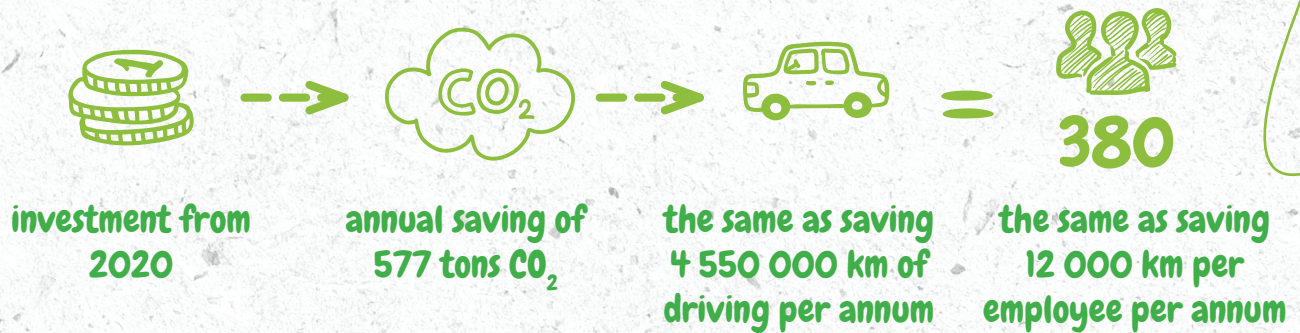


## CO<sub>2</sub> reduction

Throughout the entire company we adhere to the principle of eco-friendly operation. Thanks to investment in the manufacturing process from 2020, we have been able to reduce the annual production of CO<sub>2</sub> by approximately 577 tonnes. That amount is equivalent to, for example, 4 550 000 km covered by a petrol-driven vehicle. The load on the planet would similarly be reduced if every one of our employees travelled 12 000 km less by car each year.



## Production facilities

The entire production facility is subject to continuous innovation. The main aspects of this are efficiency, environmental friendliness and maintaining a healthy environment. Examples of reducing energy consumption include heat recovery from exhaust air using recuperation units, gradual transition to LED lighting, strengthening the thermal insulation capabilities of flat roofs, along with window replacement, and decentralization of the heating system. Thanks to investment, unwanted heat leakage is reduced to a minimum and the production of the energy needed to produce heat is also made more efficient.

## Ecology in production

### Input

Almost all (99%) of the plastic parts we use are made from Polypropylene, which is recyclable. All of our inks for children are certified and are 100 % safe and healthy for children to use.

In our products, we avoid materials that are not ecologically friendly, or are harmful. From 2022, we sell our bestsellers partly from recycled plastics. Unlike the competition, which mostly produces separate ecological lines with an unknown prediction of development, we at Centropen worked for years on the best-selling product Permanent marker, into which we inserted recycled granulate. Although the new Centropens permanents have „only“ 53 and 57 % of recycled plastics, it is a significant total amount of plastic, because sales within 40 countries are enormous. More than 85 tons of recycled plastic are processed annually.



## Processing

We can be proud of the waste-free production of plastic parts, because we process all the waste from production. At each production stage, technologies are introduced to reduce the volume of waste and to prevent pollution. We encourage every employee to save energy. New plastic presses from renowned companies reduce energy consumption by 30 to 50% thanks to having a continuously variable output.

## Output

In packaging materials, we are replacing PVC which is no longer suitable today, with recyclable polypropylene and paper, and we consistently recycle waste which is not directly generated by production. The entire production process is located in one place, from raw material input, through manufacturing, quality control and packaging, to warehousing, and finally shipping to customers, all of which significantly contribute to minimizing our environmental impact.

## Plans for 2023 and 2024

In order to be able to create a truly healthy and sustainable environment, the company has reserved the position of ESG manager, whose task is to develop all environmental, social and governance areas.

One of the main planned projects to reduce the ecological footprint is the establishment of a photovoltaic power plant on all the roofs of the production halls and warehouses. The project has already been processed and approved. Reduction of our need for outside electricity is estimated by one third annually, depending on sunshine. We will replace this energy with renewable and clean sources, thereby reducing our CO<sub>2</sub> footprint again.

The trial development of other important products from recycled material is ongoing, as well as the search for other regranulation suppliers with the required output quality. The effort is to convert as much production as possible into products from recycled parts.

Technological and logistical developments continue to reduce and increase production efficiency, as well as maintaining competitive advantage and cost effectiveness.

