Daimler, VAZ, Daewoo, Fiat, and Mitsubishi.

## 3.1. MISSION AND VISION

The mission of the AD Plastik Company is to develop and produce products from plastic materials for the automotive industry. With the innovative and creative achievements we contribute to the success of our customers. In meeting the objectives of the business operations, we apply the principles of the responsible and ethical business conduct for the benefit of the wider community and other stakeholders.

Our vision is to be the market leader in the development and production of plastic products in Eastern Europe, accomplishing a distinctive role in the global industry of the development and production of plastic components for cars, at that. With the continuous improvement in the area of the research and development of our production processes, and with the innovative conceptual designs, we want to provide the customer with the service that will contribute to the quality of the customer's overall final product. We want to achieve the vision taking into account the principles of the corporate socially responsible operations, with a focus on the quality of products, and to the overall satisfaction of our customers, employees, business partners and shareholders.

Figure 1. Organizational Structure of the AD Plastik Group



## 3.2. OWNERSHIP STRUCTURE

The AD Plastik d.d. is a company with more than 2,300 domestic and foreign investors (foreign investors, institutional investors, individuals from Croatia and abroad). The share capital of the company amounts to HRK 419,958,400.00, and the nominal value of the share is 100 kuna.

The company treats in the same way and under the same conditions all shareholders, regardless of the number of shares that the individual investor owns, of the country of their origin, or of any other basis. All shareholders have the right to participate in the General Assembly, and in a way that the number of the votes they are entitled to is equal to the number of their shares.

During 2014, the company released 6,000 shares. On 31st December 2014, the company owned 31,762 its own shares, which makes 0.756 % of its capital.

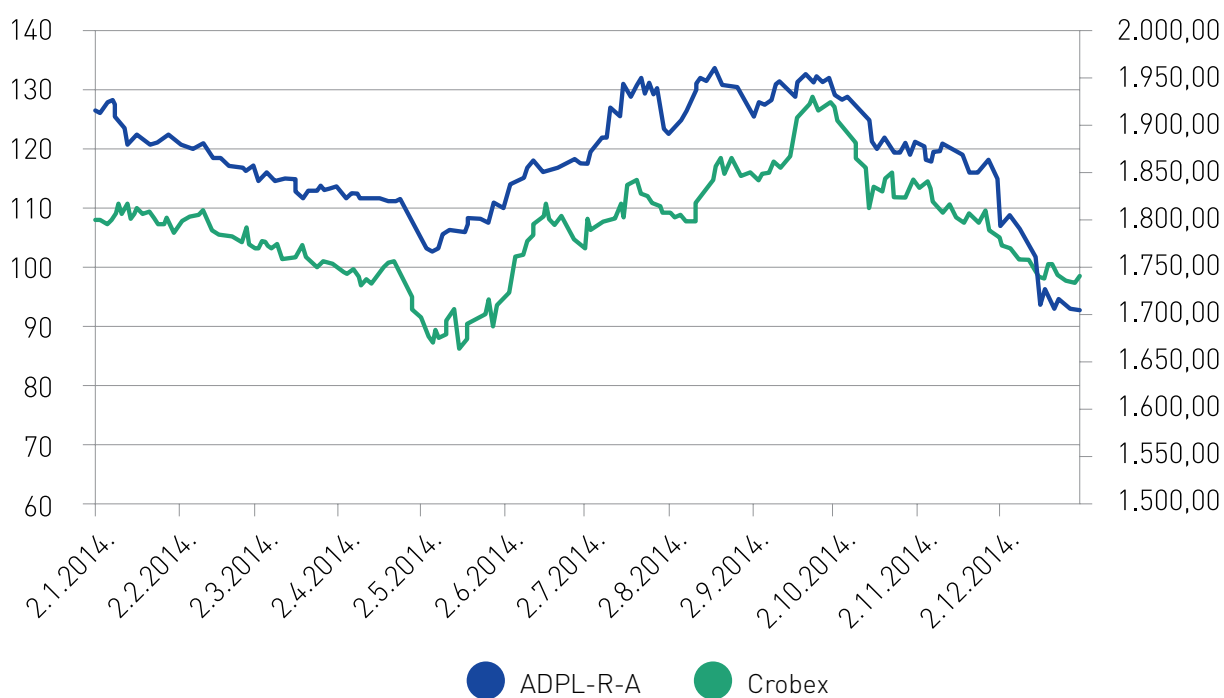
Table 1. Structure of shareholders on 31st December 2014

No.	Owner	No. of Shares	Ownership Percentage
1.	OAD HOLDING AUTO COMPONENTS	1,259,875	30.00%
2.	HYPO ALPE-ADRIA-BANK SHAREHOLDING/ RAIFFEISEN MANDATORY CATEGORY B PENSION FUND	269,462	6.42%
3.	ADP-ESOP LTD.	212,776	5.07%
4.	PBZ SHAREHOLDING/STATE STREET CLIENT ACCOUNT	120,892	2.88%
5.	HYPO ALPE-ADRIA-BANK SHAREHOLDING/ PBZ CROATIA INSURANCE, MANDATORY CATEGORY B PENSION FUND	119,640	2.85%
6.	SOCIETE GENERALE-SPLITSKA BANKA SHAREHOLDING/ ERSTE BLUE MANDATORY CATEGORY B PENSION FUND	115,353	2.75%
7.	CROATIAN POST OFFICE BANK SHAREHOLDING/ CAPITAL FUNDS SHAREHOLDING	111,541	2.66%
8.	ERSTE & STEIERMARKISCHE BANK SHAREHOLDING/COLLECTIVE FOSTER ACCOUNT FOR FOREIGN BUSINESS ENTITY	110,349	2.63%
9.	SOCIETE GENERALE-SPLITSKA BANKA SHAREHOLDING/ AZ OMF CATEGORY B	93,900	2.24%
10.	ZAGREBAČKA BANKA SHAREHOLDING/STATE STREET BANK AND TRUST COMPANY, BOSTON	80,207	1.91%
11.	OTHER	1,705,589	40.61%

The shares have been listed on the Official Market of the Zagreb Stock Exchange. The share name is ADPL-R-A. In March 2012, the AD Plastik d.d. signed a Contract on Expert Market Making with the Erste Bank. In May 2013, the AD Plastik d.d. signed a Contract on Expert Market Making with the Intercapital Securities.

In 2014, a dividend totaling HRK 8.00 per share was paid, out of which HRK 4.00 per share was paid in March, and the remaining HRK 4.00 was paid in August.

Figure 2. Fluctuation of the average daily price of share ADPL-R-A and Crobex from 1st January 2014 to 31 st December 2014



Source: ZSE

Total trading turnover of the AD Plastik d.d. in 2014 amounted to HRK 123,978,180, while the turnover in 2013 amounted to HRK 91,478,496. Of all the shares listed on the Zagreb Stock Exchange, shares ADPL-RA rated seventh in the turnover during 2013 and 2014.

### 3.3. ADDITIONAL INFORMATION

The ADP Group, with the companies defined in section 2.1. The Scope and Framework of the report employed 2,350 employees on 31st December 2014, which represents an increase in staff of 38% in relation to 31st December 2012. The largest increase in the number of employees was recorded in Croatia, where the number of employees grew by 55% in the last two years. The operating income of the ADP Group in 2014 amounted to HRK 899.86 million, which is 7.23% higher than the operating income in 2013. The realized net profit for 2014 amounted to HRK 4.92 million.



### 3.4. MANAGEMENT IN THE AD PLASTIK GROUP

#### Parent Company (AD Plastik d.d.)

The following bodies are constituted in the Parent company: the General Assembly, the Supervisory Board and the Management Board.

#### General Assembly

The work of the General Assembly is regulated by the Law on Trade Companies, the Statute of the Company and the Rules of Procedure of the General Assembly. Shareholders who register their participation in the General Assembly session no later than six days prior to it have the right to participate in it. The participation registration is to be submitted in writing in the legal department of the Company or by a notary public whose official seat corresponds to the place of seat of the Company. A proof of ownership of shares shall be submitted in writing at the beginning of the 21st (twenty-first) day before the General Assembly session, which is to be issued by the Central Depository and Clearing Company.

The rights to participate in the General Assembly have the delegates and the representatives of shareholders who have registered their participation in compliance with the above stated requirements.

## Supervisory Board

The Supervisory Board is responsible for appointing and dismissing the members of the Management board, and for supervising the operation of the Company in accordance with the Law on Trade Companies, the Statute of the Company and the Rules of Procedure of the Supervisory Board of the Company. In accordance with the Statute of the Company, the Supervisory Board shall consist of seven members. In the reporting year, a representative of the Council of Employees was not elected a member of the Supervisory Board, so throughout 2014 the Supervisory Board had six members, with a mandate as follows:

**Josip Boban**, President, 19 July 2016

**Nikola Zovko**, Vice President, 19 July 2016

**Marijo Grgurinović**, Member, 14 July 2015

**Dmitrij Leonidovič Drandin**, Member, 19 October 2015

**Nadezhda Anatolyevna Nikitina**, Member, 19 October 2015

**Igor Antoljevič Solomatin**, Member, 14 July 2015

The Supervisory Board established the Appointment Committee, the Remuneration Committee, and the Audit Committee.

The members of the Appointment Committee:

**Nikola Zovko**, an Economist, President

**Dmitrij Leonidovič Drandin**, an Economist

**Nenad Škomrlj**, a Jurist

The members of the Audit Committee are:

**Nikola Zovko**, an Economist, President,

**Nenad Škomrlj**, a Jurist, Vice President,

**Anatolij Janovskis**, an Economist

**Dmitrij Leonidovič Drandin**, an Economist

The members of the Remuneration Committee are:

**Ana Luketin**, a Jurist, President

**Dmitrij Leonidovič Drandin**, an Economist

**Nikola Zovko**, an Economist

## Management Board

The members of the Board and its President are appointed and dismissed by the Supervisory Board. Their term of office is up to five years after which they may be reappointed.

On the 31st December 2014 the Management Board consisted of five members:

**Mladen Peroš**, Board President,

**Katija Klepo**, a Member of the Board responsible for finances and accounting,

**Ivica Tolić**, a Member of the Board responsible for legal affairs and corporate communications,

**Denis Fusek**, a Member of the Board responsible for business organization, IT and controlling,

**Hrvoje Jurišić**, a Member of the Board responsible for development.

## Changes in the Management Board since February 2015

On 5 February 2015 **Mr. marinko Došen** was appointed a **President of the Board**, and **Mr. Mladen Peroš** was appointed a member of the Board for **development and commercial affairs**. Mr. Hrvoje Jurišić was appointed a member of the Board for **Production and Logistics**.

The mandate of all members of the Board runs until 19 July 2016.

## Subsidiaries and Associated Companies

The bodies of subsidiaries and associated companies are: the Assembly, Supervisory Board and a Managing Director. The bodies of subsidiaries and associated companies have been established and operating under the laws of the state in which their seat is, in accordance with the basic acts of these companies.

## Code of Corporate Governance

Given the fact that the shares of the company have been listed on the official market of the Zagreb Stock Exchange, the company applies the Corporate Governance Code as published on the website of the Zagreb Stock Exchange and on the website of the Croatian Agency for Supervision of Financial Services, which has been applied since 1 January 2012.

The company adheres to the majority of provisions of the Code, with the exception of those provisions set out in the Statement on the Application of the Corporate Governance Code for the business year of 2014.



## 3.5. RISK MANAGEMENT

The company's finance service provides services for sectors of the company, coordinates the access to domestic and international financial markets, monitors the financial risks relating to the business operations of the company and manages them through internal reports on the risks in which the exposures to risks are analyzed by their degree and magnitude. It is the case of the market risks including currency risk, fair value interest rate risk and price risk, the credit risk, liquidity risk and the interest rate risk.

The company endeavors to reduce the effects of these risks to a minimum. The Company does not sign contracts on financial instruments, including derivative financial instruments, and it does not trade them for speculative purposes.

### Price Risk

The largest market in which the company provides its services and sells its goods is the market of the European Union and the market of the Russian Federation. The Management Board of the company, based on market prices, determines the prices of the company products, and that is separately for the domestic market and for each individual foreign market.

### Interest Rate Risk

Interest rate risk is the risk that the value of financial instruments will change due to changes in the market interest rates relative to the interest rates applicable to financial instruments. The risk of interest rates in cash flow is the risk where the interest rates cost of an instrument will fluctuate over time. The exposure to interest rate risk is small because there are no significant financial instruments with variable interest rates.

### Credit Risk

The company is exposed to credit risk through loans and trade receivables. Loans are granted to subsidiaries and the credit risk is controlled by the company. Trade receivables have been corrected for the amount of bad debts.

The six largest customers of the company are the AD Plastik Ltd. Slovenia, Visteon Germany, Hella Saturnus Slovenia, Revoz Slovenia, Peugeot France and Ford Motor Germany.

The business policy of the company is doing business with the financially stable companies, where the risk of debt collection is minimized.

## Currency Risk

The company runs certain transactions in foreign currencies and for it is exposed to risks of fluctuations in exchange rates. The company is mainly exposed to risks of the EUR and RUR exchange rate fluctuations.

## Liquidity Risk

The responsibility for liquidity risk management rests on the Management Board. The Group manages its liquidity using bank funds (overdrafts), and with the continuous monitoring of the planned and actual cash flows and the adjustment of financial assets and financial liabilities.



## 3.6. CROATIAN CHAMBER OF ECONOMY CODE OF BUSINESS ETHICS

As a member of the Croatian Chamber of Economy, the AD Plastik d.d. is a signatory to its Code of Business Ethics. This Code establishes the basic guidelines of ethical conduct of business entities in the Croatian economy. As a signatory of the Code of Ethics, the AD Plastik accepts the obligation to act in accordance with the principles of responsibility, truthfulness, efficiency, transparency, quality, acting in good faith and respecting fair business practices toward its business partners, business and social environment and its own employees.



### 3.7. AD PLASTIK GROUP CODE OF BUSINESS ETHICS

In addition to the Code of Business Ethics of the Croatian Chamber of Economy, the ADP Group as an international company implements the guidelines of the Corporate Responsibility Code of Conduct of the ADP Group since April 2013. This Code defines the rules of business conduct of the ADP Group to be applied in everyday relationships within the company and with external parties. As a global company, the ADP Group employs employees of different nationalities, cultures and religions, which requires mutually agreed ethical standards and practices. This Code sets standards of behavior in different areas, which all employees of the ADP Group must adhere to, in order to preserve the reputation of the ADP Group as a company with a high level of integrity and confidentiality.



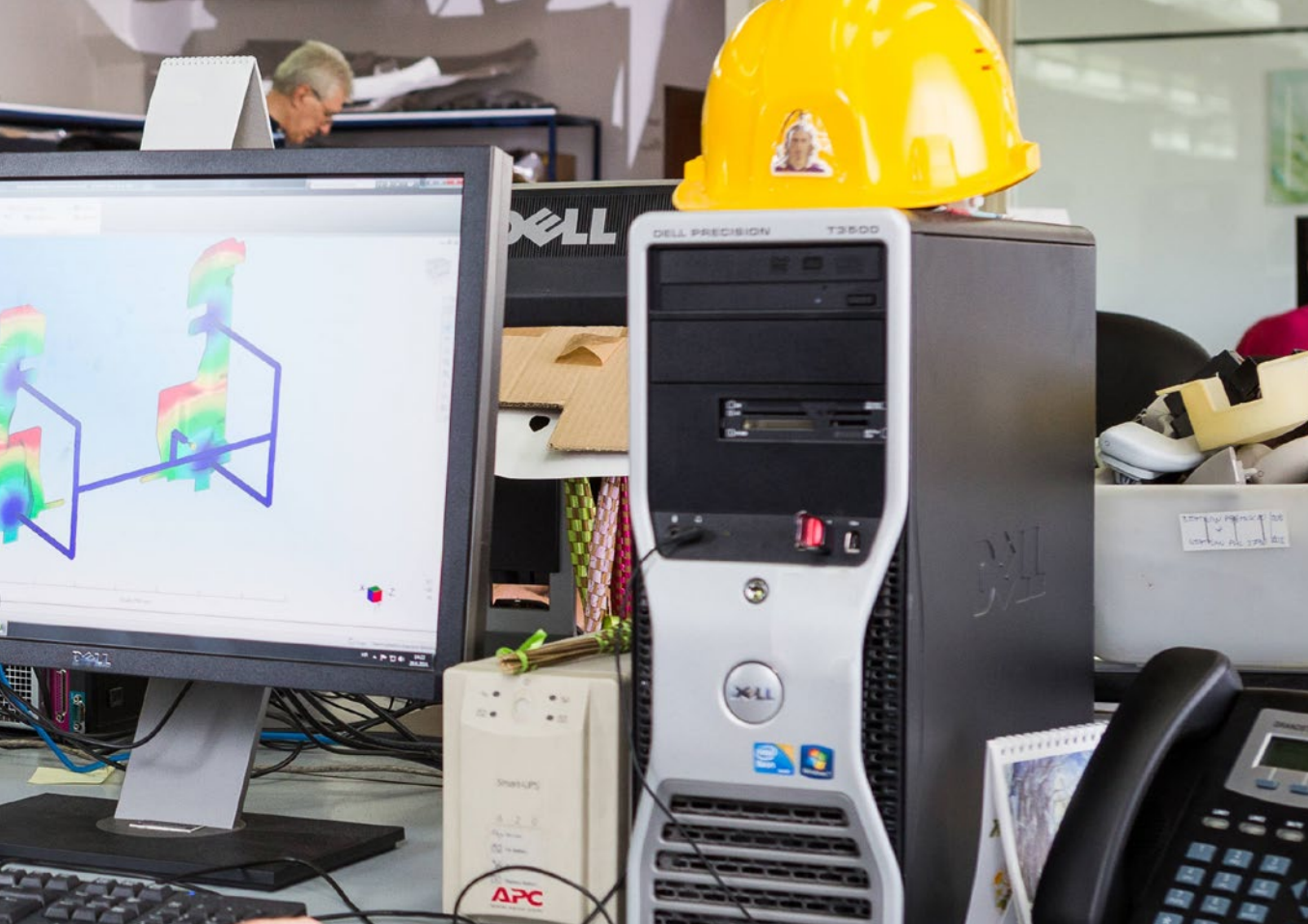
The Code is divided into five main themes, which are respectively: Human Rights, Labor Practices, Environmental Protection, Fair Business Practices and Business Partners. In drafting this Code, the ADP Group was led by the principles of the Universal Declaration of Human Rights of the United Nations, the International Labour Organization and the United Nations Global Compact Initiative.

In the event of a breach of any provision of the Code of Business Conduct, the procedures laid down in the internal procedures are to be applied, as well as the measures prescribed by the relevant laws.

### 3.8. QUALITY POLICY

Modern car manufacture has passed a long way from its beginnings. The start of serial manufacture has made the quality management an extremely important aspect in the contemporary manufacture of cars. The safety and environmental concerns have resulted in a large number of modern manufacture standards. Due to these changes in the standards and the progress of knowledge and technological processes, the implementation of the automotive quality management system can be quite challenging. The ADP Group has been certified according to the standard of the quality management for suppliers in the automotive industry, known as ISO / TS 16949. This certificate is issued for a period of three years and must be confirmed annually by the IATF (International Automotive Task Force).

One of the goals of the quality is to take care of the environmental protection in order to permanently reduce the negative environmental impact. Standard ISO 14001: 2004 defines the requirements for the



environmental management system and provides the framework that the company follows to ensure an effective environmental management system. ISO 14001: 2004 provides assurance to the management and employees of the company, and to all other stakeholders, to measure the company's impact on the environment in order to prevent the environmental pollution.

ISO certification OHSAS 18001 is a management system of health and safety at work. This certificate proves that the management system within the company provides proactive protection of the health and safety of the workforce and demonstrates the compliance of the system with best practice standards. OHSAS 18001: 2007 promotes the safety and healthy working environment in a way that sets a framework that allows the organization to consistently identify and control the health and safety risks.

Location	ISO TS 16949 Valid to	ISO 14001:2004 Valid to	OHSAS 18001:2007 Valid to
Solin	20 May 2016	1 July 2016	9 October 2017
Zagreb	22 May 2016	1 July 2016	9 October 2017
Togliatti	1 April 2017	18 October 2017	
Kaluga	19 December 2016		
Mladenovac	24 September 2015	16 June 2015	

Table 2. ISO Certificates by Locations

## 3.9. STAKEHOLDERS INVOLVEMENT

The effective management of the stakeholder relations is the key to solving the problems that the organizations are facing with. The stakeholders are people, groups or organizations that can draw the attention of the organization and who are under the influence of its manufacture (operations). They have something to gain or lose as a result of the business activities of the company. Stakeholder

relations are strategically important for the market position of the ADP Group.

Communication with customers mainly takes place via the program managers. The basic communication with the employees of the AD Plastik d.d. takes place through an internal newsletter. The internal newsletter is published quarterly and it is printed

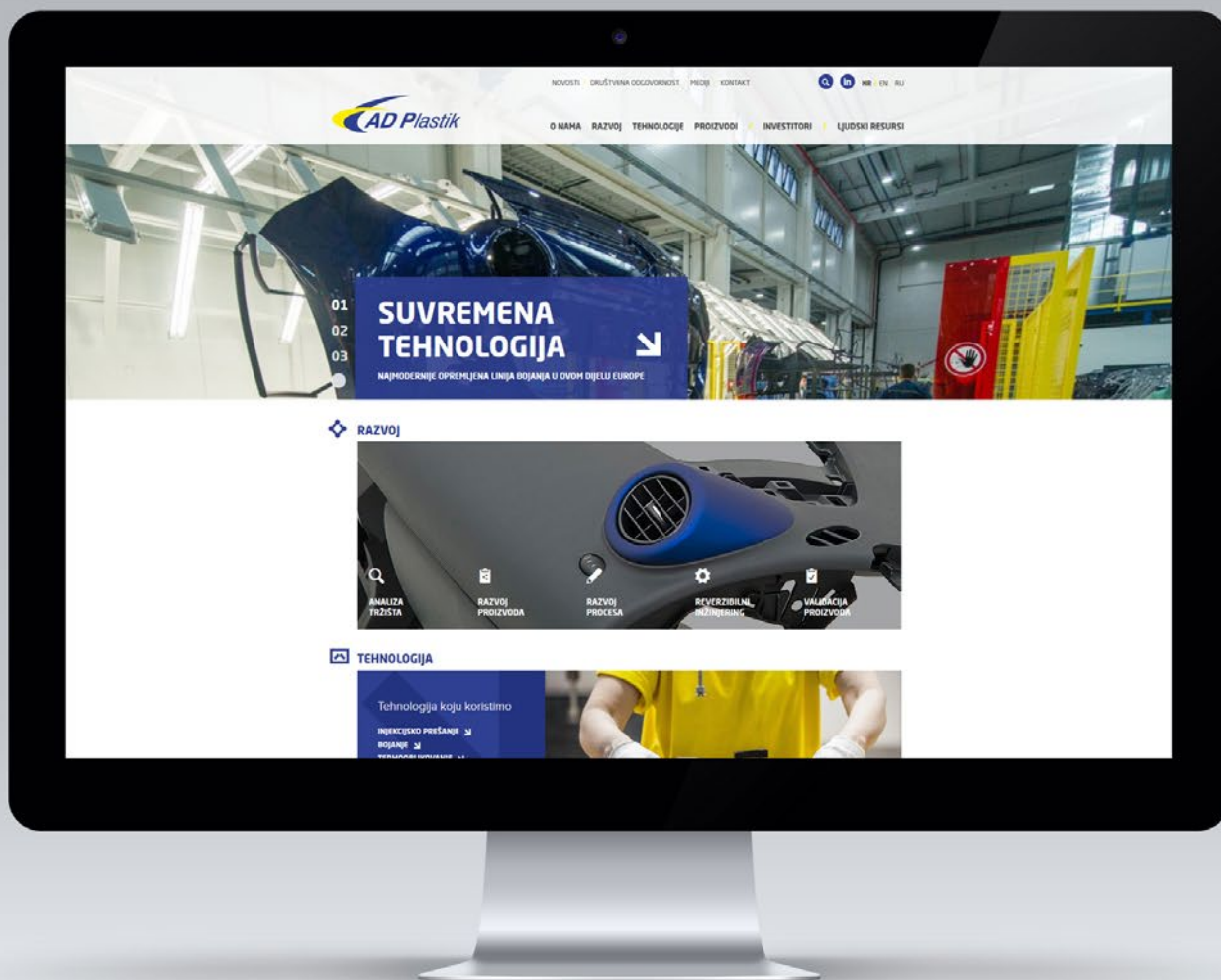


Figure 14. Web Site of the AD Plastik

in 600 copies and distributed in print and in electronic form via e-mail to the total number of 1,000 electronic addresses. Monthly meetings are organized with the senior and middle management to comment on the monthly operating results and the current status of the company. The internal communication also takes place via the notice boards, which contain all the information on the changes in the internal documents and all the official notices, which are also being sent electronically to email address which is common to all employees.

The investors and creditors are informed about the business operations at the public disclosure of the financial statement reports which are being published quarterly. In addition to the quarterly reports, there are also formal notices in the event of changes occurring in the business operation, which need to be publicly disclosed, in accordance with the law. In the last two years, there were regularly held at least two conferences for the institutional investors. In case of the arrival of foreign investors in Croatia, the company participates in the road show (presentation) of the Croatian companies, via the investment firms, in order to expand the investor base. The service of the Corporate Communications replies to requests of all small investors at the shortest possible notice via phone or the email.

The Department of Finances communicates with the creditors, in the form of providing answers to all questions via phone, electronic mail and arranged meetings.

Web pages (web address: [www.adplastik.hr](http://www.adplastik.hr)) are an important communication channel for the communication with business partners in the country and in the world, but also with wider public. In accordance with our needs, the web site was designed in three languages (Croatian, English and Russian). Since July 2014, a new web site has been in full function.



## 3.10. AWARDS AND HONOURS

In the reporting period, the AD Plastik d.d. received the following awards and honours:

- Charter of the Republic of Croatia, the Croatian President Award for outstanding contribution to the economic and social development of the Republic of Croatia for 2013
- The "Golden Key" Award for the best Croatian exporter in Slovenia in 2013
- Collective Award of the Town of Solin for 2013
- The second award among domestic companies listed on the Zagreb Stock Exchange that have achieved the best relations with investors. This award is the first of its kind for the company
- Award from the Renault customer for outstanding contribution in the field of corporate socially responsible business operations in October 2014
- The "Golden Key" Award for the best Croatian exporter in Slovenia in 2014





## Renault award for exceptional contribution in the field of corporate social responsibility

Each year Renault attributes an award to its suppliers regardless of their size, country of origin or activities, for their performance and contribution to the business of the group. The awards are divided into three categories which for the Renault Group have the greatest importance and represent the core values of their business policies, such as quality, innovation and corporate social responsibility.

In 2014 AD Plastik has been selected to receive an award by Renault for an exceptional contribution in the area of Corporate Social Responsibility. In 2012 Renault began to conduct verification of suppliers in matters of corporate social responsibility. The company sent to AD Plastik an extensive questionnaire with questions from various areas of corporate social responsibility. Meeting the standards of Renault is a basic requirement of competition for gaining new business within the group.

Within consuming process AD Plastik was supposed to collect all the necessary documents supporting the answers to the questionnaire required, to prepare different materials in the field of corporate social responsibility (development of basic policies for the environment, labor practices, human rights, sustainable procurement, etc.). During this demanding process it was collected and translated over 90 documents from these areas, which proved a corporate social responsibility of ADP Group.



# 4.0

## MARKET

### 4.1. CORPORATE KEY FIGURES

In 2014, the ADP Group achieved the operating income in the amount of HRK 899.9 million, which is 7.23% more than the income achieved in 2013, which amounted to HRK 839.1 million. Consolidated net profit of the ADP Group in the last year amounted to HRK 4.9 million, while the year before it amounted to HRK 27.6 million. During the given period, despite the challenging macroeconomic environment, the ADP Group managed to achieve the revenue growth.

#### Number of Employees

The number of employees as on 31 December 2014 amounted to 3,139 employees (on 31 December 2013 it amounted to 2,813 employees).

Company	2014	2013
AD Plastik d.d.	1,283	894
ZAO PHR, Vintai	706	704
AD Plastik Ltd. Novo Mesto	3	23
ADP Ltd. Mladenovac	172	136
ZAO ADP, Kaluga	189	181
EURO APS	593	616
FADP	193	259
<b>Total</b>	<b>3,193</b>	<b>2,813</b>

Table 3. Number of employees in all companies of the ADP Group in 2013 and 2014

Description	2012	2013	2014
Operating Income	781,714,691	839,129,501	899,864,755
Sales of Goods and Services	756,035,092	817,591,425	869,552,759
Material Costs	493,463,307	464,162,396	537,354,296
Staff Costs	134,108,670	151,052,551	163,605,883
Depreciation and Amortization	54,136,069	50,369,728	58,989,516
Other Expenses	61,706,588	152,335,418	145,977,623
Financial Expenses	41,225,275	58,560,502	63,179,058
Financial Income	33,606,607	24,049,389	41,403,273
Net Income	56,025,235	27,652,101	4,916,954
Total Assets	1,303,875,873	1,536,431,037	1,546,772,703
Total Equity	714,629,506	702,805,785	630,631,677
Sales Per Employee	278,876,83	290,647,50	277,015,85
Dividends Paid	33,849,849	33,621,322	33,342,576

Table 4. Created and Distributed Economic Value in HRK in 2012, 2013 and 2014 (EC1)

In 2013 and 2014, a total of HRK 8.00 per share of the dividend was paid, based on the profit of the parent company and the decision of the General Assembly.

## 4.2. MOST IMPORTANT SALES MARKETS

The ADP Group has generated almost all its revenue in foreign markets. The most important export markets are the markets of the European Union and Russia. In the EU, most of the revenue from sales was earned in Slovenia, Germany and France.

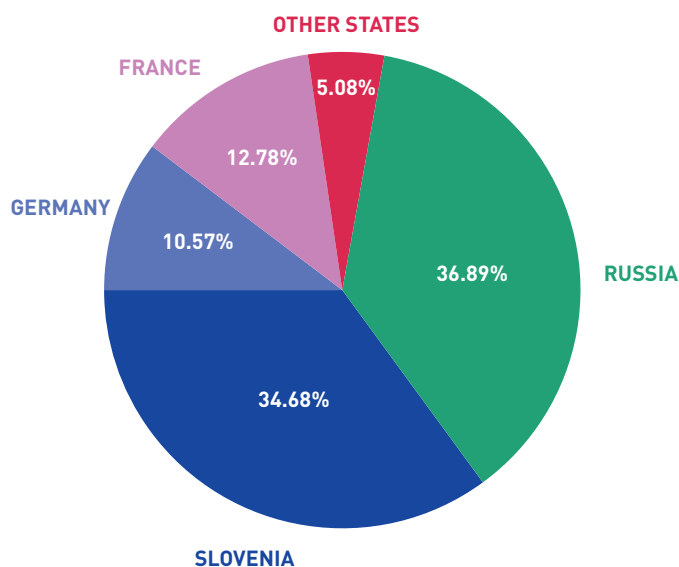


Figure 15. Overview of the most important sales markets of the ADP Group in 2014

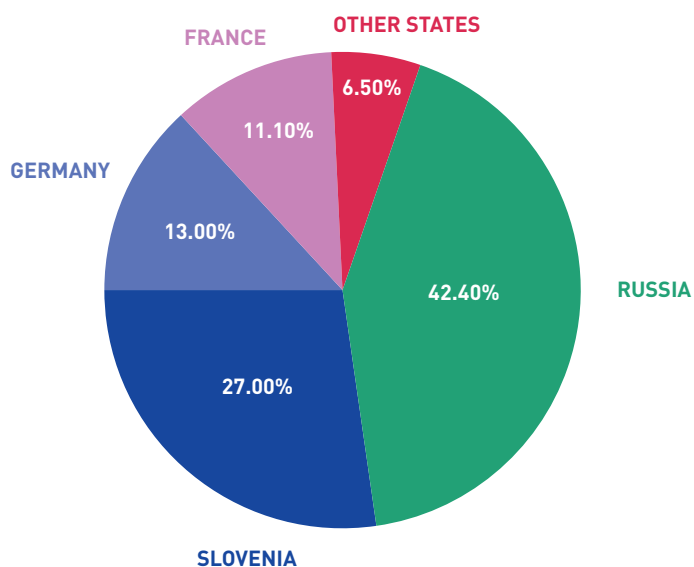


Figure 16. Overview of the most important sales markets of the ADP Group in 2013

## 4.3. SALARY TOTALS

The total amount of gross salary from 2012 to 2014 grew by 22%, which was primarily due to an increase in the number of employees in the reporting period. The increase in the number of employees was due to the increase in car sales in the European market, the main export market of the ADP.

Description	2012	2013	2014
Staff Costs	134,108,670	151,052,551	163,605,883
Net Salary and Wages	83,541,009	94,615,244	101,835,592
Tax and Social Security Contribution Cost	27,460,573	29,908,071	32,582,907
Contributions to Salaries	23,107,088	26,529,236	29,187,384

Table 5. Staff Costs for 2012 - 2014 in HRK



## 4.4. PAYMENT TOWARDS THE STATE

As part of the Edison Project in the past two years, the AD Plastik d.d. has invested over EUR 20 million in Croatia. According to the decision of the Ministry of Economy, and based on the above investments, a reduction in the corporate income tax rate was used (from 20% to 0%). This reduction is specified within the categories of the received incentives and subsidies from the state. Table 4 lists the full payment towards the state, the penalties, the fouls and similar charges, as well as the received incentives and subsidies from the state.

AD Plastik Kaluga			
Expenditure	2012	2013	2014
Payment towards the state (VAT, Income tax, Property Tax, various contributions and membership fees)	1,625,350.48	902,197.17	3,242,878.98
Fines, offences and similar payments	42,181.05	61,841.83	112,346.42
Received incentives and support from the state	0.00	0.00	0.00

PHR Vintai			
Expenditure	2012	2013	2014
Payment towards the state (VAT, Income tax, Property Tax, various contributions and membership fees)	16,748,097.88	9,670,997.97	10,193,346.61
Fines, offences and similar payments	167,638.43	93,676.51	93,986.37
Received incentives and support from the state	0.00	2,472,340.50	491,312.59

AD Plastik d.d., Solin			
Expenditure	2012	2013	2014
Payment towards the state (VAT, Income tax, Property Tax, various contributions and membership fees)	12,118,756.00	1,860,985.00	92,948.00
Fines, offences and similar payments	210,535.35	2,844.41	29,780.34
Received incentives and support from the state	4,449,156.89	3,923,527.00	5,745,823.00

ADP Mladenovac			
Expenditure	2012	2013	2014
Payment towards the state (VAT, Income tax, Property Tax, various contributions and membership fees)	203,523.38	304,049.82	768,932.71
Fines, offences and similar payments	0.00	28,693.57	1,602.30
Received incentives and support from the state	0.00	954,556.29	950,851.29

Table 6. Payments towards the state and the funds received from the state in 2012, 2013 and 2014 in HRK (EC4, S08)

## 4.5. SUPPLIERS RELATIONSHIP

Due to the specificity of the automotive industry, it is very important for the ADP to know what kind of suppliers it has, particularly as it establishes its relationships with suppliers for a longer period. Suppliers are required to ensure the delivery of the top quality products and services at the most competitive price and on time. As the ADP is an international company, a supplier selection is performed on a multiple basis. The ADP carries out a survey of its suppliers twice a year. When running an evaluation of a prospective supplier, the following criteria are being checked for: the assessment of the quality systems and the environmental protection, delivery time, flexibility, ordered and delivered quantities, period of performance, quality, number of complaints and resolving complaints. The results of the survey of suppliers on issues of sustainable business operations are shown below.

Description	2012	2013	2014
Number of Surveyed Suppliers	102	107	107
Number of suppliers that are certified to ISO 14001	55	59	72
Percentage of suppliers that are certified ISO 14001	53.92%	55.14%	67.29%

Table 7. Results of the survey of suppliers on the issues of sustainable business operations

According to the responses from a questionnaire conducted on the issues of sustainable business operations of suppliers from 2014, only 4.68% of suppliers who responded to the questionnaire had a rating of less than seven (out of a maximum 15 points). These suppliers were given a written notification of the results of the survey and were asked to take the necessary steps needed to improve the assessment earned in the questionnaire on the sustainable business operations of suppliers.

## 4.6. CUSTOMERS RELATIONSHIP

Customers of the ADP are the world's largest car manufacturers and their subcontractors, and in order to become their supplier in the first place it is necessary to meet all their regulatory requirements. The first prerequisite for such business cooperation with the customer is that the product complies with all the applicable legal regulations of the country in which the AD Plastik sells its product. Another prerequisite to be met is complying with all the specific requirements of customers.

These requirements include the following:

- Definition of the conditions of work and communication with a specific customer in the phase of development and mass production;
- Requirements for the product that are specified by the customer, including the requirements for delivery and activities following delivery;
- Requirements that the customer did not specify, but which are necessary for the specified use;
- Additional requirements set by the company.

## The processes relating to the identification of customer requirements

The processes relating to the identification of the customer requirements and the requirements of other interested parties include the following processes:

### **1. Pre-Sales Process consisting of:**

- Adjustments in the requirements for quality and special characteristics related to the product;
- Fulfillment of obligations in relation to the product, including legal and normative references;
- Fulfilling legal and other binding requirements;
- Compliance with the requirements of environmental protection.

### **2. Sales Process consisting of:**

- The realization of the planned sale and the delivery on time, in the agreed quality and within the planned costs;

### **3. Post-Sales Process consisting of:**

- Collecting feedback on the quality of products and services, and taking preventive and corrective actions to improve the quality of the products and processes;
- Collecting feedback related to the environmental protection.

## Planning product design and product development

Planning and management of the product design and development is determined through the following steps:

- Phases of design and development;
- Checking, verification and validation of each phase of design and development;
- Responsibilities and authorities for design and development.

Special features associated with the product/process as specified by the customer are an integral part of the quality planning process for the new product/process and the control plan, including:

- All the characteristic related to the product/process;
- Defined customer requirements regarding the use of symbols (mark for the characteristic of the product/process);
- Documentation requirements of the customer and other interested parties relating to the product/process.

Verification of the design and development is a process that provides an overview of the compliance of the output data to the input data of the design and development. Verification of the design and development is carried out in accordance with the schedule of the project.

Validation of the design and development is the result of a continuous assessment procedure, which proves that the production process is capable of providing the product complied with the requirements of the customer. The purpose of the phases of development of the product/process and other certain steps is to check the compliance of the characteristics of the product/process with the requirements set in specifications. The project is concluded with the customer's certification that the product meets the requirements, and that the manufacture process is able to secure the required amounts of product in the required quality.

The results of controls and tests of the product are recorded in the prescribed documentation for this, and then archived as required, and they serve:

- to demonstrate the quality of the product, tracing back to the input materials, process flows to the finished product;
- to find the cause and place of the poor quality occurrence, in order to take corrective action;
- to improve the process.

Records of controls and tests are to be presented to the customer on its request.

All products have the quality and features confirmation, and they are safe and health friendly in their use. When it comes to product, constant care is kept about:

- the correct and useful labels and the availability of all information necessary for the proper handling and use;
- the secure disposal after the end of their period of use in accordance with the legal provisions;
- the compliance with all other regulations and standards.

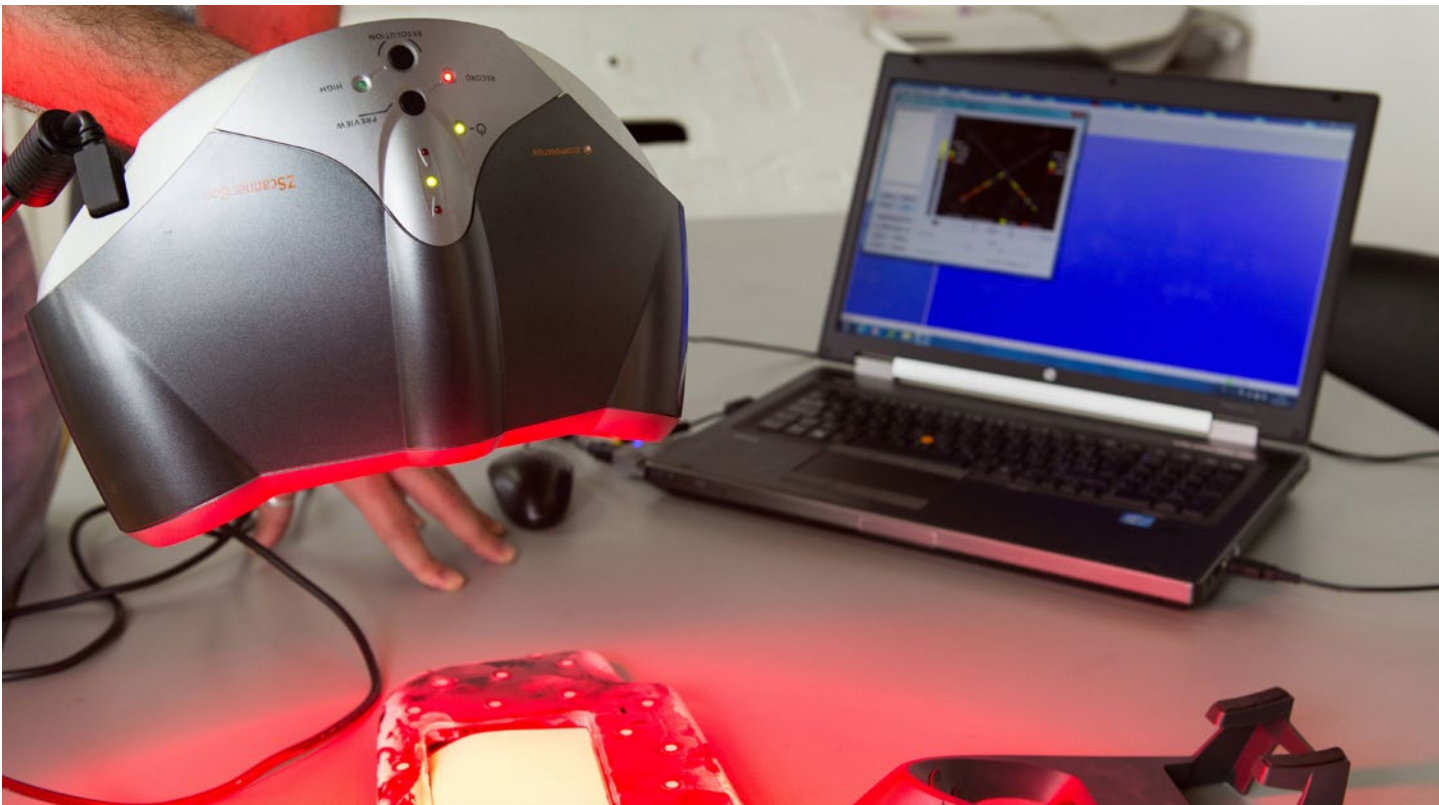


## Product policy after the end of the product life cycle

Most of the ADP products are the products made of plastic. To minimize the environmental impact that a vehicle exercises after the end of its life cycle, together with our customers, we are taking care of improving the recyclability of the plastic parts in vehicles. The ADP Customers have developed the indicators of recycling for their suppliers, and for the ADP as well. These indicators allow the assessment of the life cycle and the integration of the possibilities for recycling from the design phase, negotiations with the customer, measurements of the progress made, and advances in the environmentally friendly design. All the ADP products meet these requirements as set by customers.

## Care for the health and safety of the end customer

Since the ADP products are first installed in vehicles and only then sold to end customers, the ADP as a manufacturer of car parts of the final product must take care of the health and safety of the customer. For this purpose, it must meet the specific requirements required by the car manufacturer. This is particularly evident in the automotive interior products, because these parts of the car must meet the highest requirements of safety and security of passengers in the car. Each product undergoes special tests for the health and safety conducted by the car manufacturers in order to ensure that the car parts are completely safe for the end customer.





## 4.6.1. PRODUCT LIABILITY

The quality of all products is regulated by the customers, the world's largest car manufacturers. The product management is a concept by which the principle of the protection of human health and environmental protection focus on the product itself and everyone involved in the product life cycle take responsibility for reducing the impact of the product on health and the environment.

	2012	2013	2014
Development of the product concept	Yes	Yes	Yes
Research and development	Yes	Yes	Yes
Certification	Yes	Yes	Yes
Manufacture	Yes	Yes	Yes
Re-use and recycling	Yes	Yes	Yes

Table 8. Product lifecycle phases in which the improvement of their impact on health and safety is assessed (PR1)

The ADP Group has not had any cases of non-compliance with regulations and voluntary codes regarding the impact of products on health and safety during their life cycle (PR2) for the last three years. Also, the ADP Group, in the same period, has not had any cases of non-compliance with the regulations and voluntary codes concerning the product information and labeling. (PR4)

## 4.7. COMMUNITY RELATED RELATIONSHIP

The AD Plastik d.d. of Solin has made a series of activities aimed at its employees and the community. For the purposes of this report, only the most important ones are being referred to here.

### Voluntary Blood Donation

In cooperation with the Red Cross, the first voluntary blood donation was organized in the factory in Solin, which was used to establish a club of voluntary blood donors in the AD Plastik. 31 workers responded to this call for action, and 16 of them donated blood. The fact that for the 10 of them this was the first blood donation which they have ever attended speaks of the success of organizing such action.



## Trash art project

The Museum of the town of Kastel and the AD Plastik organized the work of the sculpture colony in the area of the external storage in Solin, from which the sculptors created two sculptures out of the waste material intended for the public space of the town of Kastel.

The scrap or the waste within the company was used, which served the artists as an inspiring creative material. The packaging cardboard, paper of all kinds, films, pieces of plastic, fenders, boxes, canvas, rubber hoses, aluminum, plastic and wire coils, and the use of the factory space were the contributions by the ADP to the implementation of this project by young artists.

Since the beginning of 2014, the collaboration of the ADP with the young architects and designers of the town of Sinj has been ongoing, who in their projects at the Academy of Fine Arts, and at children's workshops, used the waste multi-layered cardboard packaging for the granules from the nozzle facilities of the factory. The project of the mutual learning and development is another in a series of the ADP cooperation projects with the local community. The project aims to make the individual community members or groups familiar with the industrial manufacture and the ADP in general. Dozens of individual and group visits were realized through this project.

## Recycled materials

On the eves of Christmas and the New Year 2014, cooperation with a designer, Ms. Mia Perdic Lukacevic of Split, was agreed upon, who designed 10 women bags labeled "100% made in the ADP". The bags were made entirely from materials used in the manufacture: textiles, belts, rubber hoses, ribbons, 'spacers', boxes, foils, decorative aluminum strips used for the extrusion, and the like. The bags were used as a gift to a few business partners.





## 4.7.1. HELP, DONATIONS PAID TOWARDS VARIOUS ASSOCIATIONS AND NATURAL PERSONS

The ADP Group is working on identifying the specific needs of the local community and aims to develop and build the partnership relations based on mutual understanding and support.

Company	2012	2013	2014
ZAO AD Plastik Kaluga	0.00	5,644.40	4,040.20
ZAO PHR, Vintai	45,216.84	175,460.49	68,608.65
AD Plastik Shareholding, Solin	91,215.00	95,190.00	233,979.00
ADP Mladenovac	0.00	2,056.77	3,389.93
<b>Total</b>	<b>136,431.84</b>	<b>278,351.66</b>	<b>310,017.79</b>

Table 9. Help, Donations Paid Towards Various Associations and Individuals in HRK (EC1)

Among other things, in 2014, a donation was paid to the account of the Croatian Red Cross, for the purpose of helping people in Croatia who were affected by the floods of the unprecedented scale.

# 5.0

## POSITIONS AND WORKPLACE

### 5.1. EMPLOYMENT

The basis for planning the recruitment of new employees is a business plan in the framework of which the need for people with clearly defined skills, knowledge and skills should be specified. Through a recruitment plan, a calendar of employment as a source of recruitment is envisaged. The standard selection procedure involves two rounds of interview with the candidates and the psychological testing. The key criterion when selecting new employees is the excellence and competence for the job post (aptness, knowledge, skills,

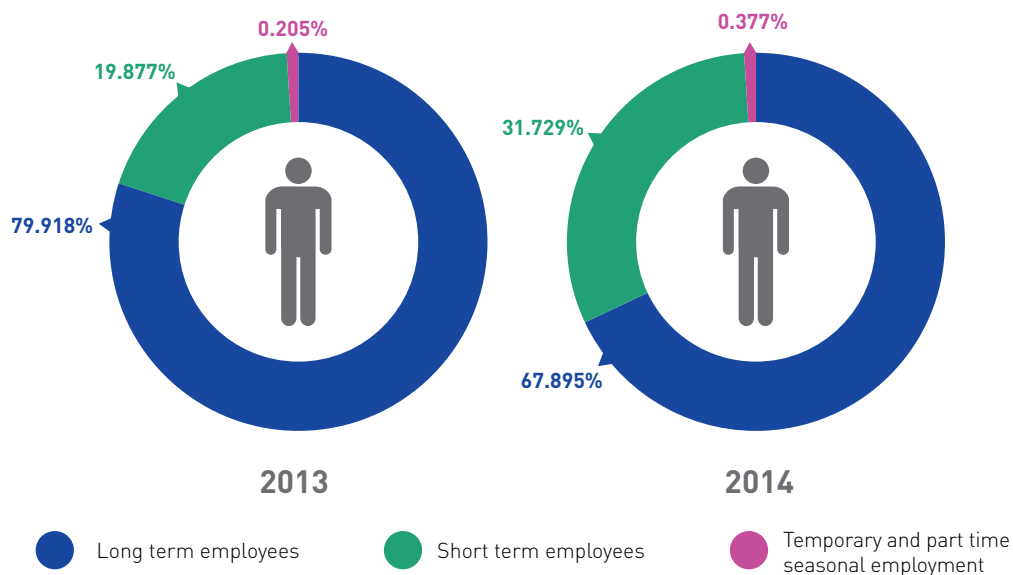
experience), and at it, we prefer the innovative people with a strong desire to succeed in business and to work fair in teams that are willing to build mutual trust and respect, and be directed towards achieving business goals. Ensuring the competitive ability of the organization in the long run is in the interest of the ADP Group; therefore we employ young professionals, and at the same time appreciate the people with life and work experience.



Table 10. Number of Employees of the ADP Group by region and type of the employment contract for 2013 and 2014 (LA1)

State	Location	Contracted Employees:						Total employees	
		Long term employment		Short term employment		Temporary and seasonal employment*		2013	2014
		2013	2014	2013	2014	2013	2014		
Croatia	Zagreb, Solin	741	536	153	747	0	0	894	1283
Serbia	Mladenovac	95	173	22	0	4	9	121	182
Russia	Kaluga	188	206	0	1	0	0	188	207
	PHR	532	707	212	10	0	0	744	717
<b>Total</b>		<b>1556</b>	<b>1622</b>	<b>387</b>	<b>758</b>	<b>4</b>	<b>9</b>	<b>1947</b>	<b>2389</b>

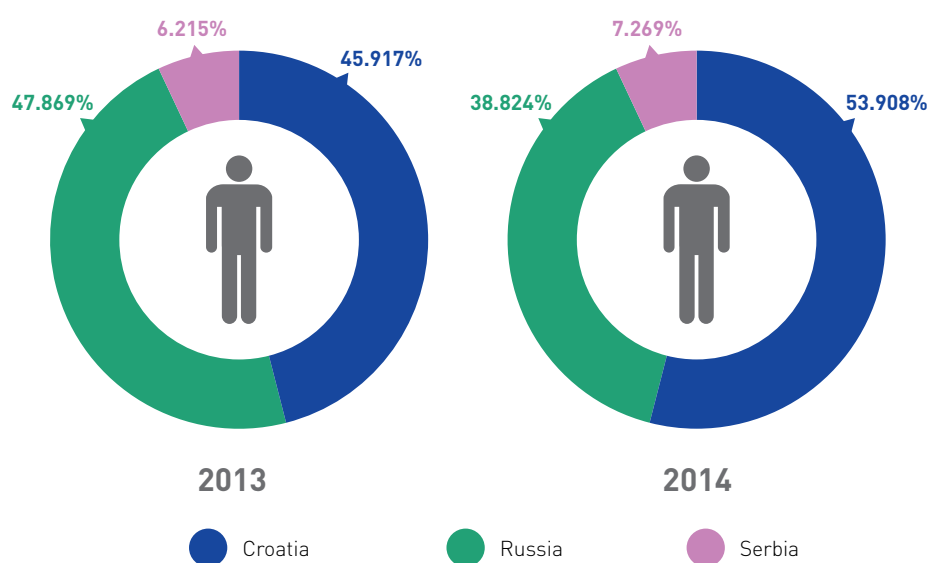
Figure 17. Share of different types of contracts of employees of the ADP Group in 2013 and 2014 (LA1)



## Employees of the ADP Group; share per countries of operations (LAI)

During 2013, most employees were in Russia, while in 2014 the highest share of them was in Croatia. In addition to the aforementioned Edison project that resulted in the increased employment in Croatia this change is also a reflection of the market situation in Russia.

Figure 18. Share of employees per countries of operations in 2013 and 2014



## Employees of the ADP Group by type of performed work (LAI)

\* The classification was made according to the following model:

Management - management and top management (managing directors and directors)

Indirect employees - administrative employees and non-manufacture workers in the production

Direct employees - manufacture employees (line workers)

From the given data, an increase in direct employees may be observed, who on the last day of 2014 had the largest share in the total number of employees.

Also, in early 2015 there was a change in the definition of the type of work, therefore in the next reporting period, a totally different shares are to be expected. However, this typology will not be comparable with the previous data.



Figure 19. Share of employees by type of the ADP Group operations in 2013 and 2014

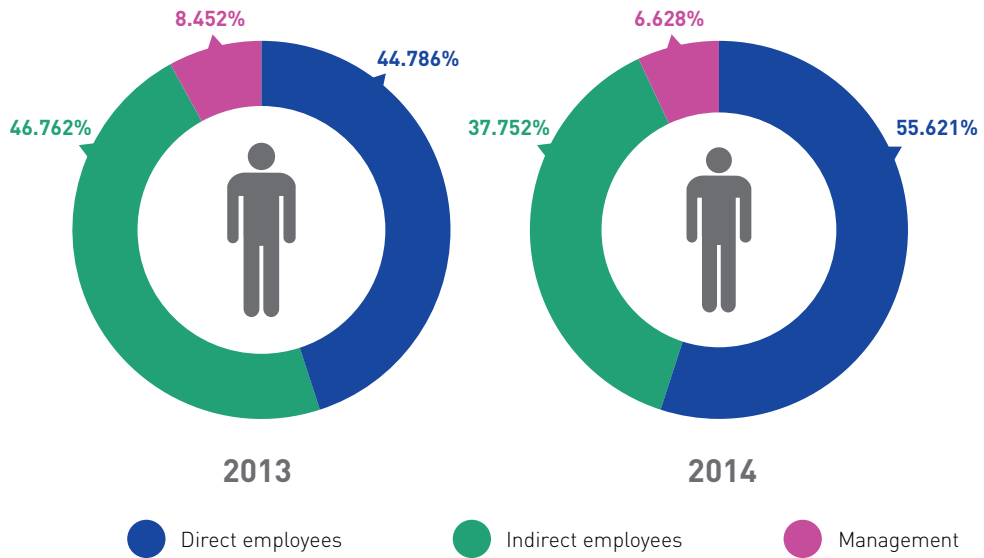


Figure 20. Age structure of employees of the ADP Group in 2013 and 2014 (LA2)

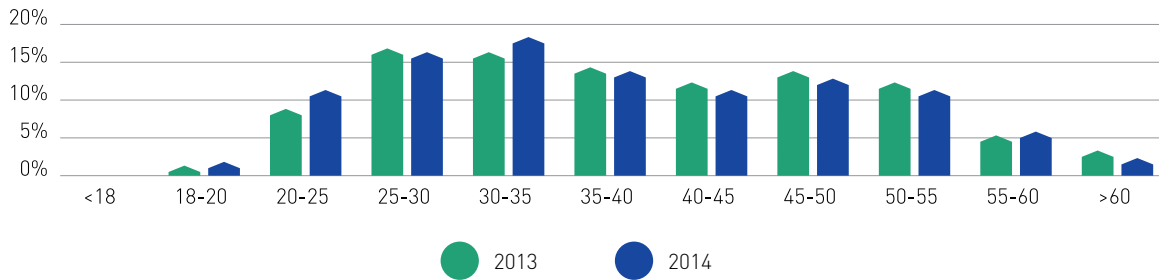
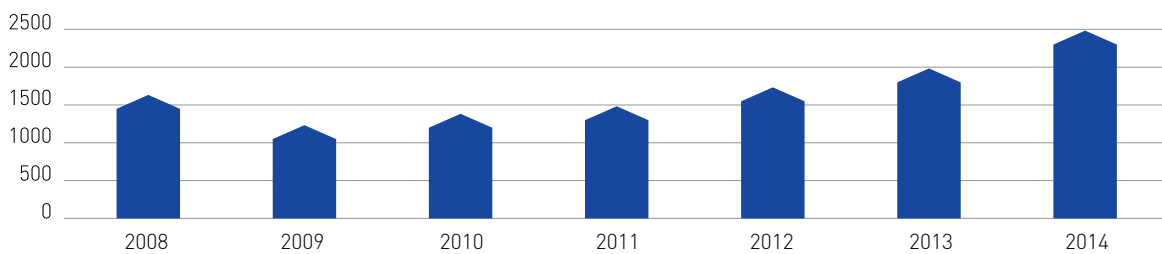


Figure 21. The trend in the number of the employed in the ADP Group from 2008 to 2014 (LA2)



The ADP Group did not employ persons under the age of 18 in 2013 and 2014.

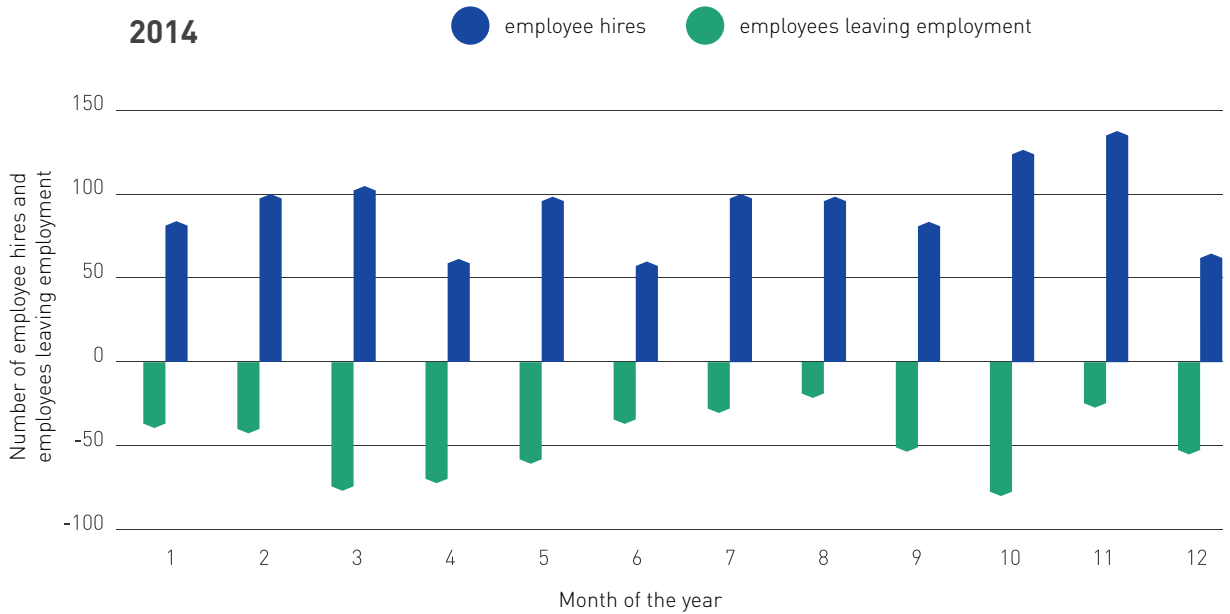
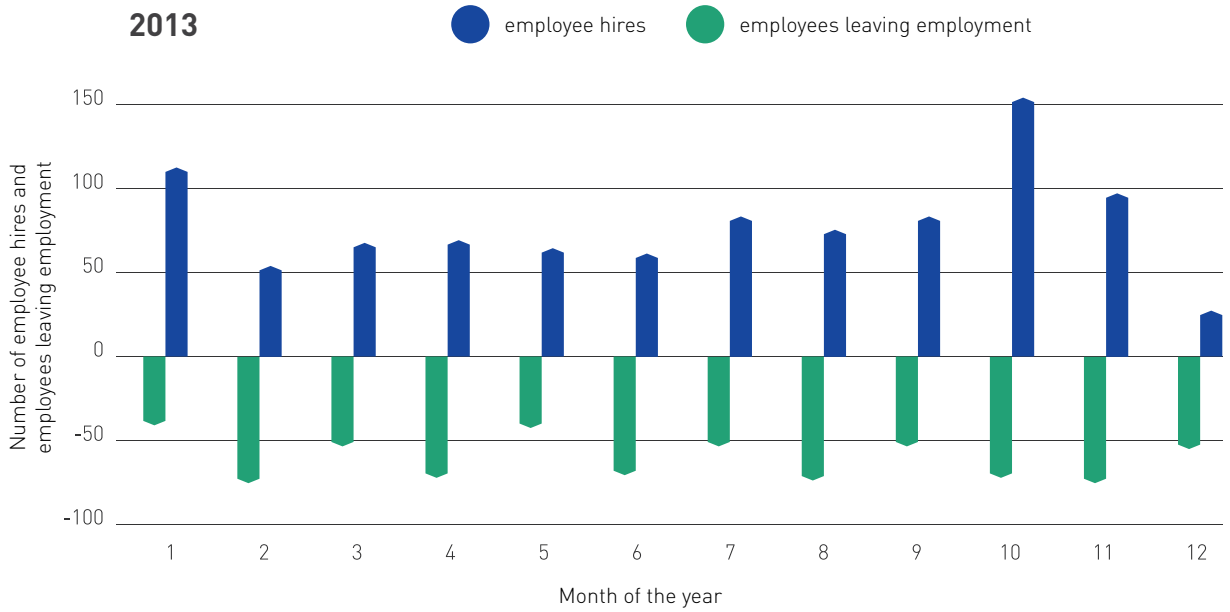


Figure 22. Total number of new employee hires entering and employees leaving employment in ADP Group for 2013 and 2014 per months (LA2)

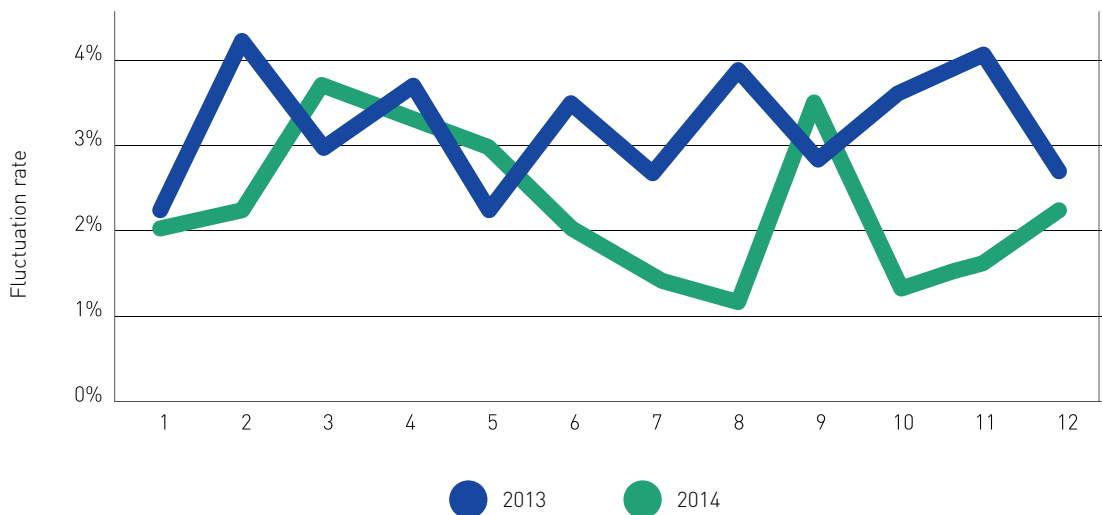


Figure 23. The total rate of the employee fluctuation in the ADP Group for 2013 and 2014 (LA2)

As part of the corporate socially responsible operations, it is understood to lack a distinction between the employees on permanent and temporary basis (LA3). Accordingly, all the privileges and rights of the employees who work full time are applicable to employees who work temporarily or part-time. In the spirit of respecting the wisdom of life and work experience, should there be a need, we shall engage our seniors to continue to contribute and to transmit their knowledge to younger colleagues. The increased employment of direct employees in 2014 in Croatia was related to the Edison project and it significantly affected the structure of the ADP Group employees through a variety of characteristics.

## 5.2. MANAGEMENT AND EMPLOYEES RELATIONSHIP

The collective agreement is applied to all employees in Croatia, while in Russia is applied in the plant PHR where the majority of workers are employed (about 80%). ADP Kaluga is a newly established company in Russia and the employees of that company are familiar with the rights and obligations of the Rules of Procedure, Regulations and Safety at Work and Regulations on work organization and internal order. Last collective bargaining defining the rights and obligations of employers and workers were carried out in early 2014. Collective agreements covered a total of 85% of the employees of ADP Group and the remaining rights and obligations are governed by different regulations in accordance with legal provisions (LA4).

In the AD Plastik d.d. Croatia, there are three active trade unions, and in Russia, at the location of the PHR factory, there is one. There is also a Council of Employees as a representative body of all employees of the AD Plastik. Under the Law on Labour, an obligation of the employer is the quarterly report on changes in the business operations. The Council shall give its opinion on those changes, and it co-decides on all issues relevant to business operations. In addition to quarterly reports, the communication with the Council of Employees is to be performed more frequently, if necessary, (LA5).

## 5.3. HEALTH AND SAFETY AT WORK

As part of the Department of the Epidemiology of Chronic Diseases and the Teaching Institute for Public Health in the County of Split - Dalmatia, Counseling was founded to point out the risk of mass chronic diseases to our citizens, which partly depends on an individual's heritage, but largely it depends on the way of life. During the months of March and June 2014, the advisory work was performed in the premises of the AD Plastik d.d. in Solin, aimed at preventing chronic diseases. In a survey, 137 employees participated at the location of Solin. The examination included measurement of blood pressure, body weight, height, waist circumference, body mass index determination, the percentage of fat and muscle mass, as well as determining the value of glucose and cholesterol in blood. Each participant was given advice depending on the state of his or her body (LA8). At the same time, also in March 2014, the first voluntary blood donation activity was organized in collaboration with the Red Cross of the town of Solin, which was held at our site in Solin.

### Preventive health examinations of employees

To prevent the occurrence of the cardiovascular diseases and the heart disease and stroke, and in cooperation with the Institute of Public Health, the County of Split-Dalmatia, the ADP has organized and carried out medical examinations involving 248 employed of the Branch Unit in Solin. Based on the results, this kind of examination has been proved as completely justified and it stressed the need to have it organized in other factories as well (LA8).

## 5.4. TRAINING AND EDUCATION

The distribution of the invested time to specific groups of topics varies according to the assessment of needs and priorities. In the parent company, it was more focused on the acquisition of expertise, and in the manufacture facilities both at home and abroad, it was more focused on the manufacture and technological processes. However, what is common to all of them is a concern for the safety and health of the employees. That is why the most topics were represented from that field throughout 2014 (LA10).

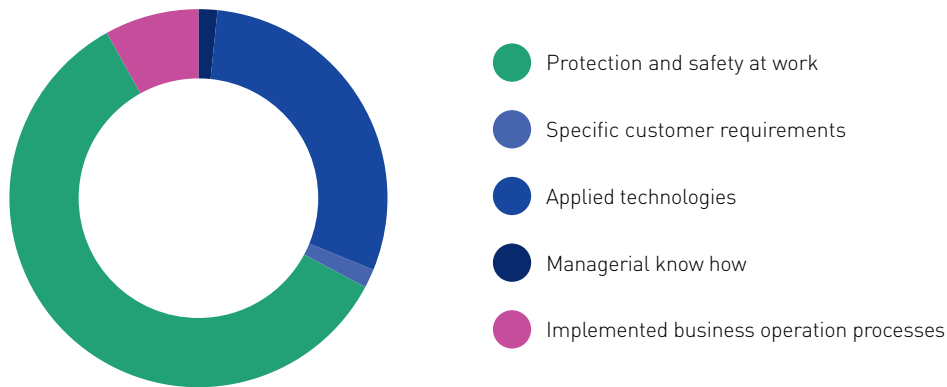


Figure 24. Distribution of development topics in the ADP Group in 2014

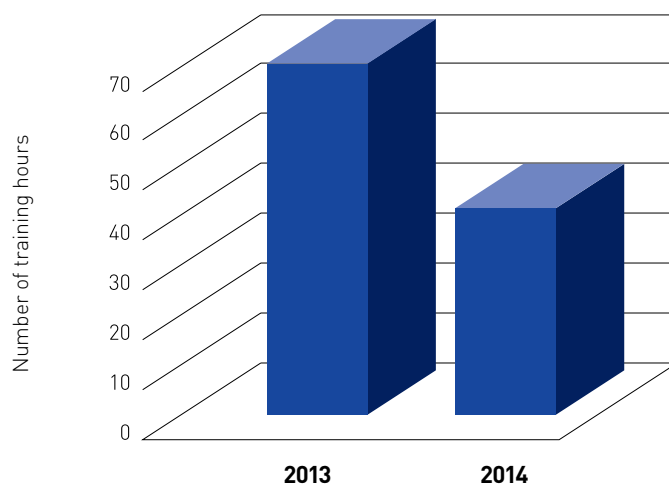


Figure 25. Number of hours of training per employee and category, in the ADP Group in 2013 and 2014 (LA10)

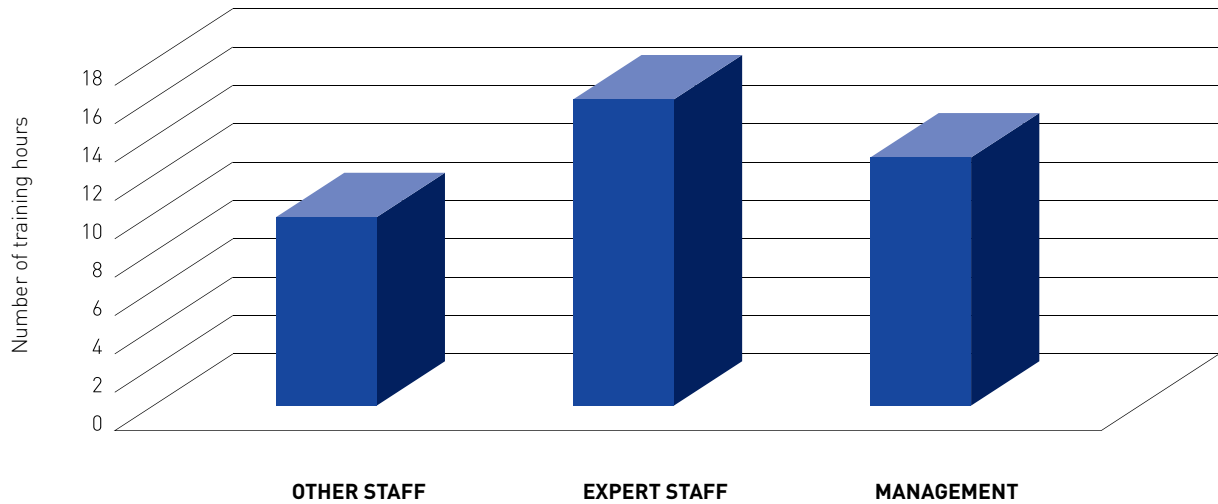


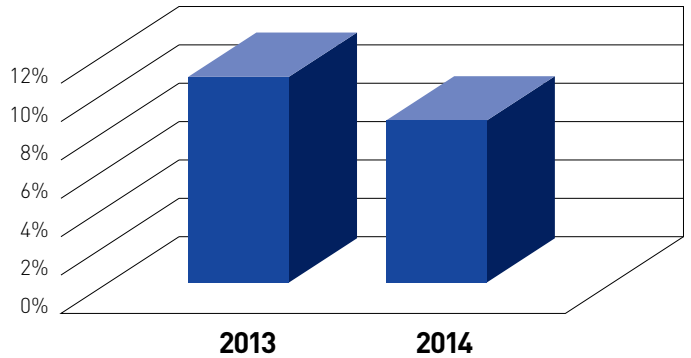
Figure 25. Number of hours of training per employee and category, in the ADP Group in 2013 and 2014 (LA10)

Education of employees for the purpose of continuous development of competencies is a key management responsibility, therefore it is very important that those on top positions are fully committed to and involved in the process. In addition to assigning an employee to external training, we promote knowledge sharing within the organization, and for this purpose we have developed an internal training catalog, which contains the systematized educational topics. It was also published on the intranet sites of the Company.

With the process of integration into the business, through which each new employee undergoes in order to achieve self-reliance in the work in the shortest possible time, the process of mentoring is also being carried out. It is a process in which an experienced and competent mentors share their knowledge in the field of their expertise, directing the careers of those who are preparing themselves for more demanding and more responsible positions. During 2014, 29 mentoring process were completed, where the level of expertise was raised by approximately 50%, compared to the initial knowledge, and 56 new processes were initiated. In addition to monitoring the progress of the mentored employees, the mentors are also being taken care of, in order to provide a comprehensive insight into the processes of the transmission of knowledge and values, and monitor the quality of the overall process (LA11).

Given the large increase in production employees because of the implementation of the Edison project, a process of assessing the efficiency of the work was launched in December 2014. The objective of assessing the efficacy is to determine the quality of the integration process and competence of workers. The set goals have been achieved with the assessment, and the process shall continue in other services as well (LA12).

A higher number of training hours / employee in 2013 was a result of increased employment in the territory of the Russian Federation.

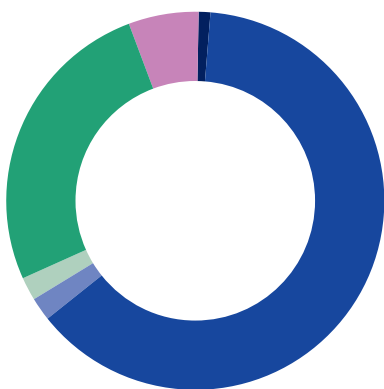


The share of employees who receive feedback on their work and career development; the ADP Group

## 5.4.1. TIME INVESTED IN THE DEVELOPMENT OF EMPLOYEES IN THE ORGANIZATION

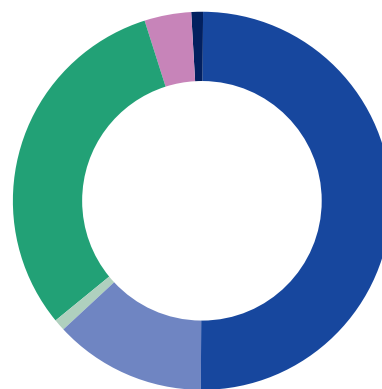
The distribution of the invested time per the specific groups of topics varies according to the type of activity. Thus, in the AD Plastik d.d., the distribution is more focused on the acquisition of expertise, and in the manufacture facilities at home and abroad on the manufacture and technological processes. However, what is common to all of them is a concern for the safety and health of employees.

AD PLASTIK d.d. – Parent Company



- 63% TRAINING OF WORKERS OF PRODUCTION
- 2% APPLIED TECHNOLOGIES
- 2% SPECIFIC CUSTOMER REQUIREMENTS
- 26% PROTECTION AND SAFETY AT WORK
- 6% IMPLEMENTED BUSINESS OPERATION PROCESSES
- 1% MANAGERIAL KNOW HOW

AD PLASTIK Group

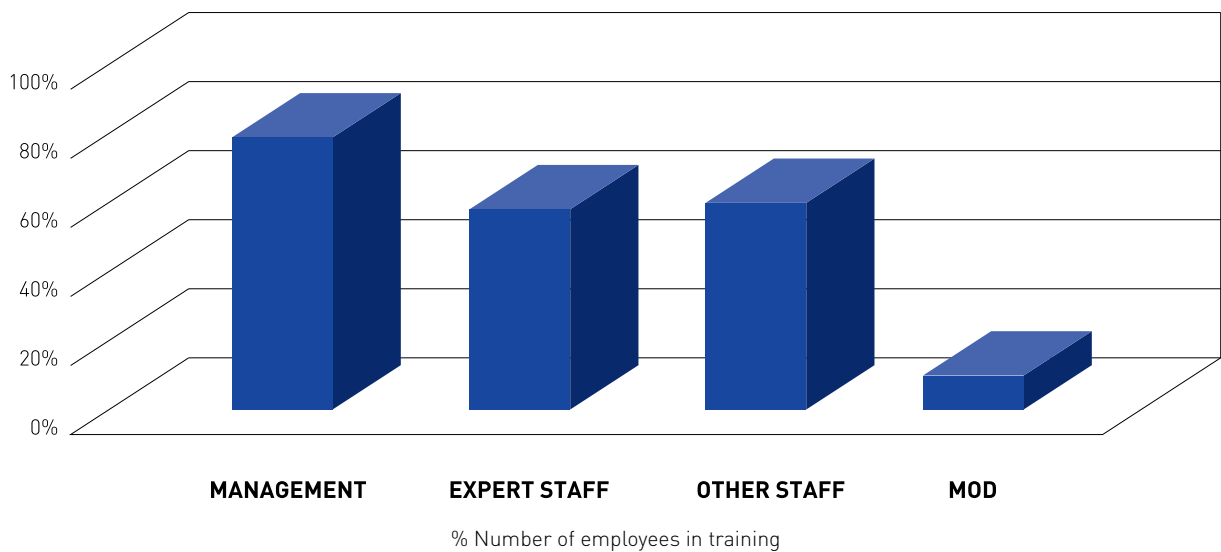


- 50% TRAINING OF WORKERS OF PRODUCTION
- 13% APPLIED TECHNOLOGIES
- 1% SPECIFIC CUSTOMER REQUIREMENTS
- 31% PROTECTION AND SAFETY AT WORK
- 4% IMPLEMENTED BUSINESS OPERATION PROCESSES
- 1% MANAGERIAL KNOW HOW

We promote the sharing of knowledge within the company, we have recognized the internal trainers, we have systematized topics, we have prepared an internal training catalogue and published it on the intranet pages of the Company.



The Internal Training Catalogue, Human Resources Development





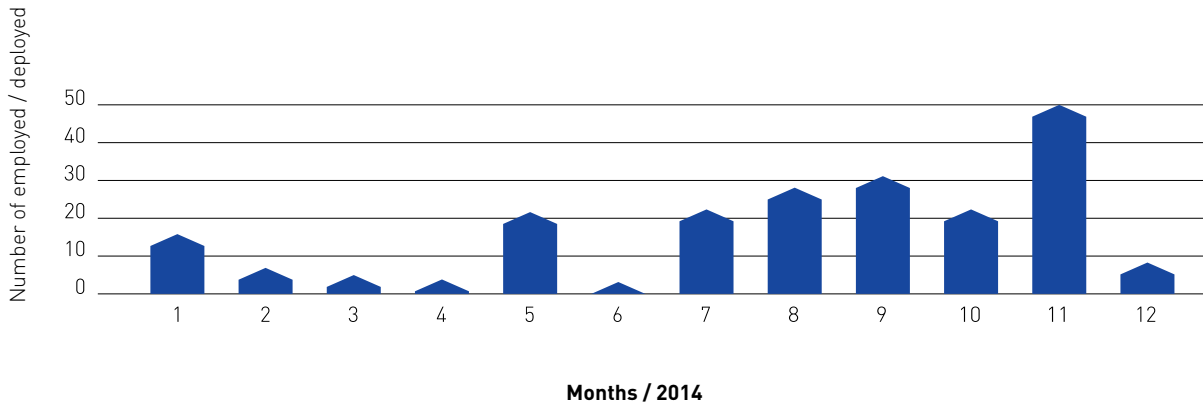


## 5.4.2. ASSESSING THE EFFECTIVENESS OF PRODUCTION EMPLOYEES

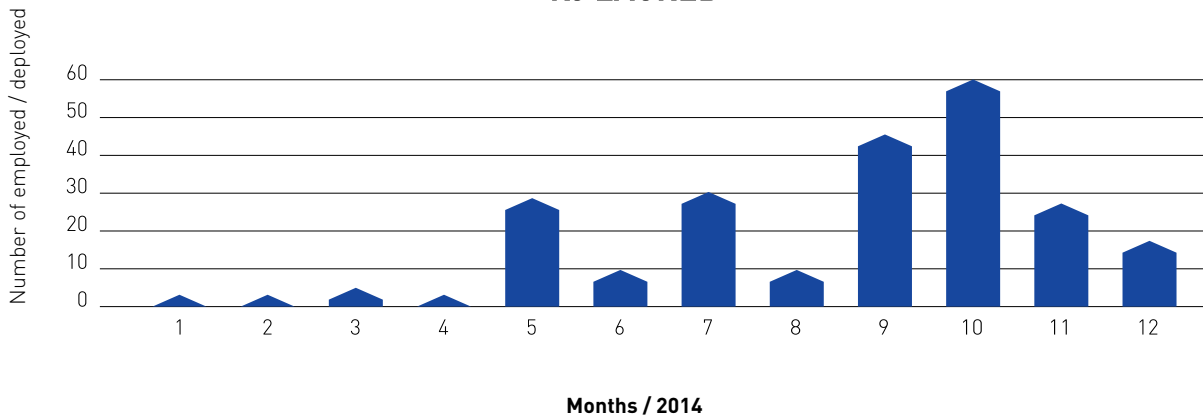
In the past year, in branch units a large number of employees was employed or deployed from the less complex job posts (the implementation of the EDISON project). During December 2014, the process of assessing the efficiency of performance was launched, with the aim of:

- determining the quality of the integration of new employees into operations
- determining the status of the competence of employees
- identifying talents
- identifying employees with inadequate performance

### RJ SOLIN



### RJ ZAGREB



The assessment encompassed direct employees in a broader sense, who have completed the program of the introduction to their work, and who have been trained to work independently.

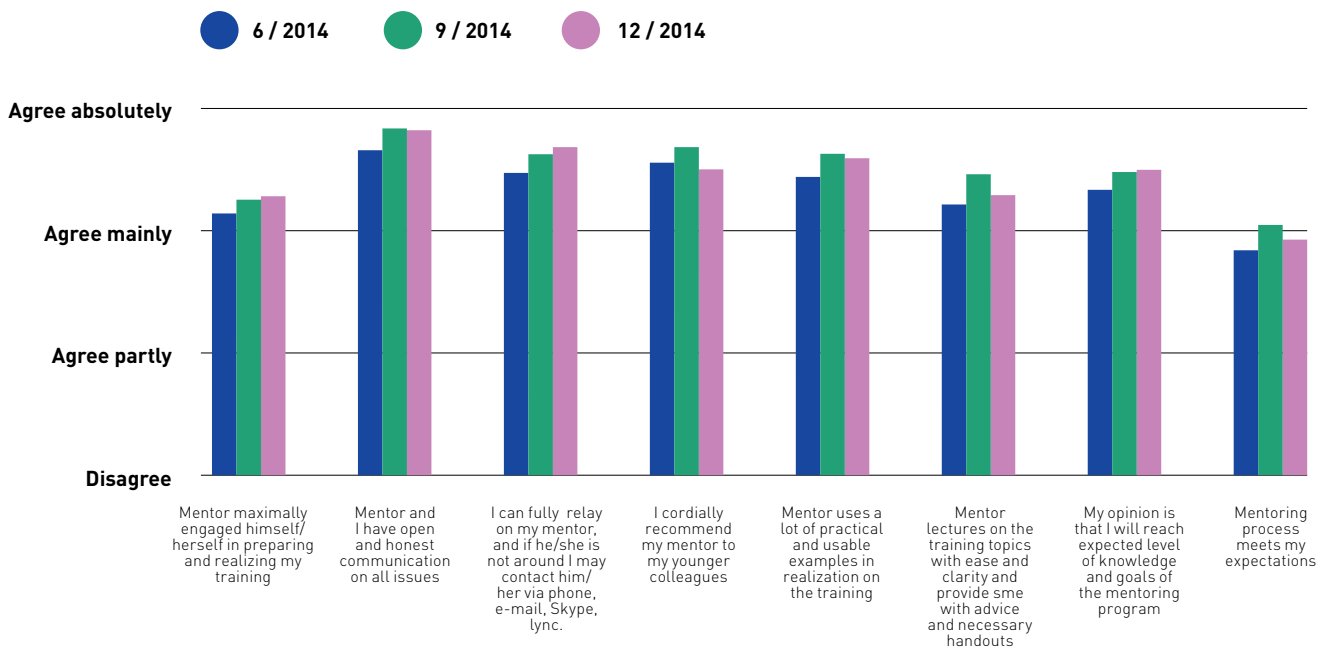
The “direct employees in a broad sense” means the employees involved in the mass serial manufacture whose number fluctuates according to operating plans, and who work in the “manufacture routine” on tasks of rework, quality control, handling goods in the manufacture plant, handling and storage operations, and activities of maintenance of machines/tools.

## 5.4.3. MENTORING

The ADP Group launched 56 mentoring processes in 5 locations (Solin, Zagreb, Mladenovac, Kaluga, PHR) and in 3 countries (Croatia, Serbia, and Russia). In collaboration with 27 mentors, 17 training programs were designed in eight business areas (process technology; construction; logistics; manufacture, human resources, quality, sales and technical operations) for 7 technologies (injection-moulding; thermoforming - headliners; thermoforming - carpets; foaming; NT; painting; extrusion).

During 2014, 29 mentoring process were completed, where the level of expertise was raised by approximately 50% compared to the initial (input) knowledge. The quality of the mentoring process is continuously monitored through quarterly reports of the mentored employees, in order to have a comprehensive understanding of the processes in the transfer of knowledge and values.

### THE MENTORED STAFF FEEDBACK



## 5.4.4. ANNUAL TESTING OF EMPLOYEES' SATISFACTION AND MOTIVATIONAL FACTORS

Through an internal workshop 'Working ambiance', we introduced the management at all levels with the basics of the theory of the motivation and influence of the employees' satisfaction on the success of the work performance, improvement in performance effects, productivity and efficiency.

The annual examination of the working ambiance was conducted, and the analysis of the results showed that our employees were most satisfied with the competence of their immediately superiors and colleagues, which confirms that the company has the quality staff that is capable of dealing with the business challenges the company is facing. Furthermore, in cooperation with the management, the necessary actions to further increase the satisfaction will be taken, taking into account the needs of the employees and the company.

## 5.5. DIVERSITY AND EQUAL OPPORTUNITIES

Within the management structure of the ADP Group, the most employees aged 30 to 45 are in line management, and 30 to 40 in the middle management, while the top management has the most employees aged 45 to 55. Also, there is a significant share of employees older than 50 years of age, which equals 18% at the level of the group. The share of women in top management (management, administration, executive managers and directors) at the level of the group equals 30% (LA13).

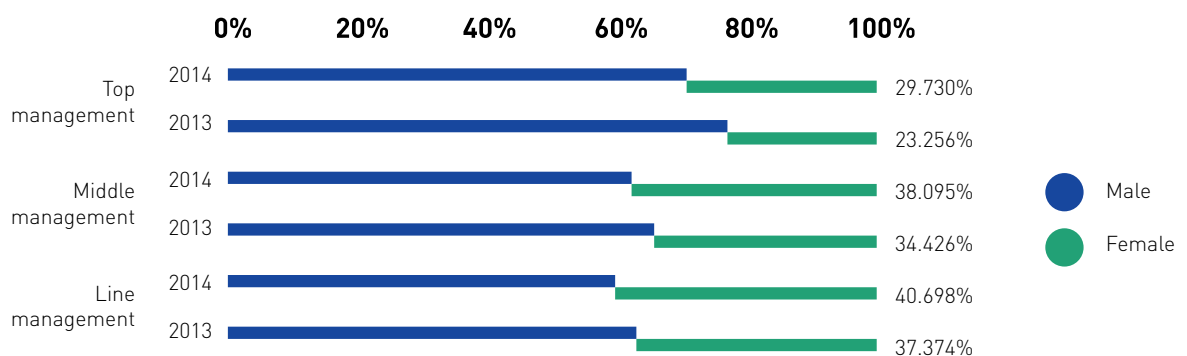


Figure 26. Gender structure of employees in 2013 and 2014, depending on the line of management

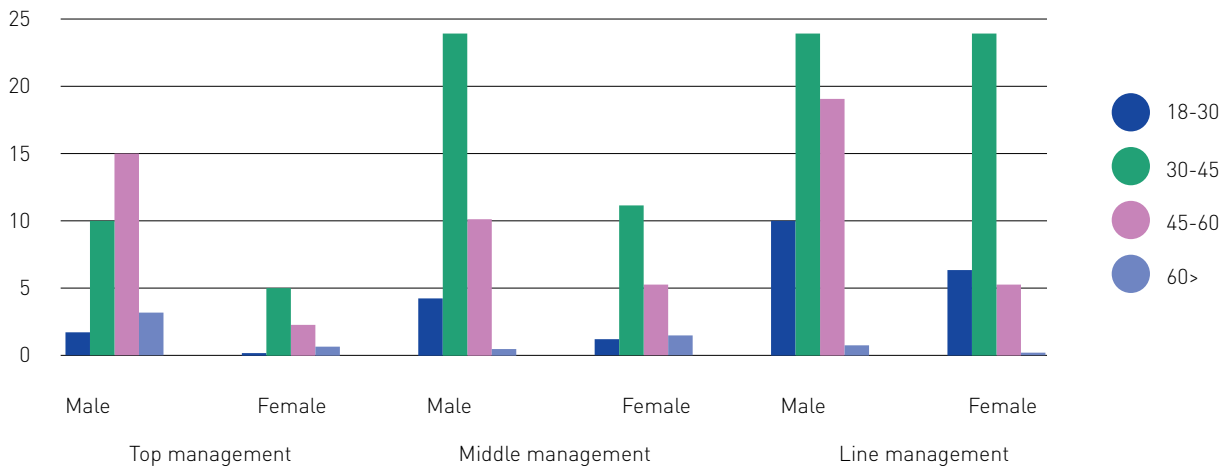


Figure 27. The age structure of management-leadership positions in the ADP Group, 2013

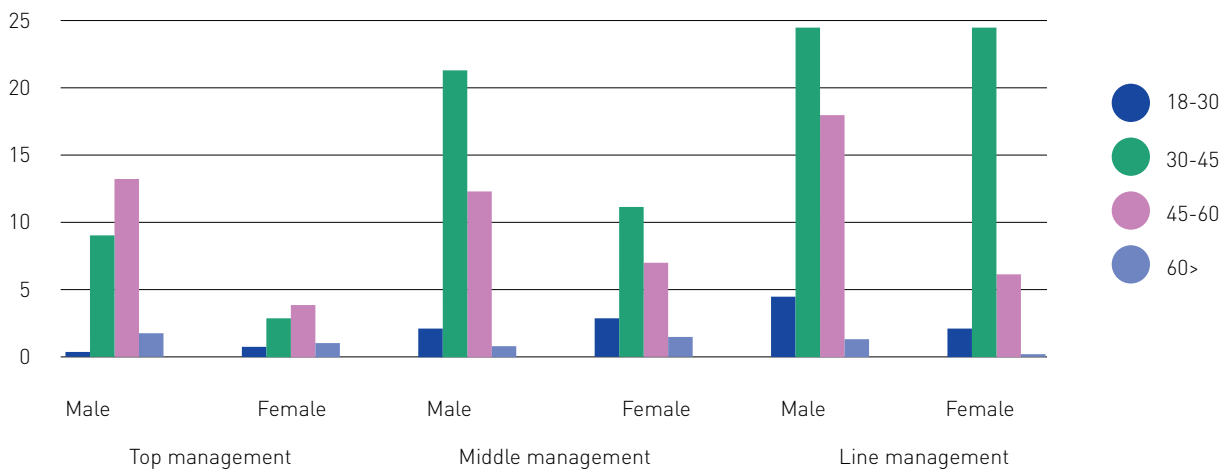


Figure 28. The age structure of management-leadership positions in the ADP Group, 2014

The overall structure by gender in 2014 shows that there was 52% of male employees, while in the age structure, the prevailing age category of the employees is those of 20 to 35 years of age (cumulative 45%) and 35 to 50 years of age (cumulative 36%). According to the educational structure, there are most employees with a high school education.

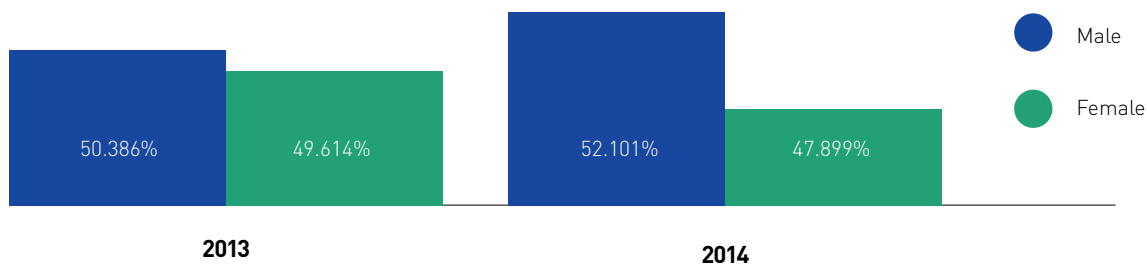


Figure 29. Gender structure of the ADP Group employees in 2013 and 2014

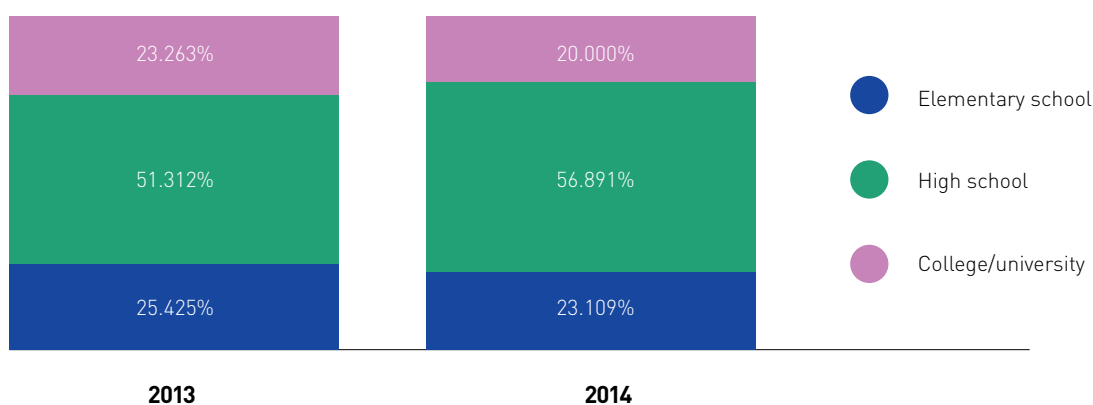


Figure 30. Educational structure of the ADP employees in 2013 and 2014

By continuous improvement of production processes, introduction of new technologies and responding to the increased needs of the market we open opportunities for new employments. Planning is carried out before the start of the calendar year, a new employments include also the internal employments resulting from employee career development.

In the previous period, the arrivals of employees increased, and this is a result of the start in the serial mass manufacture per the Edison project and employment of experts of all profiles and age, which reinforced our team in different areas, with special emphasis put on manufacture units.

In addition to the legal obligation of employing the disabled people, for some time now, and with the co-operation of the Centre 'Mir', the ADP has provided employment for two people with mental disabilities, who take care of the environment maintenance.

At our site in Solin, as part of the "Experience is priceless" Project, a disabled female student is at her student practice internship. After completing the formal induction period, she remained engaged in other

job positions, and she is currently writing her graduation thesis in collaboration with the department of construction.

Through 2013, there were no students or high school student engaged through any of the relevant services. In 2014, there were 60 students temporarily hired through the student services in the period from September to October. As part of our cooperation with the universities, the ADP is open for the summer practical training that high school students and university students are required to do as part of their educational programs. So, in 2013, there were 9 university students, and in 2014, there were 6 high school students and 7 university students on practice in the different departments of the AD Plastik. The professional practice last for 2 weeks or a month on average. All the AD Plastik experts are often contacted by students and involved in mentoring them in the preparation of their seminar and diploma papers.

Throughout the ADP Group, the basic salaries of the employee shall be determined according to the job post, which means that it is the same for all on the given job post, regardless of gender or any other feature of the employee. The salary for a given job post is determined on the base of the corresponding coefficients per the systematization of job posts, with the corresponding contributions to the salary, benefits and incentives being added as well. The additional remuneration of the employees are worth mentioning, which are regulated by the Rulebook on incentives, the Rulebook on remuneration of the proposals for improving and the Rulebook on small incentives for good performance (LA14).

## 5.6. HEALTHCARE AND SAFETY PROMOTION

Legal provisions stipulate that employers with more than 250 employees and several plants, or plants in several locations outside their seat, must establish a central committee for occupational safety, whose task is to improve safety at work. The AD Plastik founded the Committee for Occupational Health and Safety, which meets at least once every three months. The manufacturing activity in itself carries a certain levels of risk that are more prominent than in other activities. Accordingly, a number of measures are being taken to increase the safety of employees and reduce the risk of injury during the manufacturing process and other aspects of the business operations. All employees are required to undergo special training in order to be fit for safe operation. The table below presents the number of hours of training in occupational health and safety per site.

Rates of injuries, occupational diseases, lost days and the number of death cases related to accidents at work				
2012				
	Number of injuries	Number of occupational diseases	Number of lost days	Number of death cases
SOLIN	14	0	653	0
ZAGREB	9	0	117	0
MLADENOVAC	2	0	32	0
PHR	0	0	0	0
KALUGA	0	0	0	0
<b>TOTAL</b>	<b>25</b>	<b>0</b>	<b>802</b>	<b>0</b>
2013				
SOLIN	5	0	129	0
ZAGREB	5	0	73	0
MLADENOVAC	0	0	0	0
PHR	3	0	61	1
KALUGA	0	0	0	0
<b>TOTAL</b>	<b>13</b>	<b>0</b>	<b>263</b>	<b>1</b>
2014				
SOLIN	7	0	303	0
ZAGREB	7	0	245	0
MLADENOVAC	3	0	45	0
PHR	1	0	49	0
KALUGA	1	0	11	0
<b>TOTAL</b>	<b>19</b>	<b>0</b>	<b>653</b>	<b>0</b>

Table 11. Rates of injury, occupational diseases, lost days and absenteeism, and the number of deaths related to accidents at work, given by region [LA7]

Solin and Zagreb - 14 injuries at work, 11 minor and 3 severe injuries.

The number of injuries / Number of injuries in terms of the number of total injuries / Cause of injury:

6 / 43% / snow, careless movement of employees, coming or going to work

5 / 36% / careless tool and equipment handling

2 / 14% / non-use of personal protective equipment

1 / 7% / careless movement of employees



The corrective action taken:

- Ensured adequate amount of salt for gritting the icy surfaces within the company
- Introduced periodic testing of employees on safe work
- Acquired and confirmed the quality of new protective gloves

## 5.7. EMPLOYEES SOLIDARITY FUND

The Agreement on help for the severely ill employees has been effective since 2001 in the AD Plastik. On the grounds of this Agreement, a monetary fund was established (on 31 December 2014, the Fund had 328 members), which primarily being funded by employees who voluntarily deposit it on a monthly basis, and in a minimum sum of HRK 10 per employee, during the payment of their salaries. The AD Plastik provides additional resources to the Fund in the amount that cannot be lower than the overall amount of the quarterly payment of employees. The Assets of the Fund are used as financial assistance in cases of the serious illness of employees, their spouses and/or their children until they gain back their working ability to the fullest. Since its establishment, 195 people used the financial assistance from the Fund.

Year	2013	2014
<b>Totally Paid by the Solidarity Fund</b>	<b>50,376.14</b>	<b>98,395.15</b>

Table 12. The amount of help paid out to employees in HRK

## 5.8. HUMAN RIGHTS

The ADP Group has adopted a Code of Business Conduct. This Code defines the rules of the business conduct to be applied in our daily relationships within the company and with external parties. The Code should be used as a guideline that will help build the social responsibility of employees of the Group and their empowerment.

## 5.8.1. NON-DISCRIMINATION

According to the Code of the ADP Group, every person who works in the company is to be treated equally with dignity and respect regardless of their race, religion, political belief, sex, age, national origin, sexual orientation, marital status, disability or any other characteristic which is protected by the national or local laws. For the implementation of this provision, there is a procedure in case of receiving an application for a violation of the Code of the ADP Group.

In 2013, according to the above stated procedure, there were 4 reports of violations of the Code received (HR4). All applications received for the violation of the provisions were related to one person. Once all the circumstances of the reported events were examined, it was found that the applications were justified and appropriate measures were taken against the reported employee.

In 2014, according to this procedure, there was not received a single report of violation of the Code (HR4).

## 5.8.2. FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

There are three unions active in the AD Plastik: the EKN Croatia Independent Union (the subsidiary of the AD Plastik d.d. in Solin and the subsidiary of the AD Plastik d.d. in Zagreb), the AD Plastik RIS Zagreb Union and the Independent Trade Union of employees employed in the AD Plastik. By 2014, the collective agreement was to be signed by the end of each year for the next year.

The collective agreement was signed in 2014 for a period of three years. The basic salary for an individual job post is determined on the basis of the basic hourly rate and the coefficient of complexity.

The collective agreement aims to promote social and economic security of employees in all companies of the ADP Group, especially in the area of rights and obligations, such as: the protection of employees' dignity, holidays and leave, working hours, compensation and other material rights of employees.

The Council of Employees operates in the AD Plastik, which is a representative body of all employees of the company. There are nine representatives of the employees in the Council of Employees, all of whom represent the opinions and suggestions of the AD Plastik employees.



### 5.8.3. CHILD LABOUR

In the ADP Group, in 2013 and 2014, there was no person younger than 15 years of age employed. When hiring employees, special attention is given to the age of the candidates. The internal regulations further stipulate the activities to proactively reduce the risk of employment of persons under the age of 15.

### 5.8.4. SOCIAL IMPACT

According to the Code of the ADP Group, no employee shall participate in any form of corruption. Every employee of the ADP Group who was asked for or who was offered a bribe, shall report this situation to the Department of Legal Affairs.

In 2013 and 2014, there were no reports by employees on situations that might have the indications of bribery and/or corruption in the ADP Group.

# 6.0

## ENVIRONMENT

As previously stated, to participate in the manufacture of car parts, it is necessary to follow high standards of quality and environmental protection. The factories of the AD Plastik in Croatia have been ISO 14001: 2004 certified, which confirms that it effectively and systematically manages the environment. The environmental management and the principle of sustainable business operation are the basis of all business decisions of the company, as defined in the Code of Business Conduct of the ADP Group, the part of which relates to the protection of the environment.

### 6.1. MANAGING CHEMICAL SUBSTANCES

REACH (Registration, Evaluation, Authorization and restriction of Chemicals) is the EU legal framework for chemicals. Regulation (EC) no. 1907/2006 of the European Parliament and of the Council of European community concerning the Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) entered into force on 1 June 2007, and it replaces a number of previous regulations and directives which regulated the area of chemicals in a unique system.

REACH requires manufacturers and importers to register chemicals to the European Chemicals Agency (ECHA), and sets out the obligations of manufacturers, importers and downstream users of substances on their own, in preparations and products, which are manufactured or imported to the EU in quantities above one tone, and provides specific information on these substances. The content of the required

documentation for registration depends on the quantity of substances being placed on the EU market.

Manufacturers and importers are required to provide information about the properties of substances they produce or import, and the data used to evaluate the risks, and to identify and recommend the appropriate risk management measures. Without the information on substances they produce or import, manufacturers and importers may not place them on the market.

The AD Plastik has taken all necessary measures, including the analysis of substances under REACH, requiring from all its suppliers, within and outside the European Union, to meet all the requirements set by REACH, and meet the requirements of the Guidelines of the Automotive Industry on REACH (The Automotive Industry Guideline on REACH ).

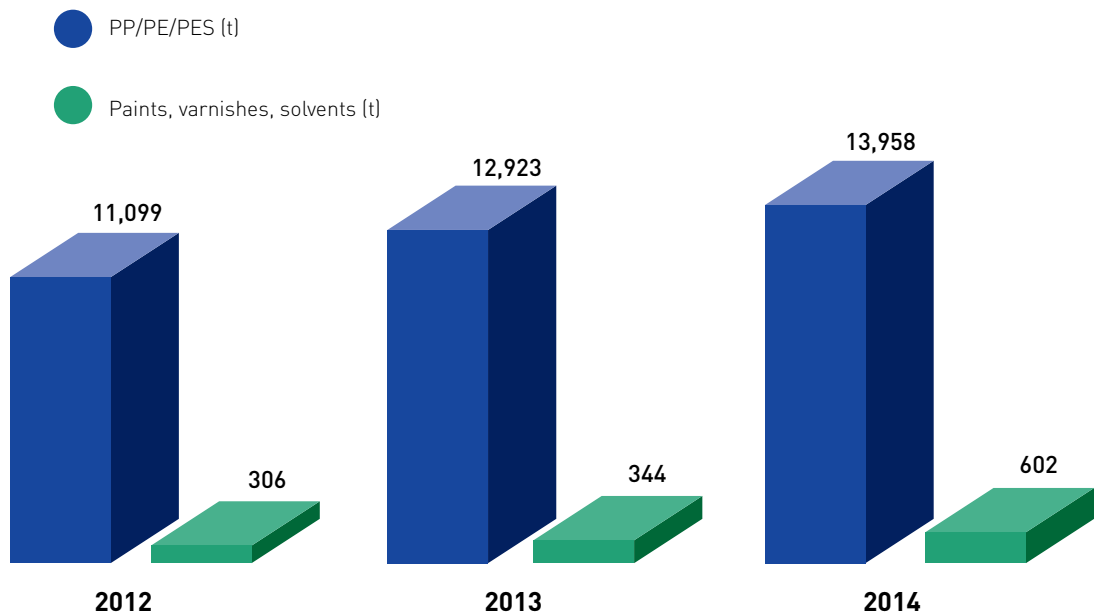
## 6.2. MATERIAL

The AD Plastik has the knowledge, skills and experience in making different products using the following technologies: injection molding, profile extrusion, blow molding, thermoforming, polyurethane technology, plastic components painting. The basic raw materials used in the processing are the granulated polypropylene, polyethylene, paints, lacquers and organic solvents.

### Material used by weight and quantity (EN1)

Material	Location	2012	2013	2014
PP/PE/PES (t)	SOLIN	3,062	2,632	3,045
	ZAGREB	5,438	4,371	5,269
	MLADENOVAC	475	1,070	1,014
	PHR	2,124	2,910	2,780
	KALUGA	0	1,940	1,850
	<b>TOTAL</b>		<b>11,099</b>	<b>12,923</b>
Paints, varnishes solvents (t)	ZAGREB	245	222	278
	MLADENOVAC	61	122	324
	<b>TOTAL</b>	<b>306</b>	<b>344</b>	<b>602</b>

Material used by weight or quantity			
	2012	2013	2014
Material PP/PE/PES (t)	11,099	12,923	13,958
Paints, varnishes solvents (t)	306	344	602



Materials used, by weight (t)

## Percentage of the used materials that is the recycled input material (EN2)

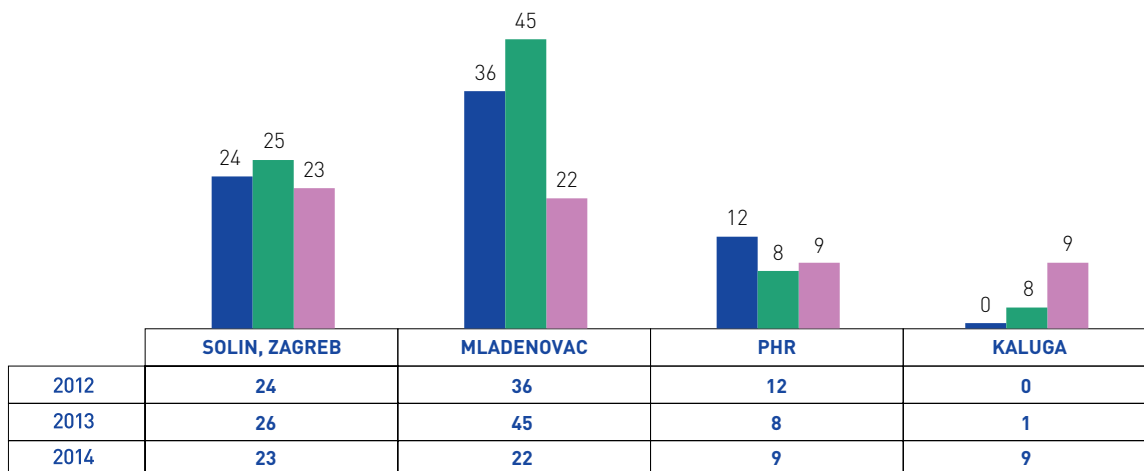
Depending on the type and category of a vehicle, and the position in a vehicle, some plastic products are made mostly from the recycled synthetic material. Suppliers of raw materials that are supplying the AD Plastik with the recycled material are C2P, Rialto, GP, and Tehnocompaund.

## Recycled input material

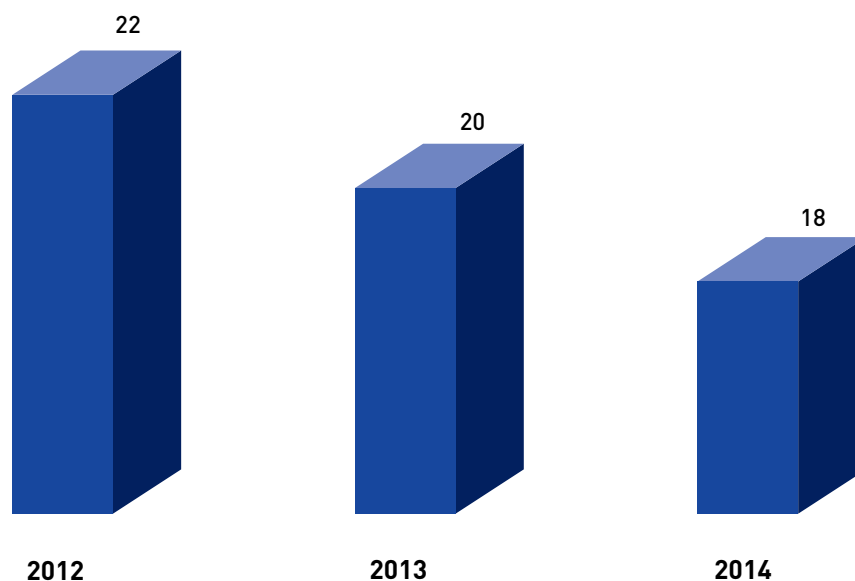
Material	Location	2012	2013	2014
PP/PE/PES (t)	SOLIN, ZAGREB	2,000	1,800	1,920
	MLADENOVAC	173	478	219
	PHR	251	266	241
	KALUGA	0	22	167
	<b>TOTAL</b>	<b>2,424</b>	<b>2,526</b>	<b>2,547</b>

## Percentage of used material that is the recycled input material (%)

Location	2012	2013	2014
SOLIN, ZAGREB	24	26	23
MLADENOVAC	36	45	22
PHR	12	8	9
KALUGA	0	1	9
<b>TOTAL</b>	<b>22</b>	<b>20</b>	<b>18</b>



Percentage of used material that is the recycled input material (%)



Percentage of the used material that is the recycled input material (%)

Reduction of materials used that are recycled input materials is a result of decrease in the quantity of production of certain models of vehicles due to the termination of serial production.

## 6.3. ENERGY

### Direct energy consumption by primary energy source (EN3)

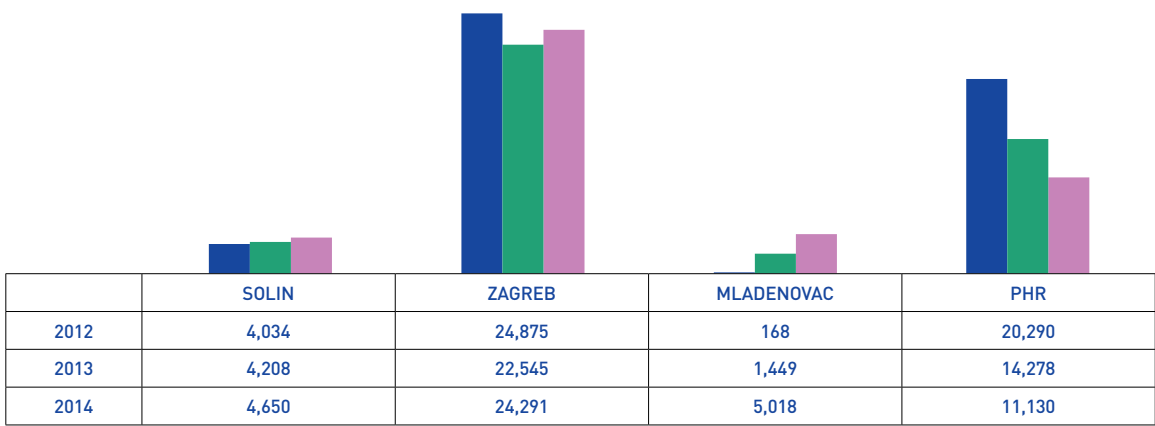
Among the energy fuels used for the needs of the boiler rooms, the used oil and natural gas are being utilized, while the liquefied petroleum gas, diesel and petrol are being utilized for the needs of the forklift trucks and company cars.

Direct energy consumption per primary source of energy (GJ)			
Location	2012	2013	2014
SOLIN	4,034	4,208	4,650
ZAGREB	24,875	22,545	24,291
MLADENOVAC	168	1,449	5,018
PHR	20,290	14,278	11,130
<b>TOTAL</b>	<b>49,367</b>	<b>42,480</b>	<b>45,089</b>

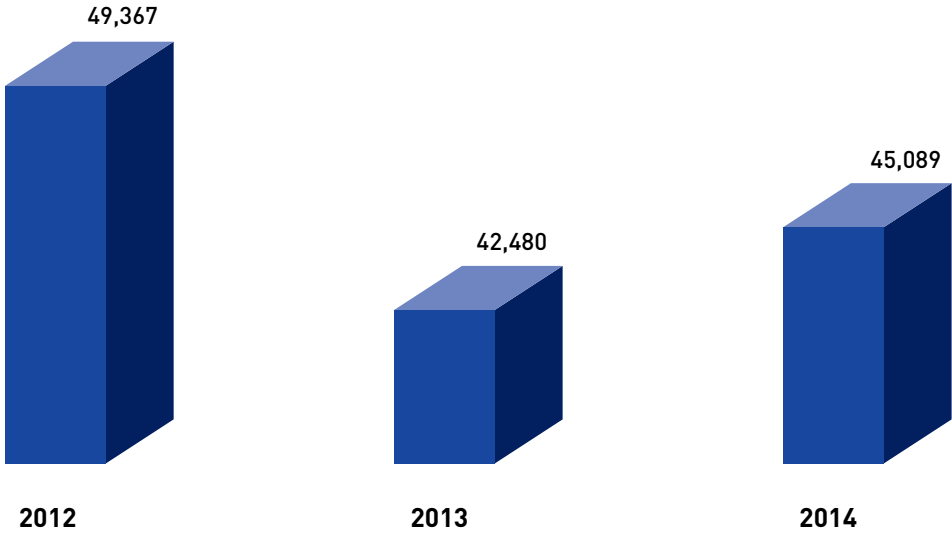


### Direct energy consumption per primary energy source (GJ)

	2012	2013	2014
	49,367	42,480	45,089



Direct consumption of energy by a primary energy source (GJ)



Direct consumption of energy (GJ)

## Indirect energy consumption by primary energy source (EN4)

Electricity is used for the energy needs of the indirect energy, to operate the machines, devices and equipment for heating and cooling the work areas.

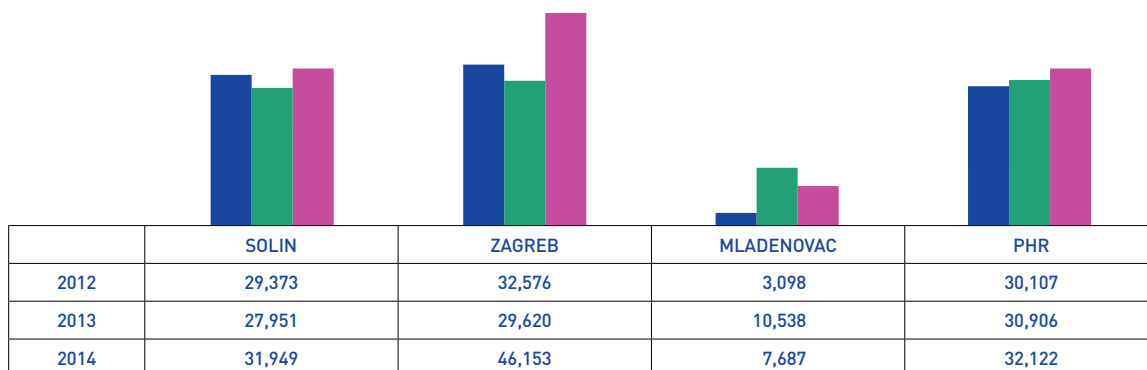
### Indirect energy consumption per primary source of energy (GJ)

Location	2012	2013	2014
<b>SOLIN</b>	29,373	27,951	31,949
<b>ZAGREB</b>	32,576	29,620	46,153
<b>MLADENOVAC</b>	3,098	10,538	7,687
<b>PHR</b>	30,107	30,906	32,122
<b>TOTAL</b>	<b>95,154</b>	<b>99,015</b>	<b>117,911</b>

### Indirect energy consumption per primary energy source (GJ)

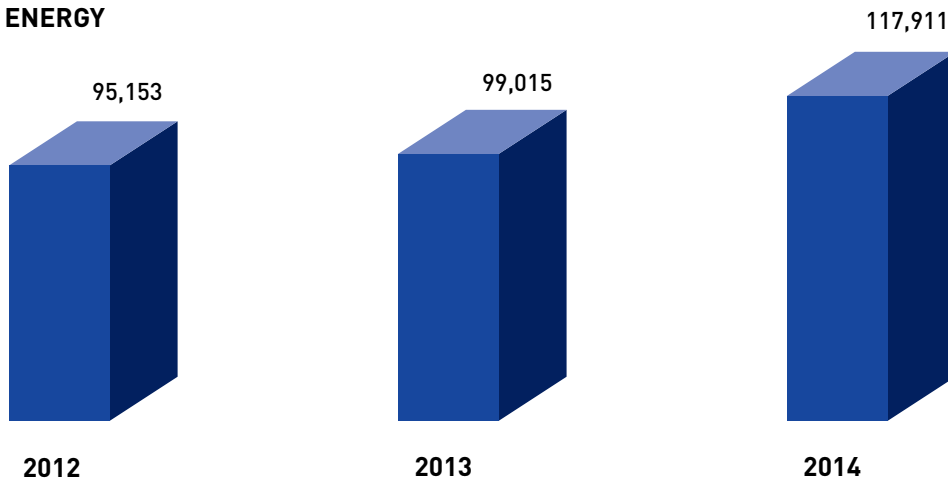
2012	2013	2014
<b>95,154</b>	<b>99,015</b>	<b>117,911</b>

t CO<sub>2</sub> \* data on the emission obtained in calculus per national standard



Indirect consumption of energy by a primary energy source (GJ)

## ELECTRIC ENERGY



Indirect consumption of energy (GJ)

## Energy savings due to improvements of the process accomplished by conservation and energy efficiency (EN5)

Data on the consumption of the direct and indirect energy vary and are directly associated with the amount of manufacture. However, a number of initiatives that have been undertaken in the AD Plastik for more efficient and more rational energy consumption do affect its reduction. The initiatives that have been taken to reduce the energy consumption include:

- turning off the lighting and equipment for work after leaving the work premises,
- installation of refrigeration plant (heat pickup),
- installation of systems for monitoring the peak power and energy consumption,
- installation of equipment for the maintenance of the audio and video conferencing,
- installation of new energy-efficient manufacture equipment
- implementing energy audits of buildings,
- replacement of diesel forklifts with the gas forklifts,
- retiring old and procuring the new company vehicles with better CO<sub>2</sub>/km emission factor for the needs of business trips, and their better organization.

## Initiatives to manufacture energy-efficient products and create energy reduction as a result of these initiatives (EN6)

Since the AD Plastik operates in the automotive industry, and, consequently, in a climate of strongly expressed demands for quality, the issues related to environmental protection are a part of the organizational culture. Special attention is given to those issues, from the understandable need to subordinate the relationship to the environment in which we live and work to the requirements for sustainable development. The initiatives for the manufacture of the energy efficient products are related to the development and manufacture of the environmentally friendly and more economical products. In order to reduce CO2 emissions in the environment, one of the primary goals of the automotive industry is to reduce the vehicle weight, or some of its components, without having any loss to functionality. In cooperation with its customers, the ADP participates in the development of these products, and following the confirmation by the customer, manufactures those products in mass serial production. Also, depending on the type and category of the vehicle, a trend of making products from recycled plastic is followed. The amount of the reduced consumption of energy as a result of these initiatives was not monitored.

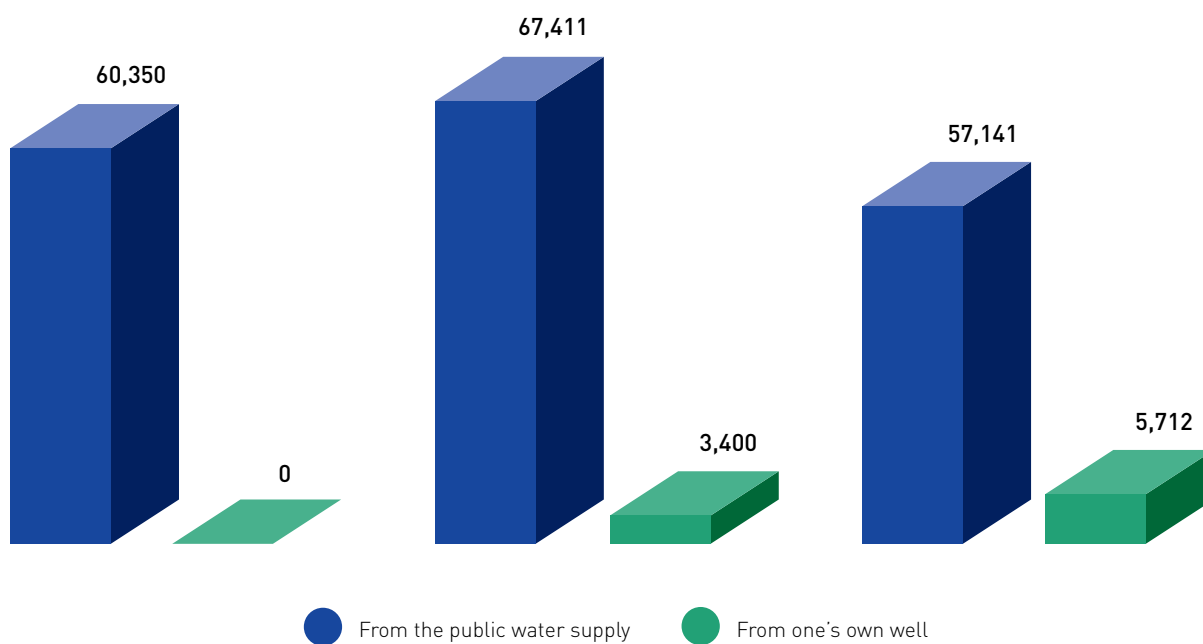
## 6.4. WATER

### Water consumption by source (EN8)

The AD Plastik is being supplied with water from the public water supply system, and partially from its own wells, for which there is a concession. For the purposes of the technological processes, the water in the closed recirculation systems is used for cooling the machines/tools and in the process of paints and varnishes applications as water curtain and to humidify the air. The reduction in water consumption in 2014 was the result of many years of employee training on the rational use of water and the quick response in case of failure on the water supply pipeline system.

	Consumption of water from the public water supply (m <sup>3</sup> )			Consumption of water form one's own well (m <sup>3</sup> )		
	2012	2013	2014	2012	2013	2014
SOLIN	39,461	41,464	23,095	0	0	0
ZAGREB	15,703	17,009	9,733	0	3,400	5,712
MLADENOVAC	1,553	1,446	8,671	0	0	0
PHR	3,633	7,492	9,930	0	0	0
<b>TOTAL</b>	<b>60,350</b>	<b>67,411</b>	<b>51,429</b>	<b>0</b>	<b>3,400</b>	<b>5,712</b>

	Consumption of water per well ( m <sup>3</sup> )		
	2012	2013	2014
From public water supply	60,350	67,411	51,429
From one's own well	0	3,400	5,712
<b>TOTAL</b>	<b>60,350</b>	<b>70,811</b>	<b>57,141</b>

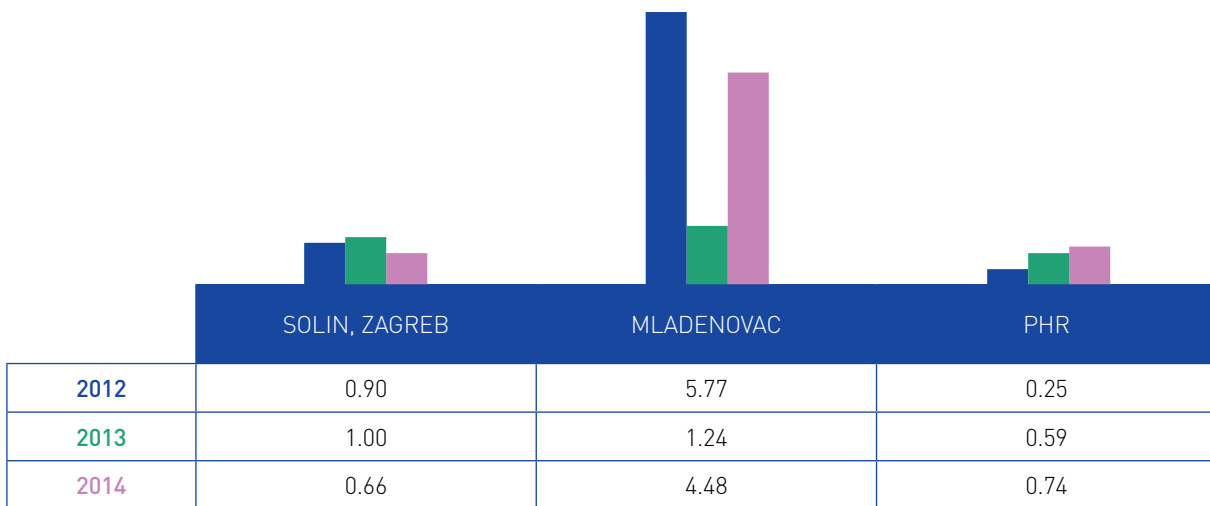


Consumption of water by well (m³)

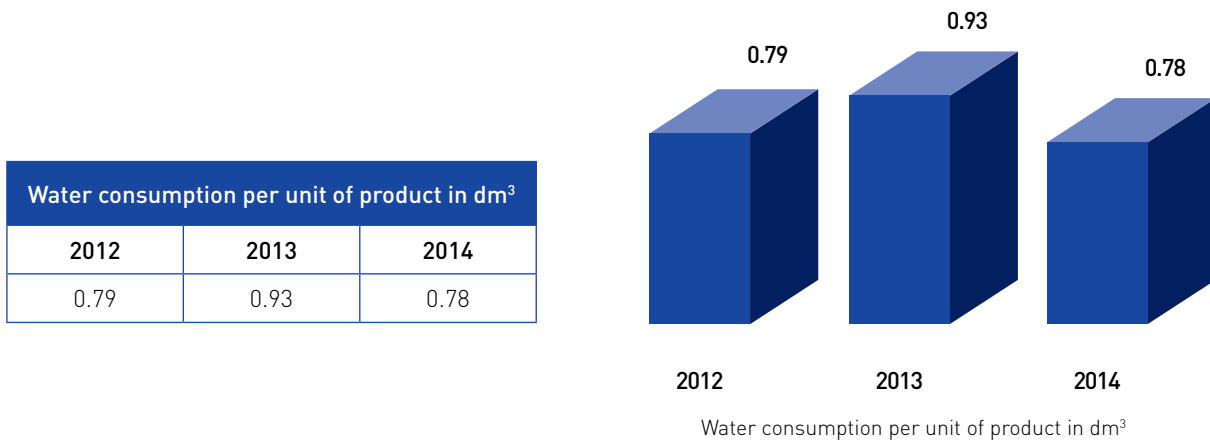
	Quantity of products produced (pcs)		
	2012	2013	2014
SOLIN, ZAGREB	61,356,172	61,921,574	58,003,754
MLADENOVAC	268,932	1,166,953	1,934,176
PHR	14,741,150	12,647,849	13,418,623
<b>TOTAL</b>	<b>76,366,254</b>	<b>75,736,376</b>	<b>73,356,553</b>

Quantity of products (pcs)		
2012	2013	2014
76,366,254	75,736,376	73,356,553

	Water consumption per unit of product in dm <sup>3</sup>		
	2012	2013	2014
SOLIN, ZAGREB	0.90	1.00	0.66
MLADENOVAC	5.77	1.24	4.48
PHR	0.25	0.59	0.74
<b>TOTAL</b>	<b>0.79</b>	<b>0.93</b>	<b>0.78</b>



Water consumption per unit of product in dm<sup>3</sup>



## Water wells significantly affected by the withdrawal of water (EN9)

### **SOLIN**

The Solin plant has no negative impact on the water and aquatic ecosystems. Water supply is provided by a connection to the internal water supply system of the town of Solin, which is being supplied with water from the river Jadro. As an important aquatic habitat, the upper course of this river has been declared a protected area of nature, in the category of a special ichthyologic reserve. The average annual yield of the river Jadro spring well is 9.0 m<sup>3</sup>/s.

### **ZAGREB**

The Zagreb plant has no negative impact on the water and aquatic ecosystems. Water supply is provided by a connection to the internal water supply system of the city of Zagreb. Nowadays, Zagreb obtains its drinking water from eight water pumping stations, with a total of thirty wells. The most important of these are: Mala Mlaka, Petrusvec, Sasnak, Strmec and Zaprudje (Bundek), with the total capacity of the water supply system which is equal to 4.5 m<sup>3</sup>/s.

### **MLADENOVAC**

The Mladenovac plant has no negative impact on the water and aquatic ecosystems. Water supply is provided by a connection to the town water supply of the PUC Mladenovac, which receives the water from the artesian tube wells. There are 55 of them, and their depth ranges from 5 to 200 m. The capacity per one well is 2-5 l/s. All locations of the wells have been declared as a protected area. The most significant of these are Brestovica, Kokorin, Serava and Kovacevac.

### **PHR**

The PHR Factory has no negative impact on the water and aquatic ecosystems. Water supply is provided by a connection to the internal water supply system of the place of Vintaj, which gets its water from a well.

### **KALUGA**

The factory has no negative impact on the water and aquatic ecosystem. The factory is supplied with the water from the city's water supply company "Vodokanal" Kaluga, over the water connections.





## Percentage and total volume of the recycled and the reused water (EN10)

There are no examples of waste water recycling in the AD Plastik.

## The location and size of land owned, leased, or managed in protected areas or in their immediate vicinity, and areas of high value in terms of the biodiversity outside the protected areas (EN11)

The AD Plastik has no land owned, leased, or managed in the protected areas or in their immediate vicinity, and areas of high value in terms of the biodiversity outside the protected areas, therefore there is no impact that its activities exercise on the protected areas.

	Size of land in m <sup>2</sup>		
	OWNED BY THE AD PLASTIK	RENTED	TOTAL
SOLIN	59,499	0	59,499
ZAGREB	32,068	11,566	43,634
MLADENOVAC	24,000	0	24,000
PHR	19,859	0	19,859
KALUGA	11,268	0	11,268
<b>TOTAL</b>	<b>146,694</b>	<b>11,566</b>	<b>158,260</b>

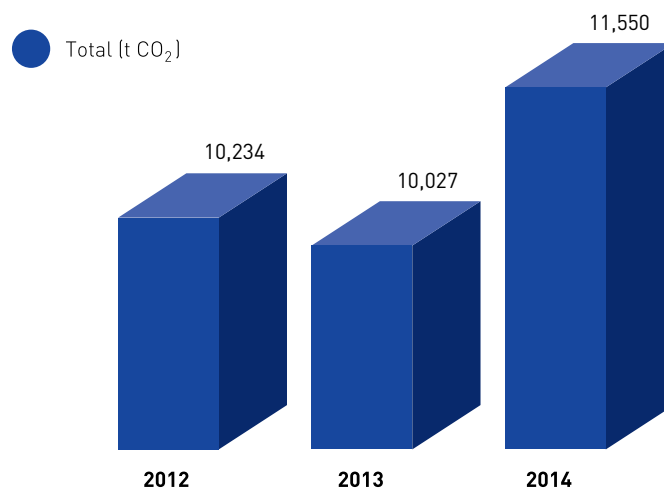
## 6.5. EMISSIONS, WASTE WATER AND WASTES

### Direct greenhouse gas emissions by weight (EN16)

	Total direct and indirect emission of greenhouse gas by weight (t CO <sub>2</sub> *)					
	2012		2013		2014	
	Direct emission of greenhouse gas by weight	Indirect emission of greenhouse gas by weight	Direct emission of greenhouse gas by weight	Indirect emission of greenhouse gas by weight	Direct emission of greenhouse gas by weight	Indirect emission of greenhouse gas by weight
<b>SOLIN</b>	289	2,258	301	2,149	327	2,456
<b>ZAGREB</b>	1,153	2,504	1,040	2,277	1,120	3,548
<b>MLADENOVAC</b>	12	238	87	810	287	591
<b>PHR</b>	1,466	2,314	987	2,376	752	2,469
<b>TOTAL</b>	<b>2,920</b>	<b>7,314</b>	<b>2,415</b>	<b>7,612</b>	<b>2,486</b>	<b>9,064</b>

t CO<sub>2</sub>\* Data on the amount of emissions obtained by the calculation according to national standard

	Total direct and indirect emission of greenhouse gas by weight (t CO <sub>2</sub> *)		
	2012	2013	2014
<b>Direct emission of greenhouse gas by weight</b>	2,920	2,415	2,486
<b>Indirect emission of greenhouse gas by weight</b>	7,314	7,612	9,064
<b>TOTAL</b>	<b>10,234</b>	<b>10,027</b>	<b>11,550</b>



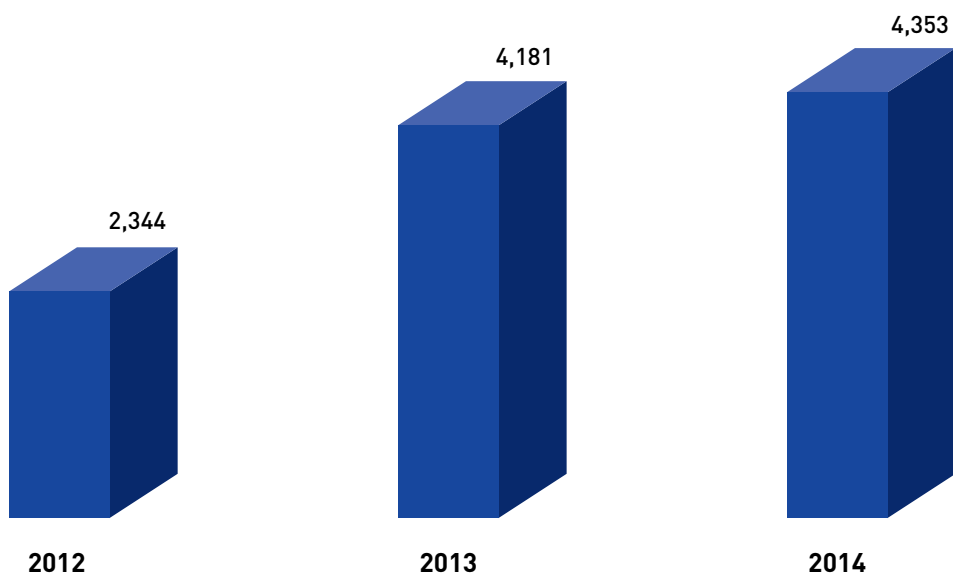
Total direct and indirect emission of greenhouse gas by weight ( t CO<sub>2</sub>\*)

## Other relevant indirect greenhouse gas emissions by weight (EN17)

Other relevant indirect greenhouse gas emissions by weight are related to the emissions caused by the use of the company vehicles for official travel.

	Other relevant indirect greenhouse gas emissions by weight (t CO <sub>2</sub> *)		
	2012	2013	2014
<b>SOLIN</b>	165	174	181
<b>ZAGREB</b>	37	34	36
<b>MLADENOVAC</b>	8	13	21
<b>PHR</b>	2,134	2,376	2,469
<b>KALUGA</b>	0	1,584	1,646
<b>TOTAL</b>	<b>2,344</b>	<b>4,181</b>	<b>4,353</b>

t CO<sub>2</sub> \* Data on the quantity of emission are obtained by a nation standard calculation



Other relevant indirect emissions of greenhouse gases by weight (t CO<sub>2</sub>\*)

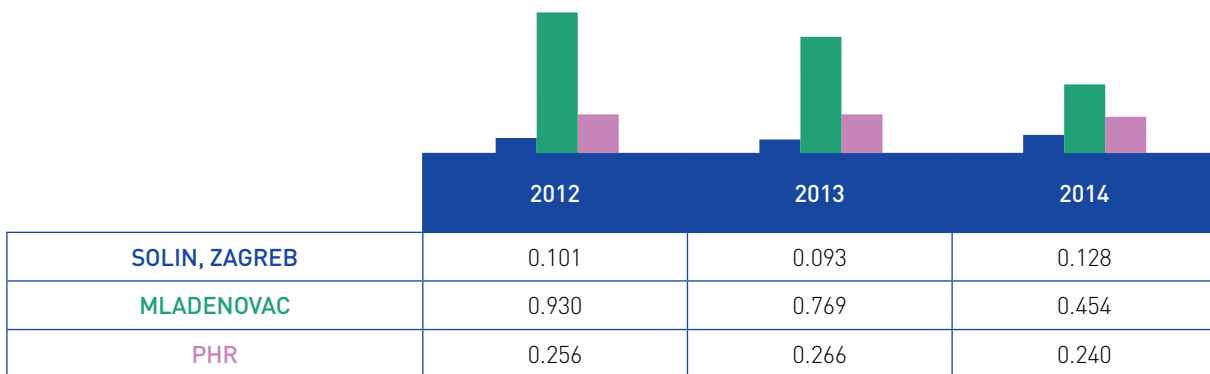
## Initiatives to reduce greenhouse gas emissions and the achieved reductions (EN18)

CO<sub>2</sub> is the major greenhouse gas generated by the operations of the AD Plastik, i.e. by the direct and indirect consumption of energy. The total amounts incurred by the direct and indirect greenhouse gas emissions are listed under EN16, and other relevant greenhouse gas emissions are listed in EN17. As outlined under EN5, the AD Plastik has taken a number of initiatives for saving energy, i.e. the initiatives to reduce the greenhouse gas emissions. The savings can be quantified as the ratio of the resulting CO<sub>2</sub> (t) and the average number of production employees.

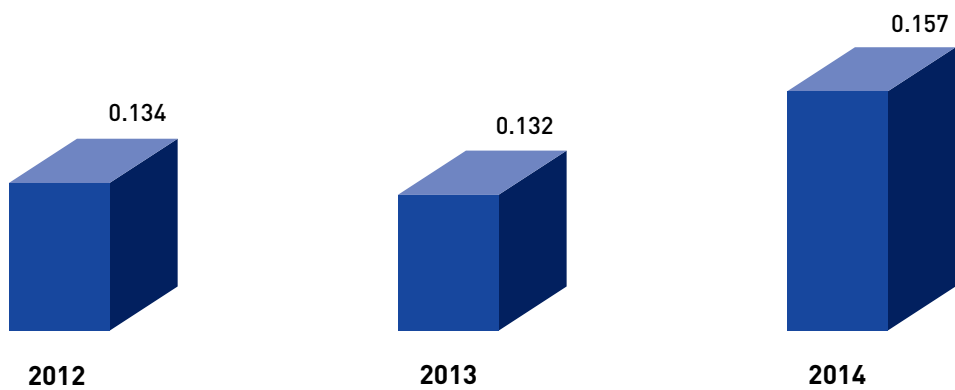
	Total direct and indirect emission of greenhouse gas by weight ( t CO <sub>2</sub> * )		
	2012	2013	2014
SOLIN	2,547	2,450	2,783
ZAGREB	3,657	3,317	4,668
MLADENOVAC	250	897	878
PHR	3,780	3,363	3,221
<b>TOTAL</b>	<b>10,234</b>	<b>10,027</b>	<b>11,550</b>

	Quantity of products produced (pcs)		
	2012	2013	2014
SOLIN, ZAGREB	61,356,172	61,921,574	58,003,754
MLADENOVAC	268,932	1,166,953	1,934,176
PHR	14,741,150	12,647,849	13,418,623
<b>TOTAL</b>	<b>76,366,254</b>	<b>75,736,376</b>	<b>73,356,553</b>

	Total emission of greenhouse gases per product (t CO <sub>2</sub> */product)		
	2012	2013	2014
SOLIN, ZAGREB	0.101	0.093	0.128
MLADENOVAC	0.930	0.769	0.454
PHR	0.256	0.266	0.240
<b>TOTAL</b>	<b>0.134</b>	<b>0.132</b>	<b>0.157</b>



Total emission of greenhouse gases per product (kg CO<sub>2</sub>\*/product)



Emission of t CO<sub>2</sub>\* per product

## Emissions of ozone-depleting substances by weight (EN19)

The AD Plastik does not emit substances that deplete the ozone layer from its manufacturing processes. However, for the purposes of maintaining the necessary climatic conditions in its technological and other work areas, the AD Plastik uses refrigeration and air-conditioning systems that operate using the substances that affect the ozone layer. The maintenance of these devices and systems in operation is entrusted to the authorized contractors whose duty, among other things, is to dispose the replaced refrigerants in an environmentally friendly manner. In 2012, 2013 and 2014, there were no releases of refrigerants in the air from the units owned by the AD Plastik. In 2013 and 2014, a part of the equipment containing 128 kg of R22 has been taken care of in the environmentally friendly manner, and in 2015, it is planned to completely exclude all equipment containing this refrigerant from use.

	QUANTITY OF OPERATING SUBSTANCE CONTAINED IN EQUIPMENT											
	2012				2013				2014			
	R22	R407C	R134A	227ea	R22	R407C	R134A	227ea	R22	R407C	R134A	227ea
SOLIN	240	32	133	40	240	32	133	40	240	32	133	40
ZAGREB	248	301	0	0	198	301	0	0	120	863	0	0
MLADENOVAC	7	70	0	180	7	70	0	164	8	70	0	164
PHR	0	24	0	0	0	17	0	0	0	1316	0	0
KALUGA	0	0	0	0	0	220	0	0	0	980	0	0
<b>TOTAL</b>	<b>495</b>	<b>427</b>	<b>133</b>	<b>220</b>	<b>445</b>	<b>640</b>	<b>133</b>	<b>204</b>	<b>368</b>	<b>3261</b>	<b>133</b>	<b>204</b>

QUANTITY OF OPERATING SUBSTANCE CONTAINED IN EQUIPMENT (kg)	2012	2013	2014
R22	495	445	368
R407C	427	640	3261
R134A	133	133	133
227ea	220	204	204

## NO<sub>x</sub>, SO<sub>x</sub> and other significant emissions in the air by type and weight (EN20)

NO<sub>x</sub>, SO<sub>x</sub>, CO originates due to the consumption of the energy fuel for the purpose of heating the workspaces (used oil, natural gas) and the use of energy fuel in the manufacture processes.

	NO <sub>x</sub> , SO <sub>x</sub> AND OTHER SIGNIFICANT EMISSIONS TO AIR BY TYPE AND WEIGHT (T)								
	2012			2013			2014		
	NO <sub>2</sub>	SO <sub>2</sub>	CO	NO <sub>2</sub>	SO <sub>2</sub>	CO	NO <sub>2</sub>	SO <sub>2</sub>	CO
<b>SOLIN</b>	0.092	1.000	0.002	0.092	1.000	0.002	0.073	0.800	0.002
<b>ZAGREB</b>	1.563	0.000	0.106	1.084	0.000	0.084	1.335	0.000	0.134
<b>MLADENOVAC</b>	0.000	0.000	0.000	0.036	0.000	0.002	0.176	0.000	0.008
<b>PHR</b>	2.695	0.000	5.110	2.058	0.000	3.871	5.650	0.024	12.071
<b>KALUGA</b>	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<b>TOTAL</b>	<b>4.350</b>	<b>1.000</b>	<b>5.218</b>	<b>3.270</b>	<b>1.000</b>	<b>3.959</b>	<b>7.234</b>	<b>0.824</b>	<b>12.215</b>

NO <sub>x</sub> , SO <sub>x</sub> AND OTHER SIGNIFICANT EMISSIONS TO AIR BY TYPE AND WEIGHT (T)	2012	2013	2014
<b>NO<sub>2</sub></b>	4.350	3.270	7.234
<b>SO<sub>2</sub></b>	1.000	1.000	0.824
<b>CO</b>	5.218	3.959	12.215
<b>TOTAL</b>	<b>10.568</b>	<b>8.229</b>	<b>20.273</b>

## The total amount of water discharged by quality and destination (EN21)

### **SOLIN, ZAGREB**

At the site in Solin, the internal drainage system is designed as the separating one, and the sanitary and technological-cooling waste water is connected to the public sewage system in the city water purifier, and the rainfall water is discharged through the collector with an outlet in the Bay of Kastel. At the site in Zagreb, there are sanitary waste water, industrial technological waste water and rainfall water. The industrial technological waste waters are drained through the settling tanks and separators of fats and oils into the internal drainage system, while the waste water from the paint shops are not being released (recirculation). The wastewater is drained through the sewer into the public sewage system of the city of Zagreb to the city water purifier. For the wastewater treatment prior to its discharge into the public sewage system, the separators and grease traps were built on locations in Solin and Zagreb. The sewage system is being examined for leaks every 5 years. The tarmac and concrete surfaces are being regularly cleaned, in order to have the collected water led away towards the gutter. The collected sludge from the separator and the drains is being regularly removed. The sediment, sludge and grease are stored in the spaces provided for that prior to being transported off-site. All waste water is controlled by sampling as required by the water authority permit. All waste waters comply with the maximum allowed limits for discharge into the public sewerage systems.

### **MLADENOVAC**

The internal drainage system has been designed specifically for the sanitation and technology, and particularly for the atmospheric waters. The sanitary waste water is connected to the public sewerage system. The technological waste water (following the treatment in sedimentation tanks) is also connected to the public sewerage system. The rainfall water is being discharged into the river Veliki Lug. They are regularly controlled by sampling, as required by the water authority permit. The rainfall water meets the maximum permitted concentration.

### **PHR**

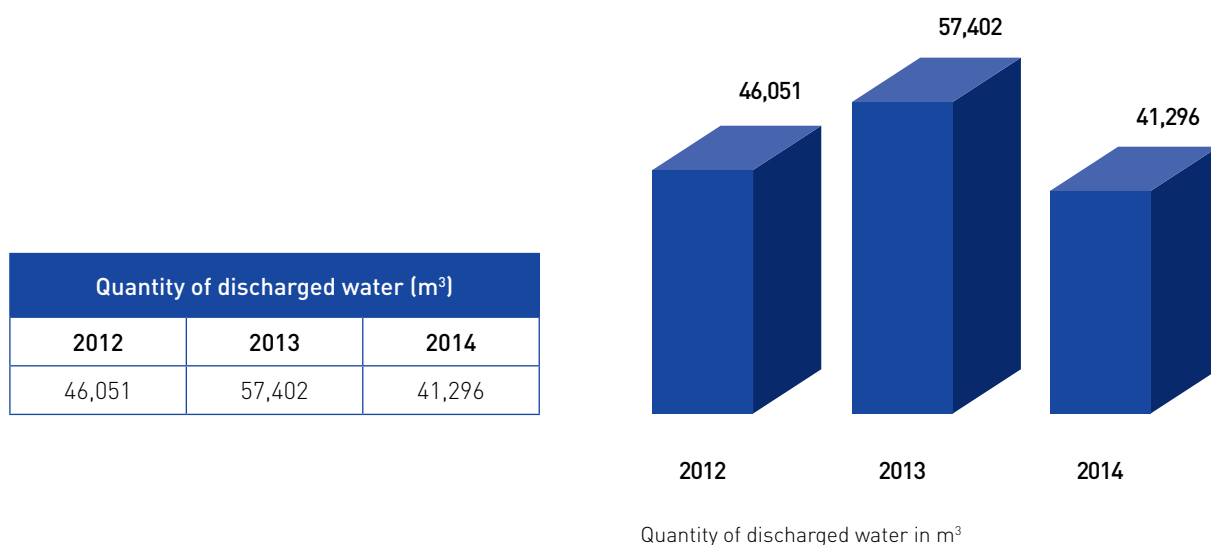
The internal drainage system is designed in the form of a cooling tower, and the sanitary and technological-cooling waste water are connected to the town sewage system, while the rainfall water is discharged into the sewer drain collector of the rainfall drain sewage of the place of Vintaj. The filters are installed in the cooling tower of the plant for the treatment of wastewater prior to its discharge. The cooling tower is cleaned and tested every six months. The tarmac and concrete surfaces are regularly checked for the drainage of waste water into the sewage system. The waste water is controlled by sampling, in accordance with the request specified in the permit for water use. All the waste waters comply with the maximum allowed limits for discharge into the public sewerage system. The control of wastewater is carried by a contracted organization for waste water, on the grounds of a signed contract.



## KALUGA

The waste water are connected to the sewage system of the city of Kaluga, and the rainfall water is discharged into the sewer drain collector that is connected with the city rainfall water sewage system. The filters were mounted in the cooling towers of the plant to purify the rainfall water prior to its discharge. The cooling tower is cleaned and tested every six months. The tarmac and concrete surfaces are being regularly cleaned for the drainage of waste water into the sewage system. The waste water is controlled by sampling, in accordance with the request specified in the permit for water use. All the waste waters comply with the maximum allowed limits for discharge into the public sewerage system. The control of wastewater is carried by a contracted organization for waste water, on the grounds of a signed contract.

	Quantity of discharged water (m <sup>3</sup> )		
	2012	2013	2014
SOLIN	34,946	37,701	18,645
ZAGREB	5,909	10,763	4,050
MLADENOVAC	1,533	1,446	8,671
PHR	3,663	7,492	9,930
<b>TOTAL</b>	<b>46,051</b>	<b>57,402</b>	<b>41,296</b>



	ZAGREB		
	Data on type and quantity of discharge and transfer of waste substance (t)		
	2012	2013	2014
OCC*	1.63	5.144	7.043
OBC**	0.697	1.808	2.082
Suspended substance	0.053	0.188	1.287
Detergents, anionic	0.002	0.037	0.025
Detergents, non ionic	0.002	0.004	0.012
Total oil and grease	0.007	0	0
Halogen organic compounds	0.001	0.001	0.014
Mineral oil	0.005	0.02	0.007

OCC\* oxygen chemical consumption; OBC\*\* oxygen biochemical consumption

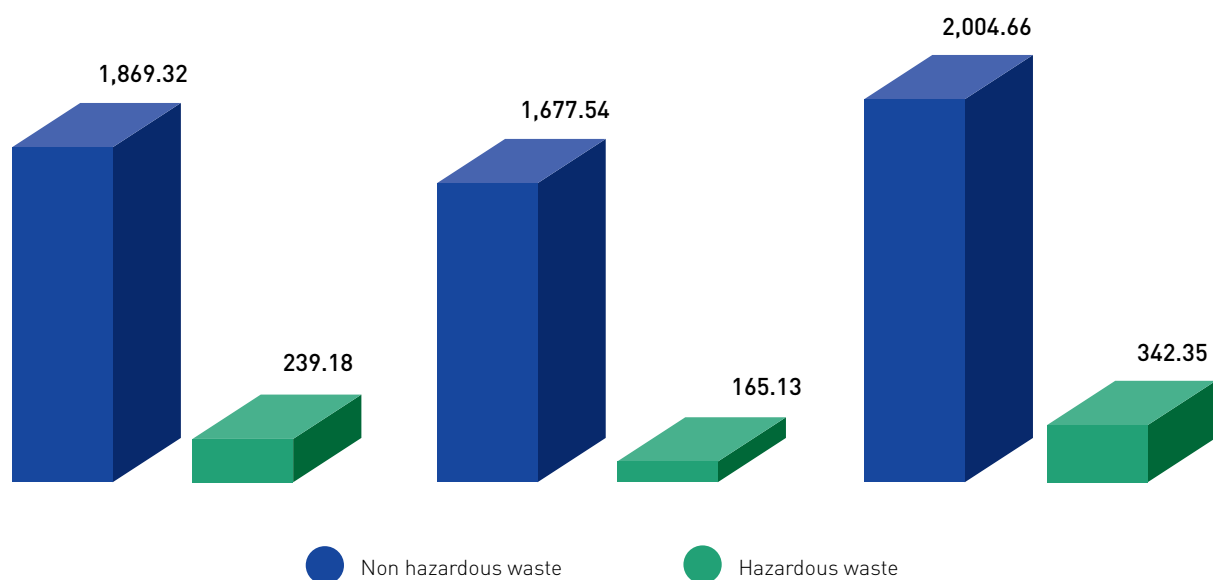
	SOLIN		
	Data on type and quantity of discharge and transfer of waste substance (t)		
	2012	2013	2014
OCC*	5.767	3.907	5.501
OBC**	3.225	2.641	3.085
Suspended substance	1.17	1.741	0.946
Detergents, anionic	0.017	0.005	0.016
Total oil and grease	0.022	0.05	0.056
Mineral oil	0.001	0.002	0.009

OCC\* oxygen chemical consumption; OBI\*\* oxygen biochemical consumption

## Total weight of waste by type and disposal method (EN22)

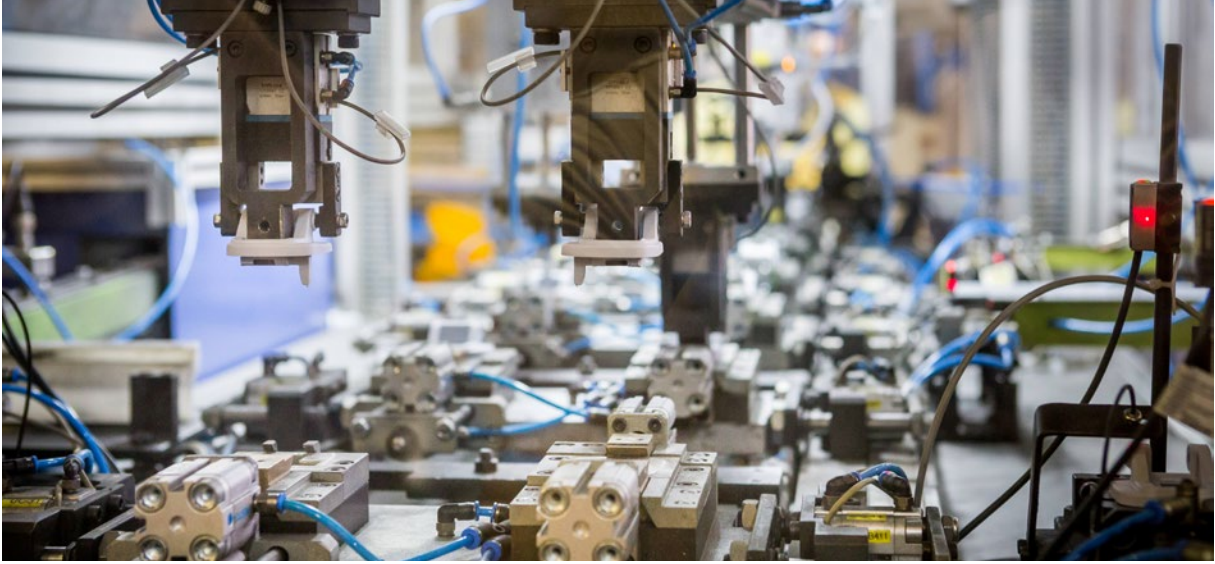
WEIGHT OF WASTE BY TYPE (T)	2012	2013	2014
NON HAZARDOUS	1,869.32	1,677.54	2,004.66
HAZARDOUS	239,18	165,13	342,35
TOTAL	2,108.50	1,842.67	2,347.01

	TOTAL WEIGHT OF WASTE BY TYPE (T)					
	2012		2013		2014	
	Non hazardous	hazardous	Non hazardous	hazardous	Non hazardous	hazardous
SOLIN	216.87	13.08	106.67	14.1	126.13	25.58
ZAGREB	80.18	219.5	114.03	146.39	213.56	301.01
MLADENOVAC	1.18	0.53	9.70	2.35	159.28	6.66
PHR	1,571.09	6.07	1,221.26	2.29	1,055.69	8.60
KALUGA	0.00	0.00	225.88	0.00	450.00	0.50
<b>TOTAL</b>	<b>1,869.32</b>	<b>239.18</b>	<b>1,677.54</b>	<b>165.13</b>	<b>2,004.66</b>	<b>342.35</b>



Total weight of waste by type (t)

Disposal method	WEIGHT OF WASTE (T)		
	2012	2013	2014
Recycling	450.71	519.92	809.08
Storing the waste prior to the application of any disposal procedure	219.55	142.67	298.42
Using the waste mainly as fuel or other way of obtaining energy	3.94	7.83	12.55
Physical and chemical processing of the waste	7.69	4.11	18.27
Incinerating the waste on mainland	7.63	7.38	35.83
Waste disposal in a specially prepared disposal site	1,418.98	1,160.76	1,172.86
<b>TOTAL</b>	<b>2,108.50</b>	<b>1,842.67</b>	<b>2,347.01</b>



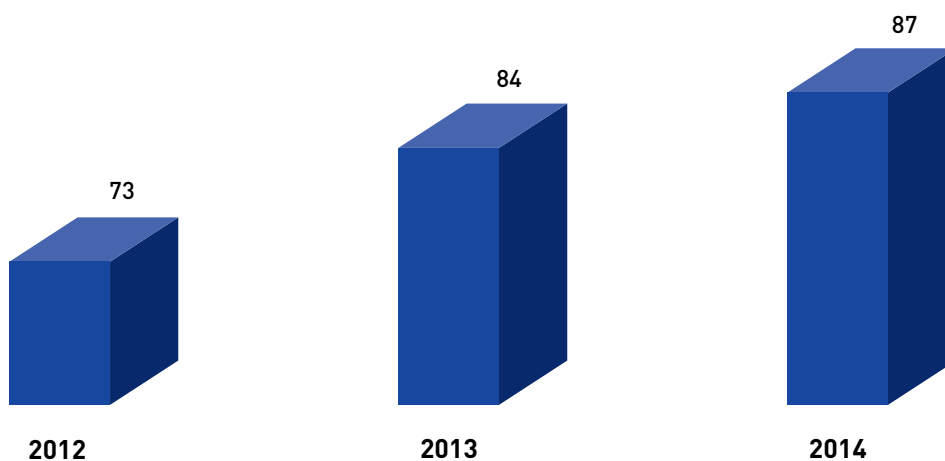
## Total number and volume of significant spills (EN23)

In the AD Plastik, there have been no significant spills of hazardous substances that may have significant negative effects on the environment with the potentially harmful effects on soil, water, air, biodiversity and human health. A systematic effort to avoid any significant spills of hazardous substances is directly linked to the internal Regulations and Operating Instructions, and the supervision of their implementation is being regularly monitored.

## The weight of the transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention, Annexes I, II, III, and VIII, and the percentage of waste transported abroad (EN24)

The AD Plastik handles responsibly the waste from all of its business processes, in accordance with the law, by-laws and internal procedures. The separate waste collection and the disposal as prescribed by the law are

	2012	2013	2014
<b>WEIGHT OF HAZARDOUS WASTE (T)</b>	239.18	165.13	342.35
<b>WEIGHT OF HAZARDOUS WASTE TRANSPORTED ABROAD (T)</b>	175.22	138.84	296.53
<b>PERCENTAGE OF HAZARDOUS WASTE TRANSPORTED ABROAD (%)</b>	73	84	87



Percentage of hazardous waste transported abroad (%)

an integral part of the daily activities in the waste management in the AD Plastik. The waste is classified in the place of its origin and it is collected in separate containers and then submitted for further disposal to the authorized waste collectors. Records on the produced waste that has been delivered for further disposal are governed by the statutory documents. The data on the weight of the waste delivered for disposal are obtained by weighing during the delivery to the authorized waste collectors and they are used for reporting to the competent state authorities.

### Identity, size, degree of protection and value due to the biodiversity of water and the related habitats that are significantly affected by the discharge and leak of water by the reporting organization (EN25)

The waste water that is discharged from the plants of the AD Plastik has no negative impact on the biodiversity and the related habitats. The waste water is not discharged into the protected areas.





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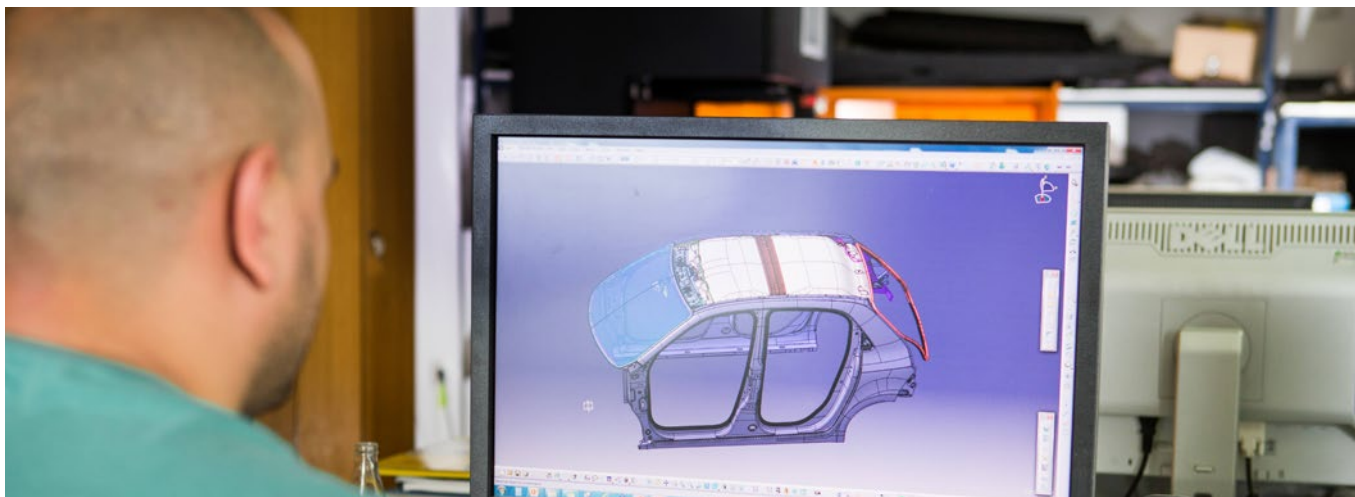
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# 8.0

## OBLIGATIONS ASSUMED FOR 2015 AND 2016

The key objectives for the future reporting period are:

- Implementation of the standard ISO 14001 in ADP Kaluga (2016)
- Beginning of the implementation of ISO 50001 standard (Energy management system) for the plants Solin and Zagreb (2015/2016)
- Introduction of the system OHSAS 18001 for managing health and safety in the workplace for the plant ADP Mladenovac (2015)
- Assessment of customer satisfaction
- Introduction of the employees rewarding system
- Development of activities aimed at increasing employee motivation
- Switching to G4 reporting











**AD Plastik Shareholding**

Department of Corporate Communications

[www.adplastik.hr](http://www.adplastik.hr)