



2023 SUSTAINABILITY REPORT

FOR THE LUKA PLOČE GROUP



Introductory information

About the Report

The 2023 Luka Ploče Sustainability Report covers and presents the environmental, social and governance (ESG) impacts and performance for the period from 1 January to 31 December 2023 at **Luka Ploče d.d.** as the parent company and its subsidiaries, i.e., **Luka Šped d.o.o.**, **Pločanska plovidba d.o.o.** and **Pomorski servis – Luka Ploče d.o.o.** which together make up the **Luka Ploče Group** (hereinafter: Luka Ploče or the Luka Ploče Group as a consolidated group of companies along with Luka Ploče as the parent company). The scope of the reports has been aligned with the consolidated financial statements.

The preparation of this sustainability report follows the guidelines of the **European Sustainability Reporting Standards** (hereinafter: ESRS) and includes relevant and reliable information on all impacts, risks and opportunities (hereinafter: IRO), which are considered material in terms of the importance (materiality) of the impact or importance (materiality) of the financial aspect, or both. An integral part of the Sustainability Report is the **EU Taxonomy Report**.

Luka Ploče d.d. becomes obliged to publish the sustainability report in 2026 for the 2025 fiscal year, when the obligation also arises to publish the taxonomy report. By voluntarily publishing the 2024 Report for the year 2023, Luka Ploče d.d. enhances the transparency of its operations—a fundamental principle of corporate governance at Luka Ploče d.d.

In preparing the information for publication in the sustainability report, we were guided by the following principles and qualitative characteristics of the information at hand:

- 1. Relevance:** Sustainability information is important if it can influence user decisions
- 2. Faithful representation:** Its usefulness means that the information should not only faithfully depict important phenomena but also the essence of the phenomena intended for presentation. Faithful representation implies that the information is (i) complete, (ii) neutral, and (iii) error-free.
- 3. Comparability:** Sustainability information is comparable if it can be compared with information released in previous disclosures and if it can be compared with information provided by other companies, in particular, those involved in similar activities or operating in the same sector.
- 4. Verifiability:** Verifiability assures users that the information is complete, neutral, and accurate.
- 5. Comprehensibility:** Sustainability information is understandable if it is clear and concise.

All feedback on our report and our sustainability journey is welcomed and can be sent via email: info@luka-ploce.hr

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LUKA PLOČE

LUKA PLOČE
IN MORE DETAIL

Our purpose

78 years

of continual operations

230 hectares

in total area

8

specialized terminals

18 meters

maximum draft

60,000 m²

of warehouse space

60,000 TEU

container handling
capacity

50 hectares

of land for development

The Port of Ploče is an all-purpose port through which almost all types of cargo that appear in international maritime traffic are transported.

The actual company, Luka Ploče d.d., was founded in 1945 as a state-owned company, and since 2003, it has been operating as a joint stock company. The port is located on the southern part of the Adriatic coast in the Republic of Croatia, between Split and Dubrovnik. Due to its geostrategic position and new investments, it is one of the main strategic Croatian ports and is included in the world map of ports that can accept Capesize ships (up to 180,000 deadweight tonnage of raw materials or DWT). In 2023, following the agreement of the European Parliament and the European Council on the Trans-European Transport Network, the Port of Ploče **became the port of the core network**.

Excellent transport connections and a favorable geostrategic location make it an unavoidable link between the Adriatic, the Mediterranean and Central Europe. The port was proven to be located at the intersection of all important traffic routes when it was declared the start/end point of Corridor Vc in Helsinki in 1997.

Though the port is located in the Republic of Croatia, it is extremely important for the economy of neighboring Bosnia and Herzegovina, and upon the completion of Corridor Vc, the Port of Ploče, together with the entire Neretva Valley, will further expand its business to other countries of Western and Central Europe.

The company Luka Ploče d.d. is the 100% owner of three subsidiaries: Luka Šped d.o.o., Pomorski servis – Luka Ploče d.o.o. (hereinafter: Pomorski servis) and Pločanska plovdba d.o.o., all of which form the Luka Ploče Group.

Luka Ploče also manages the Port of Metković, which specializes in the transshipment of bulk and bagged cement, crushed stone and other types of cargo.

The primary objective of our business

Transforming the Port of Ploče into a smart and sustainable port that is proactively developed while also protecting and maintaining human and natural resources as well as applying high principles of responsible management of the impacts of our activities on society, the economy and the environment.

**Ploče
Metković**





Concessionaires continue to operate in the port area, providing services such as towing and pushing, railway shunting, mooring and unmooring, supplying ships with water and fuel, receiving waste (municipal and liquid), sanitary protection, washing and transport of laundry from ships, and checking the quantity and quality of goods.

Port activities

The land and sea part of the port basin of Ploče and Metković covers an area of 255.97 hectares. The area is managed by the Ploče Port Authority, which is responsible for the construction and maintenance of basic port infrastructure, including dredging of the seabed and common facilities used for port activities.

Based on the concession agreement, Luka Ploče d.d. is responsible for maintaining the operational infrastructure (coastal area, access roads and railway connections to the basic infrastructure, operational areas, water, electrical and IT networks on the concession areas), port suprastructures (warehouses, silos, workshops, energy facilities) and transshipment equipment (devices, machines, installations, plants, cranes, etc.).



Luka Ploče d.d. manages terminals for shipping containers, bulk cargo terminals and terminals for general and bulk cargo, as well as services for unloading, transshipment and storage of goods.



Terminals for liquid cargo, primarily petroleum products, are operated under concession by two companies.



In these marked areas, there are multipurpose warehouses and facilities of other concessionaires.



Ferry port

Luka Ploče d.d. is the primary concessionaire in the port area for the loading, unloading, transshipment and storage of goods.

Luka Šped d.o.o. provides international freight forwarding services and maritime agency services

Pomorski servis – Luka Ploče d.o.o. is the concession holder for the following activities: mooring and unmooring of ships, supplying water and fuel to ships, reception of waste from ships and sanitary protection, which includes rodent control, disinfection and disinfection. The company also transports pilots, crew, and passengers.

Pločanska plovdba d.o.o. is the holder of the concession for the passenger terminal in the port of Ploče and the concession for the supply of goods to ships.

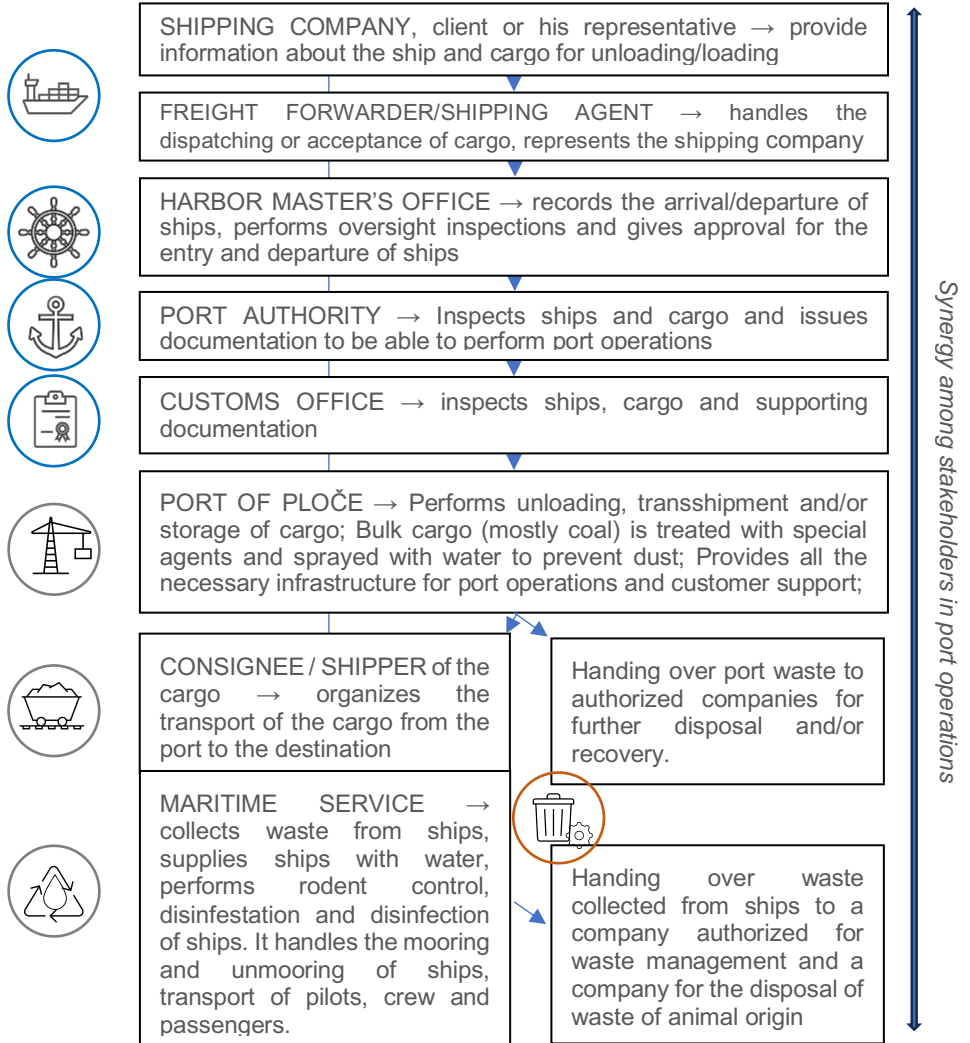
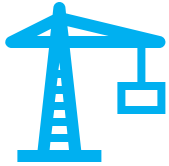
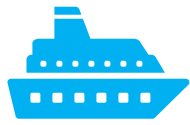
The structure of the economy in the area, gravitating toward the Port of Ploče, has an influence on the structure of cargo transshipped through the Port of Ploče and is dominated by dry and bulk cargo. The bulk of the traffic is the transshipment of coal, iron ore, pig and scrap iron, coke, bauxite and quartz. Given that the Company primarily generates revenues from the services of loading, unloading, transshipment and storage and sale of coal, in order to understand the impact of Luka Ploče d.d. on sustainability issues, the report is provided on the exposure of the Port of Ploče to coal-related activities (see p. 68 of the report).

Our value chains

Two significant value chains have been identified:

- The value chain related to the primary activity of Luka Ploče and related business relationships (importance in relation to quantities)
- The value chain in the process of commodity trading (materiality in relation to realized operating revenues)

Illustration of the value chain based on stakeholder interactions at the port



The primary activities of the Port of Ploče involve the handling of various types of cargo at the actual port, i.e., reception of ships, transshipment, loading and storage, collection of waste from ships, supply ships with drinking water and providing other related services. The manner of operations at the port can be seen by monitoring the arrival, stay and departure of ships from the port.

In addition to state institutions (Ploče Port Authority, Harbor Master's Office, Customs, Border Police), economic operators, such as shipping companies, shipping agents, freight forwarders, pilot and towing services, control houses, railway and road carriers are an important factor in port operations. These stakeholders are at the service of the cargo transshipped through the port for the needs of specific clients with whom Luka Ploče, directly or through representatives like freight forwarders, concludes contracts for port services. The process is complex, and each stakeholder has clearly defined tasks; therefore, coordinated action is crucial for the optimal outcome of these activities.

Illustrative presentation of the value chain in the coal trading process

CONTRACTING / PROCUREMENT

- Coal is procured for a known customer directly from coal mining companies
- Coal is extracted and transported in line with the regulations of the countries where the mines are located.

PORT OF PLOČE

- Before the arrival of the ship, preparations are carried out at the port, such as crane and machinery services, checks and adjustments to the stockpiles, and a plan for employees to carry out.
- Upon the ship's arrival, legal and administrative tasks are performed, after which the unloading begins according to the cargo unloading plan.

UNLOADING/TRANSSHIPMENT

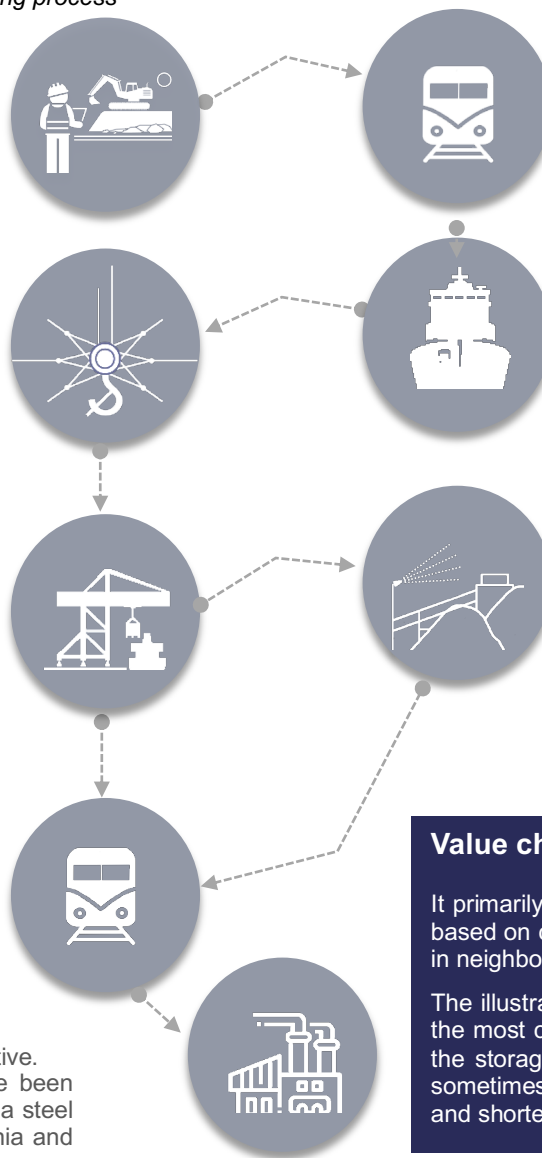
- Unloading is done based on the cargo unloading plan, including technological lists and legal regulations.
- Handling can be carried out at the new and old bulk terminals using a combination of cranes and machinery. The cargo remaining in the handling area is stored outdoors and ecologically treated to suppress dust.

LOADING

- The coal is loaded into the wagons using specialized equipment and a belt system, cranes or loaders in the storage area and poured with a specialized solution to prevent dusting.

TRANSPORT TO THE DESTINATION

- After filling, the wagons are connected to the locomotive.
- After the agency/forwarding and legal actions have been performed, the train heads toward its destination → a steel mill that unloads coal according to the laws of Bosnia and Herzegovina and internal regulations.



TRANSPORT TO THE PORT OF UNLOADING AND TRANSSHIPMENT

- Transport of coal from the mine is transported by wagons to the port or terminal and transshipment onto ships

TRANSPORT BY BOAT TO THE PORT OF PLOČE

- U 2023, a total of three ships were organized for transporting coal.

STORAGE AND ECOLOGICAL TREATMENT

- Coal is stored in open storage facilities at the Port of Ploče, in compliance with the technological list.
- At the Bulk Cargo Terminal, coal handling is done using a specialized crane (ship unloader), whereas it is done by mobile cranes at the old port.
- During handling, the coal is sprayed with water to suppress dust. After unloading, the coal is sprayed with a special solution to form a crust on the coals. Roads and the coast are cleaned with a special brush on the loader.

Value chain in the commodity trading process

It primarily refers to the trading of coal that is procured on the market, based on contracted quantities predominantly for the needs of industry in neighboring Bosnia and Herzegovina.

The illustration shows the key activities and related impacts for one of the most common forms of handling at the port: unloading the ship in the storage area and reloading the cargo into the wagons. Handling sometimes takes place directly from ships to wagons, reducing costs and shortening the labor time to transport coal to its destination.

Stakeholders

Stakeholders	Description	Type of collaboration
Owners	<ul style="list-style-type: none"> Shareholders – large and small shareholders, mandatory and voluntary pension funds, financial institutions. 	<ul style="list-style-type: none"> The right to information, the right to make decisions at the General Meeting of Shareholders in proportion to the number of shares they own.
Port authority	<ul style="list-style-type: none"> The state institution as the concessionaire and responsible for maintaining order at the Port of Ploče. 	<ul style="list-style-type: none"> Solving the problem of port infrastructure maintenance.
Local and regional self-government	<ul style="list-style-type: none"> Mayor and deputy mayor of the Town of Ploče and the prefect and deputy prefect of the Dubrovnik-Neretva County. 	<ul style="list-style-type: none"> Solving problems and eliminating disputes through cooperation, open communication and exchange of ideas.
Workers	<ul style="list-style-type: none"> They keep the port and supply chain operational. 	<ul style="list-style-type: none"> Cooperation with trade unions and workers' councils representing workers on issues of common interest.
Representatives of civil services	<ul style="list-style-type: none"> Customs, border police, harbor master's office and other services involved in business processes. 	<ul style="list-style-type: none"> Resolving legal requirements and procedures.
Liquid cargo terminal operators	<ul style="list-style-type: none"> They manage the day-to-day operations of the two liquid cargo terminals (Adriatic Tank Terminal - ATT and Naftni terminal Federacije - NTF) at the port. 	<ul style="list-style-type: none"> Developing trade opportunities, continuously improving environmental protection and reducing the impact on the community through regular contacts, working groups and consultation activities.
Other concessionaires	<ul style="list-style-type: none"> Concessionaires for various activities manage various commercial interests in the port area. 	<ul style="list-style-type: none"> Use of port infrastructure (port entrance, main roads, water supply), cooperation in civil protection exercises.
Maritime carriers (shipping companies and maritime agencies)	<ul style="list-style-type: none"> They operate ships that transport cargo to and from the Port of Ploče. 	<ul style="list-style-type: none"> Optimizing ship arrivals and the use of anchorages and implementing regulations to make the port safe, reliable and efficient. Offering the service of supplying ships to shipowners and directly to ships moored at the Port of Ploče.
Cargo owners	<ul style="list-style-type: none"> Importers and exporters shipping goods through the port. 	<ul style="list-style-type: none"> Cooperation with importers and exporters as part of the supply chain.
Service providers	<ul style="list-style-type: none"> They provide a wide range of services that facilitate the handling of goods, including transshipment, rail, trucking, warehousing, distribution, and maritime services. 	<ul style="list-style-type: none"> Developing short- and long-term strategies to enable fluid freight movements, promote efficient and reliable service, and address supply chain challenges.
Local community	<ul style="list-style-type: none"> It includes the general public and social organizations in the Town of Ploče and cities in the surrounding area. 	<ul style="list-style-type: none"> Cooperation with the local community with the aim of better understanding their attitudes and interests. Contributing to local events and activities of local importance. Joint cooperation enriches the overall tourism and sports services is enriched.
Educational institutions and academia	<ul style="list-style-type: none"> School and higher education institutions, members of the academic community. 	<ul style="list-style-type: none"> Exchanging knowledge and cooperating on issues of common interest.



When assessing double materiality, we consider the perspectives of our key stakeholders, both those who directly influence our activities and those using the information we put out. Through various channels, Luka Ploče cooperates with recognized groups of stakeholders and collects information on topics important to them. Throughout 2024, we will work on strengthening our methodology for systematically collecting and integrating external stakeholder perspectives into our dual materiality process, to ensure that stakeholder perspectives are reflected in our priorities.

Letter from the President of the Management Board

Dear readers,

It is my great pleasure to share with you the latest report on the sustainable development of Luka Ploče d.d. At a time when transparency and accountability for our stakeholders are more important than ever, we are presenting our successes, challenges and ambitions on the path to a more sustainable business.

Our new Sustainability Report adheres to the structure of the European Sustainability Reporting Standards (ESRS) as the new reporting framework for large EU companies, thereby again positioning ourselves as industry leaders, reporting two years before the legal obligation comes into force. This proactivity allows us to identify and address inadequacies in advance and better prepare for future challenges and opportunities.

Our commitment to sustainability appears in all segments of the business of Luka Ploče d.d. The daily effort to improve our impact on the environment is evident through a number of achieved plans. From investing in new mobile cranes and modern machinery to installing photovoltaic power plants and reducing CO2 emissions, every investment we make, every step we take, is guided by the vision of transforming the Port of Ploče into a sustainable port of the future that not only meets but exceeds the highest standards of responsible management.

Sustainability is not just a concept or goal but the foundation of our business model and a key component of our growth strategy. We are aware that long-term success is only possible by maintaining a balance between economic, social and environmental factors. Therefore, our approach involves all stakeholders, from employees and partners to the local community, ensuring that their perspectives and needs become an integral part of our decisions and activities.

I want to take this opportunity to thank all employees, partners and stakeholders who have contributed to our progress with their dedicated work, cooperation and innovative approaches. Only by working together can we achieve a vision of a better, more sustainable future for all of us.

Hrvoje Livaja,
President of the Management Board



Hrvoje Livaja,
*President of the
Management Board*

The President of the Management Board of Luka Ploče, Hrvoje Livaja, graduated in 2007 from the Faculty of Economics and Business at the University of Zagreb in the field of finance. He began his professional career at Deloitte, where he earned the title of Senior Manager.

In 2012, he became a project manager at the Center for Monitoring Business in the Energy Sector and Investments, where he monitored the investments of all public companies and reported to the Croatian Government. From November 2013, he held the position of President of the Supervisory Board of HŽ Cargo, and a few months later he became a member of the Governing Council of the Ploče Port Authority.

He continues his career as an advisor to the Minister of Maritime Affairs, Transport and Infrastructure. In addition to this position, he was a member of the following supervisory boards: President of the Supervisory Board of Hrvatske autoceste d.o.o. (Croatian Motorways) and a Member of the Supervisory Board of HŽ Putnički prijevoz d.o.o. (Railway Passenger Transport).

In 2016, he took over the role of Executive Director for Logistics at the ENNA Group.

Since February 2018, he has held the role of advisor to the Management Board of Luka Ploče. On 27 December 2018, by a unanimous decision of the Supervisory Board of Luka Ploče d.d., he was appointed the new President of the Management Board of Luka Ploče, starting from 1 February 2019. In November 2023, by the decision of the Supervisory Board, he was reappointed President of the Management Board of Luka Ploče d.d. The new five-year term of office began on 1 February 2024 and will last until 31 January 2029.



LUKA PLOČE



GOVERNANCE & STRATEGY

Management Board Report

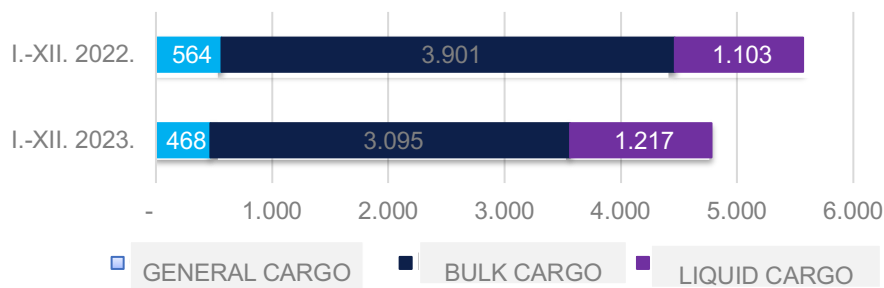
4,779,698 tons

total cargo traffic at Luka Ploče in 2023

Luka Ploče primarily generates revenues from port cargo handling services, which are also influenced by global trends in maritime transport, especially price movements for exchanged goods that Luka Ploče handles for its customers. The Company is also impacted by the trends of the economy in Bosnia and Herzegovina, especially in the segment of bulk and general cargo traffic. Sales revenues are distributed into three main geographical areas: Croatia, European Union countries and Bosnia and Herzegovina, as well as other regions. The European Union market predominates in the total share.

Traffic through Luka Ploče in 2023 amounted to 4,779,698 tons of goods, showing a decrease of 14.15% compared to the same period of the previous year (2022: 5,567,686 tons). It primarily refers to a decrease in bulk cargo traffic of 20.66% compared to 2022 and is most significantly due to a decline in transshipment of coal (9.34%), scrap iron (59.29%) and sugar (55.44%). The cargo structure is shown in more detail below:

Traffic by cargo ('000 t)



	REALIZED 1-12/2023	REALIZED 1-12/2022
EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization) ('000 euros)	16,613	15,750
EBITDA margin	21.41%	16.22%
EBIT ('000 euros)	13,750	13,461
EBIT margin	17.72%	13.86%
Profit before tax ('000 euros)	13,074	12,823
Total tax	(2,338)	(5,840)
Corporate tax	(2,338)	(2,409)
Excess profit tax *	-	(3,431)
Net profit ('000 euros)	10,736	6,983

* In accordance with the Excess Profit Tax Act, which entered into force in December 2022, and is applied on a one-off basis at a rate of 33% for all taxpayers who in 2022 generated annual revenues above EUR 39,816,843 (HRK 300 million at a fixed exchange rate of 7.53450).

1.36%

increase in operating revenues in 2023 compared to the previous business year

Revenues from the sale of port freight forwarding, maritime services and shipping services amounted to EUR 38,067 thousand, which is an increase of 1.36% compared to the same period of the previous year (2022: EUR 37,556 thousand), while revenue from trade in goods amounted to EUR 38,867 thousand and is 34.23% lower compared to the same period of the previous year (2022: EUR 59,098 thousand). The fall in commodity prices on the world market is still happening compared to the same period of the previous year, and the outcome of the same trends will continue to affect the total income (and cost) of goods.

Operating expenses excluding depreciation amounted to EUR 60,967 thousand (2022: EUR 81,346 thousand). Of this, EUR 37,278 thousand refers to the cost of goods sold (2022: EUR 58,324 thousand). Operating expenses, excluding costs of goods sold, increased by 2.90% compared to the same period of the previous year, which was mostly contributed by an increase in utility fees (20.56%).

EBITDA margin excluding trade for the period Jan-Dec 2023 was 38.81%, while for the same period in 2022, it was 39.41%. In 2021, it was 30.29%.

Key determinants of development:

- Achieving economic growth through diversification, innovation and technological modernization
- Digital optimization of infrastructure and port operations/processes/services
- Increasing and improving capacities within the development of the Port of Ploče as a smart and sustainable port

EUR 5.87 million of capital investments realized

The company continuously monitors events in the environment and invests in market research, directs and supports the activities of affiliated companies that are in the function of organic growth and, recognition of business opportunities and realization of new investments. In 2023, EUR 5.87 million of capital investments were realized, primarily in activities that will ultimately be reflected in the reduction of our carbon footprint.

Among other things, a 20 kW photovoltaic power plant on the roof of the bulk cargo terminal (TRT) was completed and put into operation in September. Work has begun on the 803 kW photovoltaic power plant, which is expected to be completed in the second half of 2024. A project has been launched to prepare documentation for two more photovoltaic power plants—one on the roof of a storage facility with a capacity of 1.28 MW and one on the ground with a capacity of approximately 6 MW. These investments are part of measures to reduce greenhouse gas emissions and achieve the absolute goal of reducing emissions from 15 to 25% by 2030 and 65 to 95% by 2050.

Five loaders, new forklifts and towing equipment, and a van for maintenance purposes were purchased. The procurement of bulldozers and excavators has been initiated, and the delivery is expected in 2024. A new largest mobile crane was delivered to port L-550. New machinery will reduce fuel consumption and CO₂ emissions.

A major overhaul of the L-500 mobile crane has been completed, including several machines (reachstacker, loader...), and work has begun on the F-115 and F-130 mobile cranes. Certain overhauls affecting motors will also reduce fuel consumption and CO₂ emissions.

In 2023, the possibilities of expanding the shore of the container terminal with the aim of receiving ships of up to 300 meters long were analyzed, which would completely change the dynamics of container operations.

At the end of 2023, works were completed on the new Dračevac special cargo terminal, which was put into operation at the beginning of 2024.

Recognition in 2023: The GOLDEN KUNA plaque to LUKA PLOČE

Luka Ploče d.d. is the winner of the Golden Kuna Plaque in the category of large companies for the Dubrovnik-Neretva County.

This is also the first such recognition for the Port of Ploče, awarded nationally as the most successful large company

Continued development and modernization of the IT system

Over the past four years, Luka Ploče d.d. has been actively working on the development of an internal application, which consists of a subset of applications (modules) for performing specific business processes within the Group.

In 2023, new modules were developed to replace the old systems and technologies, which was also reflected in the improvement of the operations of internal and external users participating in the Group's business processes. Of the new modules developed internally during 2023, the key ones are as follows:

- A commercial module that invoices all services rendered from the PCM (Port Community Management) system as well as the maintenance sector for external users
- A procurement module that replaced the existing external solution in the third quarter and was integrated with its own DMS system and Apress
- Continued development of our own PCM system, which includes integration of vehicle announcements and visitor announcements, as well as the digitalization and integration of railway and cement scales, which significantly optimized business processes.

The Group continues to invest in the development and modernization of the information system, which is focused on customized solutions and modern technology, and this remains one of the primary business objectives.



Luka Ploče becomes the first Croatian 5G port

With the completion of the project titled "Improvement of Public Services at the Ploče Port Authority by Implementing 5G connectivity", which is expected by mid-2026, the Port of Ploče will become the first Croatian 5G port. The project is valued at EUR 1.2 million, for which the **Ploče Port Authority** applied in the second round of the CEF2 Digital call intended for the introduction of a safe, secure and sustainable 5G network in EU countries.

A co-financing agreement for 80% of the project value, i.e., EUR 958,125, was signed at the end of 2023 between the European Health and Digital Executive Agency (HaDEA) and the Ploče Port Authority. The project started on 1 January 2024 and will be implemented over the next 30 months in cooperation with the company **Markoja d.o.o.**, where the main beneficiary is **Luka Ploče d.d.**

The aim of the project is to increase the level and quality of public services provided by the Ploče Port Authority by setting up a private 5G network in the area of the Ploče maritime port, enabling superior connectivity and processing of large amounts of data, as well as sharing data, which is crucial for accurate and fast analytics. The project will set up network infrastructure and associated equipment for the rollout of a private and standalone 5G network in the Port of Ploče area and implement three innovative data-intensive use cases:

- Introduction of a real-time location system (RTLS),
- Monitoring and recording of cargo handling, and
- Incident prevention and management.

This is one of only two projects co-financed in Croatia, of a total of 42 approved projects from 18 Member States, in which as much as EUR 260 million will be invested. It is also the only project from Croatia approved by the European Commission as part of the 5G for Smart Communities (5GSC) fund.

The realization of this project incorporates process automation and sensors, which will change the way the port operates, with the aim of achieving additional competitiveness of the Port of Ploče and further reducing its carbon footprint.

Impact on the operations of Luka Ploče

After the COVID-19 coronavirus pandemic, which significantly brought about a decline in demand for raw materials and goods traffic in maritime transport in 2020, and the economic recovery that followed from mid-2021, the world economy has faced a new crisis since the beginning of 2022 due to the war in Ukraine.

In addition to an increase in energy and fuel prices, as well as raw materials and other materials, the Russian invasion of Ukraine and the introduction of sanctions against Russia has triggered a new wave of inflation and disruptions in global logistics flows, which ultimately has had a positive impact on the Company's business. Specifically, the northern ports became congested, while the proximity of the Black Sea to the war zone led to an increase in insurance costs for ships, making logistics on that transport route more expensive. Consequently, the share of traffic in Central Europe and Italy increased. All of the above factors led to redirecting additional cargo towards the Port of Ploče, which was also reflected in the Group's financial result.

Results by business segments

Operating revenues, operating profits, capital investments, total assets and total liabilities from business segments are monitored and reported separately: port services include cargo handling and are represent the parent Company, the maritime services segment deals with freight forwarding and maritime services to port service users, the commodity trading segment refers to trading in materials and goods from the free zone of the Port of Ploče. Other business segments are the Group's secondary activities (maintenance, catering and similar activities, and investments in financial assets (deposits)).

Results by business segments for 2023

Business segments	Port services	Maritime services	Commodity trading	Other segments	Group Total
(in '000 euros)					
Revenue from sales	35,396	1,446	38,862	1,230	76,934
Operating profit before depreciation	14,331	497	1,606	179	16,613
Depreciation and write-off of fixed assets	(2,692)	(33)	-	(138)	(2,863)
Profit from regular operations	11,639	464	1,606	41	13,750
Capital investments	4,447	290		88	4,825

Subsidies and benefits

In 2023, the Group was entitled to relief in the form of subsidies totaling EUR 617,553. Of this, EUR 119,430 refers to the health insurance contribution for 53 employees under the age of 30, while the Group, based on the Croatian Government's Decree on the elimination of disturbances in the domestic energy market, achieved EUR 498,123 in relief through subsidized prices for energy products.

Generated and distributed economic value

Directly created and distributed economic value is an indicator of the economic impact that evaluates the positive effects of the Port of Ploče's business on the community in which it operates.

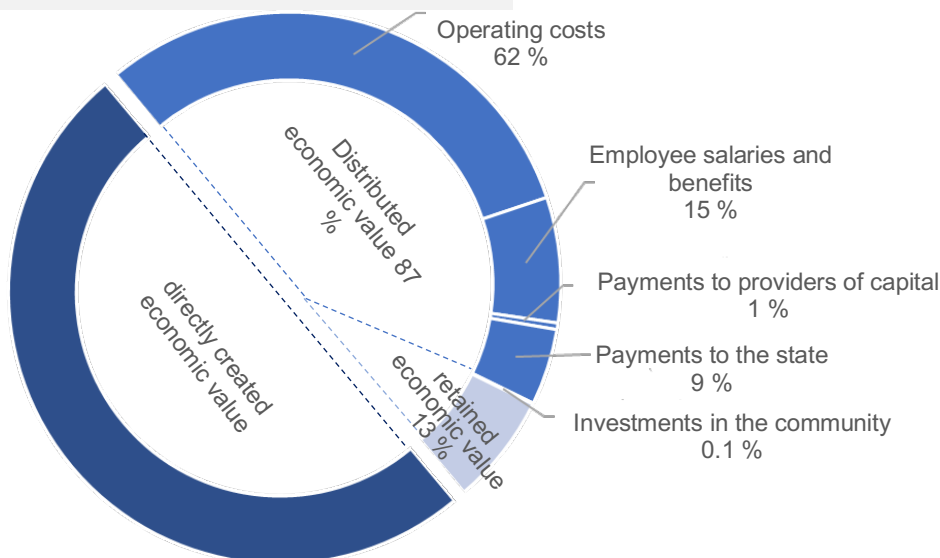
The directly generated economic value corresponds to the total operating revenues generated in 2023, which amounted to EUR 77.8 million.

Distributed economic value includes operating expenses, employee costs, providers of capital, payments to the government, and community investments. In 2023, it amounted to EUR 67.5 million and, compared to 2022, it was 21.6% less. This indicator is primarily lower due to a reduction in operating costs of 30.3% or EUR 20.9 million. At the same time, employee costs increased by 8.4% or EUR 900.1 thousand, payments to the state by 21.0% or EUR 1.2 million, and investments in the community in the form of donations, which doubled and increased by EUR 47.2 thousand.

The result of the difference between these two values is the retained economic value, which in 2023 amounted to EUR 10.3 million, representing a decrease of 7.2% or EUR 196 thousand compared to the previous financial year.

(in euros)	2021	2022	2023
DIRECTLY CREATED ECONOMIC VALUE	50,700,812	97,207,501	77,776,504
Revenue from sales	50,245,290	96,695,440	76,945,493
Other operating revenue	455,522	512,061	831,011
DISTRIBUTED ECONOMIC VALUE	42,748,078	86,142,690	67,507,617
operating costs	32,534,346	69,101,056	48,159,851
salaries and employee benefits	9,503,336	10,690,400	11,591,246
payments to providers of capital	414,186	477,600	610,287
payments to the state	262,883	5,839,723	7,065,083
investments in the community	33,327	33,911	81,150
RETAINED ECONOMIC VALUE	7,952,734	11,064,811	10,268,887

Economic effect of Luka Ploče for 2023

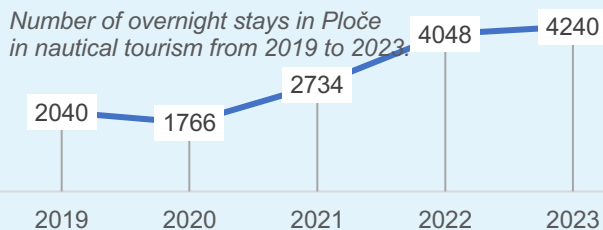


Impact on the local community's economy

A responsible management policy for economic sustainability and productivity growth of the Port of Ploče also has a positive impact on the economy of the local community. Economically, through job creation and the payment of salaries and all benefits related to the local community, socially through support for projects and events deemed important for citizens and the economy.

In 2023, EUR 46,443 of surtaxes from salaries and EUR 444,920.6 for utility fees were paid, which are used for the maintenance and construction of communal infrastructure in the area of the local self-government unit. Of this, EUR 5,651.4 was paid to the Town of Metković, and EUR 439,269.1 to the Town of Ploče, which accounts for a 29.9% share of the total utility fees of the Town of Ploče.

The Luka Ploče promotes the broader social environment in the form of sponsorships, donations and the payment of concession fees to the Ploče Port Authority. It additionally encourages the development of tourism through the Nautical Sector of the company Pločanska plovdba and through the sailing school, which expands the number of sports and recreational activities in the town (more about the project on [page 60](#)).



The Group attaches great importance to liaising with the local community representative bodies, especially on issues related to environmental protection, which are also important to the Town of Ploče. Thanks to the quality of communication and openness to cooperation between representatives of both sides, all issues of common interest are resolved in the shortest possible time.

EU Taxonomy Report

The **EU Taxonomy Report** presents a unified classification system, i.e., a list of economic activities with key criteria for assessing their contribution to achieving six environmental goals. This system is defined under the Taxonomy Regulation (Regulation (EU) 2020/852). The European Union's regulatory ambition is clear and aims to reduce greenhouse gas emissions by 2030 and achieve climate neutrality by 2050. A major contribution to the protection of our environment can be made by raising awareness of sustainable investments. As a mechanism of the Action Plan for Financing, the Taxonomy Regulation defines that all companies subject to the obligation to disclose non-financial information under Article 19a or Article 29a of Directive 2013/34/EU should also publish the EU Taxonomy Report as part of their non-financial statement or consolidated non-financial statement.

As part of the first sustainability report, published in 2023 for the 2022 fiscal year, Luka Ploče also voluntarily published its first taxonomy report, in terms of which the mapping of economic activities according to the eligibility criterion for the first two environmental objectives was carried out, and the shares and **amounts of turnover, capital expenditure (CapEx) or operating expenditures (OpEx)** were reported for eligible activities. According to Article 8 of the Taxonomy Regulation, all companies subject to the obligation to disclose non-financial information in 2024 for the 2023 reporting year should disclose, as part of its non-financial statement or consolidated non-financial statement, data on compliance, i.e., contributions to the first two environmental objectives (mitigation and adaptation to climate change), and technical "do no significant harm" criteria for other environmental objectives as well as minimum safeguards. In accordance with the materiality threshold, which is the same as in the consolidated financial statements for 2023 and amounts to 1% of total revenues from activities, key performance indicators for economic activity **6.16 Infrastructure for low-carbon maritime transport** were reported. Key performance indicators for other activities: 4.1 Electricity generation using solar photovoltaic technology, 5.5 Collection and transport of non-hazardous waste in sourced segregated fractions, 6.10 Maritime and coastal transport of goods, vessels for port needs and ancillary activities, 7.3 Installation, maintenance and repair of energy efficiency equipment and 7.6 Installation, maintenance and repair of renewable energy technologies – in total amounts below the materiality threshold and are presented collectively as Other Activities.

The verification of the company's compliance with minimum safeguards took into account compliance with the UN Guiding Principles on Business and Human Rights, including (1) the [International Labour Organization \(ILO\) Declaration of Fundamental Principles and Rights at Work](#); (2) [the eight fundamental conventions of the ILO](#); and (3) [the International Bill of Human Rights](#) of the Office of the United Nations High Commissioner for Human Rights (OHCHR), which are incorporated into our founding acts.

The tables in the appendix show the share of **turnover, capital expenditure (CapEx) and operational expenditure (OpEx)** for taxonomically eligible activities.

1.

Understanding the context

A workshop on EU taxonomy was held for the members of the Group core team.

2.

Determining the materiality thresholds

Materiality thresholds are the same as in the Group's 2023 consolidated financial statements.

3.

Identification of active business activities and linking the NACE classification to the EU taxonomy

4.

Compliance check

Application of technical verification criteria, 'do no significant harm' and minimum safeguards

5.

Key performance indicators (Revenue, Expenditure, Capex)

6.

Publication of the report

An overview of the share of revenue, CapEx and OpEx for activities related to taxonomy-aligned economic activities is provided in the tables in the annex.



Our strategy

The 2023 reporting year was another year full of challenges for the global community. The economy continued to be shaped by the fallout from the COVID-19 pandemic, geopolitical tensions, supply chain disruptions, inflationary pressures and volatility in energy prices in the market. Geopolitical conflicts have had significant economic consequences, contributing to rising energy prices and putting additional strain on global supply chains.

Despite the challenges framed by international tensions and the economic consequences of the global pandemic, operations at Luka Ploče are stable and focus on encouraging sustainable growth. This year, we adopted the Sustainable Development Strategy as a roadmap for the development of a sustainable port, and we adapted our Vision and Mission to it.

Our task is to strengthen our position in meeting the goals of the European Commission, the UN 2030 Agenda for Sustainable Development and the latest climate goals on limiting global warming set by the Paris Agreement, and to raise awareness among public and private entities concerning investments in projects that promote a climate-neutral and energy-neutral economy through energy efficiency, renewable energy sources and environmental protection.

Our mission

Provide quality port services based on the principles of sustainable development to the satisfaction of all our clients and the community in which we operate.

Our vision

Complete the transformation into a smart and sustainable port that is the first choice for our employees and partners.

Organizational values

Winning spirit

We are ambitious, motivated and believe in success. In our daily work, we strive to achieve above-average results, excellence and an enviable level of performance, in order to ensure high competitiveness as well as long-term and stable development of the Port of Ploče.

Knowledge and innovation

The knowledge, skills and abilities of our workers are the greatest value of Luka Ploče. We base our success on the hard work, expertise and motivation of our employees. Learning and innovation helps us create new values.

Respect, appreciation and cooperation

We respect people's integrity and personality. We respect and promote diversity as a source of talent, creativity and experience. We do not tolerate discrimination. We provide a positive working environment that facilitates teamwork and encourages an organizational climate of mutual support, cooperation and an open flow of information.

Trust, professionalism and responsibility

We build our success on the trust and satisfaction of our associates and business partners. Professionalism, ethics and premium service are the responsibility of all employees at Luka Ploče.

Employee loyalty

Commitment to one's job, organization, and the goals of Luka Ploče are the foundation of our success and the basis for our future. We encourage loyalty based on a systematic approach to the development of human resources, creating a working environment and conditions in which all workers have the opportunity for personal and professional development.

Area	Planet	People	Port
Our strategic goals	<ul style="list-style-type: none"> Climate and energy independence Caring for the environment 	<ul style="list-style-type: none"> Care for workers, health and safety 	<ul style="list-style-type: none"> Corporate governance Port development and digitalization Relationship with the local community

The Sustainable Development Strategy for the period until 2030 with a view to 2050 (hereinafter: the Strategy) defines the strategic goals that Luka Ploče strives to achieve with the greatest possible positive effects, both in terms of the economy and sustainability. We have adopted measures and defined the resources to achieve the set goals. In drafting the Strategy, we took into account all known risks, including those related to the climate and the transition of our business, in order to obtain realistic parameters and estimate the necessary resources.

The Strategy includes material impacts in the field of sustainability as well as risks and opportunities for Luka Ploče. It focuses on three core areas, each with its own accompanying strategic objectives and key performance indicators (KPIs). These areas represent a framework in which position, scope, and reach can create the most significant impact, which in turn defines our level of ambition—whether we want to be good, excellent, or a leader in our industry in terms of specific ESG topics. Our strategic priorities and objectives are shown in the table above.

The development of the Strategy in 2024 was based on an assessment of significant topics for globally recognized frameworks, ESG benchmarks and our understanding and expectations of stakeholders. A number of topics were assessed in terms of the impact we have from our business model and values, including the risks and opportunities we face as a Group. The outcome of this assessment is a Strategy that covers 3 areas, 6 specific objectives, and a whole range of activities with key performance indicators and metrics for internal monitoring of progress and external reporting.

The strategy covers the issues of a climate-neutral and energy-neutral economy based on energy efficiency, renewable energy sources and environmental protection, thus strengthening our commitment to sustainable, responsible and inclusive business.

MANAGEMENT OF ESG TOPICS

Managing ESG topics at Luka Ploče is handled by the largest governing bodies and the ESG committee, and vertically via sectors and affiliated companies.

Sector directors at Luka Ploče

The competence of the Directors of Sectors and Directors of Affiliated Companies extends to additional requirements involving the monitoring and management of ESG risks and annual reporting on certain ESG topics.

Risk management

Strategic leadership in integrating ESG factors requires an active role for the Committee in identifying risks and opportunities related to ESG topics and aligning these factors with the business strategy.



Directors of affiliated companies

The General Assembly of the Company, as the highest management body of the affiliated companies, supervises the operations of affiliated companies and the implementation of policies, for which the directors of the affiliated companies are responsible.

The role of the ESG Committee is to establish and implement the strategy and monitor the implementation of activities related to the environment, society and corporate governance, which includes overseeing the implementation of ESG policies, promoting transparency and accountability, and proposing to the Company's Management Board to make decisions that contribute to the long-term sustainability of the company. The Committee also collaborates with the Management Board to review the objectives and guidelines and monitor implementation to ensure compliance with ESG standards and best practices. The Committee is accountable to the Company's Management Board.

Reporting

Luka Ploče will be obliged to publish a sustainability report in 2026 for the 2025 fiscal year. Control and reporting of ESG performance includes monitoring and evaluation of implemented ESG policies and initiatives, as well as regular reporting to shareholders on the results achieved.



Corporate governance

Basic principles of the Luka Ploče Corporate Governance Code:

- Business **transparency**
- Clearly **elaborated procedures** for the work of the Supervisory Board, Management Board and other decision-makers
- Avoiding **conflicts of interest**
- Effective **internal audits**
- Effective **accountability system**

Luka Ploče is an issuer of shares on the domestic capital market and applies the Code of Corporate Governance of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency (HANFA), including other corporate governance measures stipulated by law, and comments on theme in detail in the annual questionnaire that, in accordance with the regulations, is published on the website of the Zagreb Stock Exchange available at <https://zse.hr/>

Together with its subsidiaries, Luka Ploče develops and operates in accordance with high standards of corporate governance. Since 2008, it has been applying the principles of its own **Code of Business Conduct** (updated in 2019), which sets out the basic organizational values, principles and standards of business conduct. Since 2022, the Company has been applying its own **Code of Corporate Governance**, adopted to improve corporate governance standards and business transparency, strengthening the internal control system, reducing the risk of letting them be overridden by management and reducing the risk of fraud. The corporate governance and transparency system provides easier access to capital at lower costs, given that corporate governance procedures are clearly defined. The objectives and principles of the Company's corporate governance are derived from the following principles:

- Business in accordance with the applicable regulations of the countries in which the Company performs its activities,
- Meeting the standards through the organization of business and the application of business principles in activities performed by the Company and the relationships that the Company establishes in its scope of work, and
- Application of recognized international practices and their incorporation into the Company's business practices and procedures.

Subsidiary companies do not have their own codes, but apply the principles of the Code of Business Conduct and the Code of Corporate Governance of Luka Ploče d.d.

The manner of reporting and handling reports of irregularities in work, non-compliance with the code and unethical behavior is regulated by the Regulation on the Procedure for Internal Reporting of Irregularities. In 2023, there were no reports or proceedings for breaches of the code or unethical behavior.

Governance structure

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

The corporate governance structure of Luka Ploče is defined by the Companies Act and the Statute of Luka Ploče, a joint stock company. It is based on the dualistic principle, which implies the existence of the Company's Supervisory Board and Management Board and, together with the General Meeting, represent the Company's basic bodies.

The subsidiary companies are managed by the directors of these companies, whose work is supervised by the general meeting consisting of the Management Board of Luka Ploče d.d.

Management Board of the Company

Members of the Management Board are appointed by the Supervisory Board for a term of 5 years with the possibility of recall and re-election.

Members of the Management Board are executive members, are independent and represent the company individually and independently. The highest governing body is the role of the president, who is also the highest executive in the company. Decisions of the Management Board are made by a simple majority of the votes cast by the members of the Management Board. If the votes in the decision-making are equally divided, the decisive vote is the President of the Management Board.

The Management Board of Luka Ploče is authorized to conduct the Company's affairs in accordance with the Company's Articles of Association, the instructions of the Supervisory Board and the instructions and decisions of the Company's General Assembly. It manages the operational business and determines the business policy of the Company, adopts plans and work programs as well as acts and decisions within the scope of the Company's business. It decides on all issues arising from employment relations, takes measures to eliminate and limit risks from the Company's operations, is authorized to determine the Company's business books and performs other tasks provided for by the Law and the Statute, the provisions of employment contracts and the Rules of Procedure of the Company's Management Board.

Members of the Management Board do not perform functions in other management or supervisory bodies in other companies.

In addition to daily communication on topics of great importance for the Company's business, the Company's Management Board also holds regular meetings with directors of the sector and subsidiary companies and with other key process holders in the Group, where information of exceptional importance for business is communicated, as well as all other information from current operations.

Remuneration Policy for Management Board Members

GOV-3 – Integration of sustainability-related performance in incentive schemes

The remuneration policy is adopted every 4 years by the Supervisory Board with prior confirmation from the General Assembly. The remuneration policy defines that the total remuneration of the members of the Management Board consists of a fixed and variable part of the remuneration and other forms of remuneration.

Luka Ploče publishes the Remuneration Policy for Management Board Members and the Report on Remuneration for the Management Board each year.

Fixed remuneration are payments or benefits to members of the Management Board that, among other things, are based on predetermined criteria, reflect the level of professional experience of the Management Board member, the purpose and complexity of the tasks, key areas of work, the level of authority and responsibility, the education required to perform the tasks, the position in the organizational structure and the impact on the Company's operations. They are transparent when it comes to the individual amount that is awarded to each member of the Management Board and do not depend solely on performance.

Variable remuneration is intended to reward the work performance of a member of the Management Board, which is determined on the basis of achieving the financial and non-financial goals of the Company. The objectives are defined by the Supervisory Board in advance, as a rule, for each business year.

The Remuneration Committee, as a subcommittee of the Supervisory Board, approves and updates the terms and conditions of the incentive program.

Incentive schemes and remuneration policies in 2023 were not linked to sustainability issues.

The members of the Management Board in 2023 were:

- Hrvoje Livaja, President of the Management Board
- Daniela Marelić, Member of the Finance Board

50% women

make up the
Management Board of
Luka Ploče d.d.

40% women

In the Supervisors Board
of Luka Ploče

Management of subsidiary companies

The highest governing body of the subsidiary companies is the General Meeting consisting of the President of the Management Board of Luka Ploče. The General Assembly of the Company elects members of the Management Board, i.e., persons authorized to represent and supervise the operations of the companies.

Luka Šped is represented by the director Natalija Petrović, the Pomorski servis by the director Robert Lulić, and the director of Pločanska plovidba is Teo Marinović.

Appointed directors of subsidiary companies represent their companies individually and independently.

Supervisory Board of the Company

The supervisory role of the company Luka Ploče is performed by the Supervisory Board. It consists of five members, one of whom is a representative of an employee appointed by the Workers' Council. Four members of the Supervisory Board are elected by the General Assembly of the Company by a majority of votes. The mandate of the members of the Supervisory Board lasts four years, and they can be re-elected.

During the reporting period, the Supervisory Board held a total of 9 meetings at which all members of the Supervisory Board were present.

A detailed report on the work of the Supervisory Board is available in the Annual Consolidated Report as part of the Statement on the Application of the Code of Corporate Governance, page 36 at <https://www.luka-ploce.hr/investitori/financijska-izvjesca/>

In accordance with the Company's Articles of Association, the Supervisory Board established the Audit Committee, the Remuneration Committee and the Nomination Committee.

Audit Committee

The Audit Committee is a body that provides support to the Management Board and the Supervisory Board in the effective performance of corporate governance, financial reporting and control obligations of the Company. The Audit Committee, appointed in accordance with the law, operated in the past year, comprising three members, all of whom are also members of the Supervisory Board.

In 2023, three sessions were held at which all members of the Audit Committee were present.

With the assistance of the Audit Committee, the Supervisory Board supervised the adequacy of the internal control system, achieved through three mutually independent control functions (internal audit, risk control and compliance monitoring), with the aim of establishing an internal control system to provide timely detection and monitoring of all risks to which the Company is exposed in its operations.

Remuneration Committee

The Supervisory Board of the Company has established the Remuneration Committee, which provides support to the Management Board and the Supervisory Board in creating a remuneration policy and proposing remuneration for members of the Management Board and senior management. The Remuneration Committee, appointed in accordance with the law, worked in the past year, comprising 3 members, all of whom are also members of the Supervisory Board.

During 2023, one meeting of the Remuneration Committee was held, at which all members of the committee were present.

Nomination Committee

The appointment of members of the Management Board and the Supervisory Board is the responsibility of the Nomination Committee, a subcommittee of the Supervisory Board, whose tasks are as follows:

- Overseeing the appointment process to the Supervisory Board and the Management Board to ensure it is fair and transparent
- Drafting a description of roles and candidates for each vacant position in accordance with the profile of the Management Board or the Supervisory Board (if necessary, in consultation with the President of the Management Board or the

Members of the Supervisory Board in 2023 were:

- Pavao Vujnovac, president (until 14 June 2023)
- Jeni Krstičević, vice president
- Ivan Ostojić, član
- Damir Spudić, member (until 15 November 2023)
- Ana Marinović, member
- Boštjan Napast, member (from 15 November until 23 November 2023), president (since 23 November 2023)
- Zvonimir Novak, member (from 14 June to 4 July 2023, from 23 November 2023), president (from 4 July to 23 November 2023)

Supervisory Board) and identifying and recommending suitable candidates to the Supervisory Board;

- When searching for independent candidates for the Supervisory Board, it determines whether the candidates are independent;
- Agreeing on the terms of appointment with potential new members of the Management Board or the Supervisory Board, including the expected time required to perform their function
- Preparation of a succession plan for the reappointment or replacement of members of the Supervisory Board and the Management Board, in consultation with the Chairman of the Supervisory Board or the Management Board;
- Monitoring progress in achieving the targeted ratio of female members to the Management Board and the Supervisory Board
- Overseeing the Management Board's policy in selecting and appointing senior management.

No Committee session was held in 2023.

Conflict of Interest Management Policy

The Supervisory Board adopted the Conflict of Interest Management Policy, which ensures to prevent and mitigate conflicts of interest for the Supervisory Board, the Management Board and employees. The policy defines the obligation to report whether conflicts of interest have been detected among stakeholders, including at least conflicts of interest related to:

- cross-membership in committees (interconnectedness of influences),
- cross-ownership with suppliers and other stakeholders (interconnectedness of influences),
- the existence of majority shareholders,
- related parties, their relationships, transactions and outstanding balances.

In 2023, there were no reports of conflicts of interest.

General Assembly of the Company

The General Assembly makes decisions that have a significant impact on the state of assets, financial position, business results, ownership structure and management of the Company. These decisions are made exclusively at the General Assembly of the Company by the prescribed majority of votes.

The Management Board of the Company is obliged, as soon as possible, to publicly publish the decisions of the General Assembly as well as information on possible lawsuits to contest them.

Managing sustainability topics

GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

The sustainability governance framework is defined in internal policies and in individual risk management and mitigation processes. The management standards are aligned with the requirements of ISO 9001:2015 and are incorporated into all management processes. This ensures an effective and efficient management system that is based on clear goals, adequate resources, measurable results and continuous process improvement. In addition to increased customer satisfaction, the management system helps us ensure compliance with legal and regulatory requirements, thereby minimizing the associated risks.

Energy efficiency is an important business determinant, and in April 2017, we introduced an energy efficiency management system according to the ISO 50001 standard. In 2020, we carried out compliance with the new version of the ISO 50001:2018 standard, including training and certificates for internal audits.

As part of the ISO:9001 and ISO:50001 standards, annual reports on quality and energy management are prepared.

We have prepared a carbon footprint study for the 2022 base year and in order to monitor progress, the plan is to prepare a carbon footprint study every two years. From 2023 onwards, a sustainability report is going to be prepared and published. The effects of reducing CO₂ emissions from the solar power plant, which is installed at the bulk terminal, are visible in the app.

In accordance with the management policy, organizational units have been established in which the implementation of ISO standards is managed and monitored. A dedicated team has also been appointed to deal with sustainability issues, including the preparation of sustainability reports.

The Department of Environmental Protection, as an organizational unit of the Operational and Technical Sector, is responsible for implementing measures and activities in these areas and reports to the Director of the Sector, who reports directly to the Management Board of the Company.

Energy and quality management systems are managed within the Sector of Legal and General Affairs in the organizational unit of Quality and Energy System Management, which is directly responsible for its work to the Director of the Sector, i.e., the Management Board of the Company.

ESG Committee

By the decision of the Company's Management Board, the ESG Committee was appointed as a separate organizational unit. Its primary tasks are as follows:

- Supervising the implementation of ESG policies
- If necessary, prepare a revision of the goals and guidelines of the Sustainable Development Strategy,
- Communicating with stakeholders, and integrating their requirements into sustainability priorities as part of the audit
- Identifying risks and opportunities related to ESG topics and aligning these factors with business strategies.
- Control and reporting on ESG topics.

GOV-4 – Due Diligence Report

Key elements of the due diligence process	Location in the sustainability report
a) Incorporating due diligence into governance, strategy and business model	pages 20, 25-28, 39
b) Engaging with affected stakeholders in all key steps of the due diligence process	pages 26, 39, 42, 43, 48, 56, 57
c) Identification and assessment of adverse effects	pages 25, 28, 32, 39, 42, 44, 47, 49, 55, 56, 58, 62
d) Taking action to address these negative impacts	pages 32, 37-39, 40-44, 48, 53-58, 62
e) Monitoring and communicating the effectiveness of these efforts	pages 32, 37-40, 43, 44, 48, 54, 55, 56, 58, 62

Business Risk Management

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

Risk management at Luka Ploče is the responsibility of Daniela Marinović, a member of the Management Board for Finance. Below is her review of the process of identifying, managing and controlling risk management in the Company.

“Annual action plans entail a periodic assessment of all risks that have an impact on business. Depending on the type of risk, management procedures are defined in various business acts, and management itself is distributed by sectors, while there is a central focus on providing information to the Management Board. The scope, main features and components of the risk management processes and systems at Luka Ploče are primarily contained in the management systems according to ISO standards or derived from financial and non-financial reporting standards. I am primarily referring to the ISO 9001:2015 Quality Management System and ISO 50001:2018 Energy Management System, as well as ESRS and IFRS. The main risks identified are mainly related to the probability of occurrence and the severity of the impact on the business. Since 2022, we have also been actively managing the risks arising from ESG factors.

Risk identification and management are essential processes in any business environment because they enable organizations to identify potential threats and opportunities and manage them in an effective manner. Identifying the significance of risks and establishing a management system to minimize negative consequences and take advantage of opportunities for development are important. This process identifies internal and external factors that might jeopardize business and tools are developed to suppress them or reduce their impact. Effective risk identification is key to successful management and achieving business goals. The audit is usually carried out on an annual basis and includes an analysis of the results achieved with respect to the set objectives.

In addition to financial and market risks, Luka Ploče actively manages technological risks associated with the replacement of existing port technology and machinery that is more energy-efficient and environmentally friendly and human resources risk, with an emphasis on taking care of adequate working conditions, health and safety at work, professional education and respecting other rights arising from the collective agreement.

All identified risks are summarized in summary folders and, together with the procedures for performing business processes at the port, where adherence is the most important form of eliminating the main internal business risks, and available to all managers at Luka Ploče via the intranet.

The main holders of the processes report to the Management Board of the Company periodically on an annual basis regarding the most important risk assessments. The dynamics of the report depend on the type of risk, and this is carried out in the following way:

1. Report on work-related injuries – quarterly
2. Report on damage to machinery and devices – quarterly
3. Report on energy consumption deviations exceeding 20% with respect to base data – for each individual incident
4. Annual Management Board Assessment of ISO standards – at the end of the financial year.

The method of managing and mitigating risks is specifically prescribed and documented. We have also aligned the materiality thresholds for metrics related to sustainability factors with the materiality thresholds for the information included in the financial statements. Based on the above, the conclusion is that Luka Ploče implements appropriate policies and procedures for managing individual risks.”



Daniela Marelić,
Member of the Finance Board

Daniela Marelić is a Chartered Accountant certified before the Institute of Chartered Accountants of South Africa [CA (SA)] and Commissioner of Oaths in South Africa. She graduated in 2007 from the University of the Witwatersrand, where she specialized in financial and management accounting, taxation and auditing.

She started her professional career in 2008 at PricewaterhouseCoopers South Africa, where she spent 12 years in the Banking and Capital Market Sector (audits and consulting), primarily in Johannesburg and in New York, London and other regions of Africa. Since June 2019, she has continued her career in the Eastern European market at Deloitte Croatia, as the Director of the Audit and Advisory Department, after which she joined the Management Board of Luka Ploče.

Daniela has extensive experience in financial services, specializing in the banking sector. She has led a number of complex and prominent public interest clients in corporate investment banking, retail and business banking, asset management, corporate and retail loan portfolios, and securitization structures.

In recent years, she has focused on analyzing and assessing business practices, behavioral and compliance risks, and the supervision of risk management and risk practices.

Materiality assessment

For the first time, Luka Ploče has identified its environmental impacts, with a special emphasis on the climate, as well as society and governance, with an assessment of their materiality (significance), when preparing the sustainability report for 2022.

As part of developing the Sustainable Development Strategy, we have updated our assessment of double materiality. When selecting the materiality assessment methodology, the European Sustainability Reporting Standards (ESRS) and the guidelines were used according to which companies will have to report in future periods.

The requirements for the application of the ESRS include a list of sustainability issues covered by the ESRS topics, categorized by themes, sub-themes and further sub-themes, to provide an assessment of materiality. To this end, a sustainability issue is “material” for an undertaking when it meets the criteria defined for materiality, impact or financial significance, or both.

Our focus this year has been on establishing a strong methodology aligned with the approach and criteria outlined in the ESRS. In the future, we will continue to work on further maturing, developing and refining our approach in line with best practices and available guidance.

The results of the reassessment confirm a high level of compliance with sustainability topics that were assessed as material in the first assessment.

This assessment identifies the most important. Environment, Social, Governance (ESG) issues and stakeholders. Analyzing the material impacts of Luka Ploče led to identifying relevant aspects of a sustainable business model and their connection to 14 of the 17 Sustainable Development Goals (SDGs) of the UN 2030 Agenda.

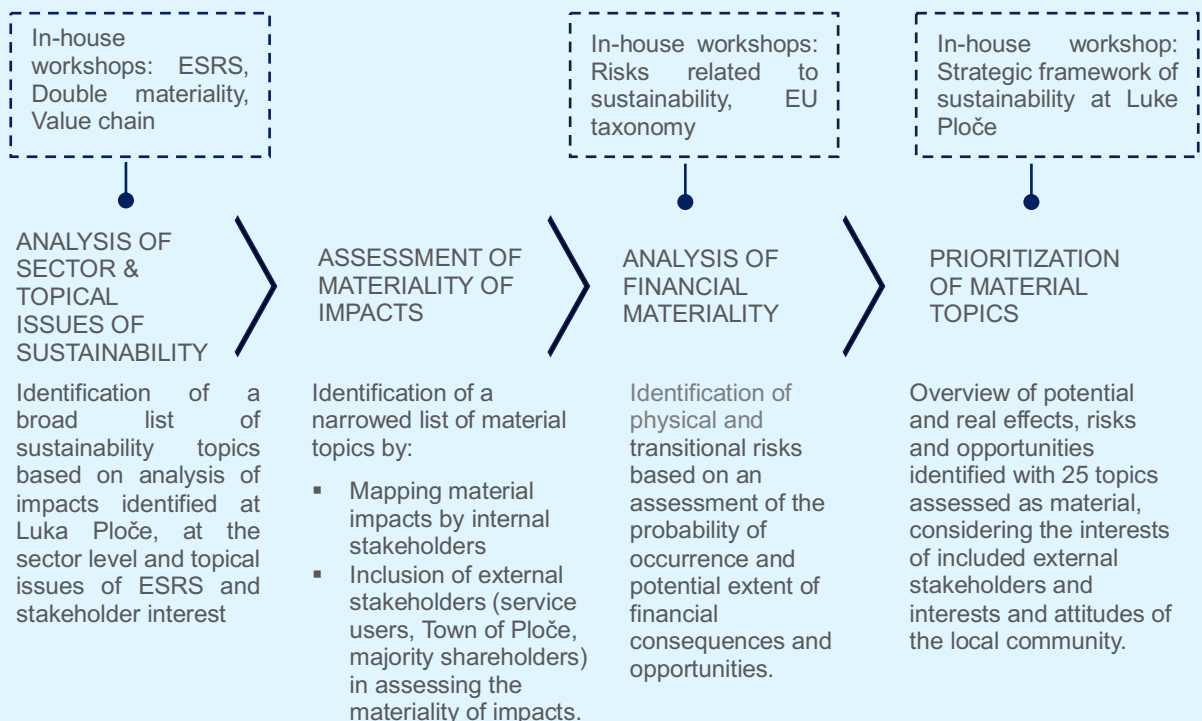
Materiality of impacts

The first step of the process included training the reporting team of the Luka Ploče Group, deemed necessary due to an understanding of the requirements for the development of the strategy and sustainability report and the implementation of other activities, i.e., the definition and analysis of key stakeholders in the value chain and related business activities and business relationships, as well as the identification of potential and actual impacts, risks and opportunities in the field of sustainability. Sustainability factors that have been recognized at the sector level, which include relevant port sector organizations (WPSP – World Ports Sustainability Program, ESPO – European Sea Ports Organization), as well as strategic determinants and changes in EU and national regulations, were also analyzed.

In the second step, the impact of Luka Ploče on the environment and climate, social issues and governance were analyzed. The analysis included thematic issues, i.e., sustainability factors listed in the topical sustainability reporting standards (ESRS) and issues identified at the sector level as specific to Luka Ploče, and were not covered by topical issues. In all, 10 current topical standards were considered, as well as 65 sub-topics and 5 sector-specific topics, of which, after conducting all assessment procedures, 34 were assessed as material.

This phase of the assessment involves middle and senior management, i.e., a wider team of 15 members of the Group. In the next step, we tried to find out the views of external stakeholders, which were previously assessed as more significant, concerning the impacts of the organization on people and the environment and the most significant sustainability risks. This phase included questionnaires, an analysis of previous cooperation on sustainability-related topics and implemented initiatives, and the attitudes of the local community were taken into account, which were addressed directly to Luka Ploče or through the media.

The process of identifying the material impacts of the Port of Ploče on sustainability issues



By analyzing the results of the survey of the attitudes of internal and external stakeholders, the largest discrepancy was observed in assessing the quality of environmental impact management, generally assessed by external stakeholders in the range from frequently to always managed, while the opinions of internal stakeholders are more critical. On the other hand, opinions on social issues and management topics are the same. The survey also showed a certain amount of concern from external stakeholders towards the impacts of port activities on biodiversity and ecosystems, which were assessed as impacts of great importance that Luka Ploče often manages (management covers about 80% of the factors). These are primary influences that arise from the business relationships at Luka Ploče and occur in the value chain.

In the next step, we revisited the actual and potential impacts of business activities in the port area and mapped sustainability topics that had previously been assessed as significant. In doing so, we also took into account the views of external stakeholders, and some sustainability topics that Luka Ploče cannot directly influence, such as the impact on biodiversity and ecosystem protection, are included in our sustainable development strategy and will be included in the report.

Port activities depend on the synergy of numerous stakeholders in the chain, and we believe that in all topics of general interest, and environmental and climate impacts certainly are, with room for progress that can be achieved through cooperation with other stakeholders.

Financial materiality

As part of the assessment of double materiality, Luka Ploče has once again conducted an assessment of the most significant risks related to the climate and the impacts of sustainability on the business. This took into account the requirements stemming from the CSRD, the Taxonomy Regulation and [the Guidance for Preparing Infrastructure for Climate Change](#). Climate-related risks relate to the potentially negative impacts of climate change on the infrastructure of Luka Ploče and related port operations, as well as transitional risks (related to political and legal measures, technological changes, market responses, reputational issues, etc.), which arise from the process of achieving alignment towards a low-carbon and more environmentally sustainable economy and reflected in financial sustainability. The probability of risk occurrence in the medium and long term was also considered.

The process of identifying climate-related risks and the severity of the impact of Luka Ploče's business on the climate and the environment, social and governance issues, included the analysis of known impacts, risks and opportunities from its own business, recognized at the industry level, as well as the mapping and prioritization of risks. This assessment includes the stakeholders over which

Luka Ploče has influence through its activities and the risks arising from business relationships.

Marine resources that are essential to the Group's business activities and its value chain have also been identified as silent stakeholders.

Climate-related risks

Physical risks

Physical risks arise from acute and chronic physical impacts of climate change on infrastructure, worker safety and productivity. The probability assessment took into account current knowledge about the projection of climate change in the territory of Croatia.¹

According to the assessment of the working group, physical risks do not have a significant impact on infrastructure and range from low to medium severity for almost all risks, with the exception of fire, which was assessed as having a highly important impact.

The occurrence of heat waves in the medium and long term is also recognized as possible but without a significant impact on business.

Physical risk management

In addition to the risk management measures described above, Luka Ploče also actively manages the impact of heat waves on business by investing in technologically more advanced mechanization that ensures a high level of working conditions and safety at work. This process, in addition to large capital investments, also requires a certain amount of time during which all machinery that does not meet the above conditions will be replaced. In addition, during periods with extremely high air temperatures, care is taken to ensure that drinking water is available to employees at the workplace.

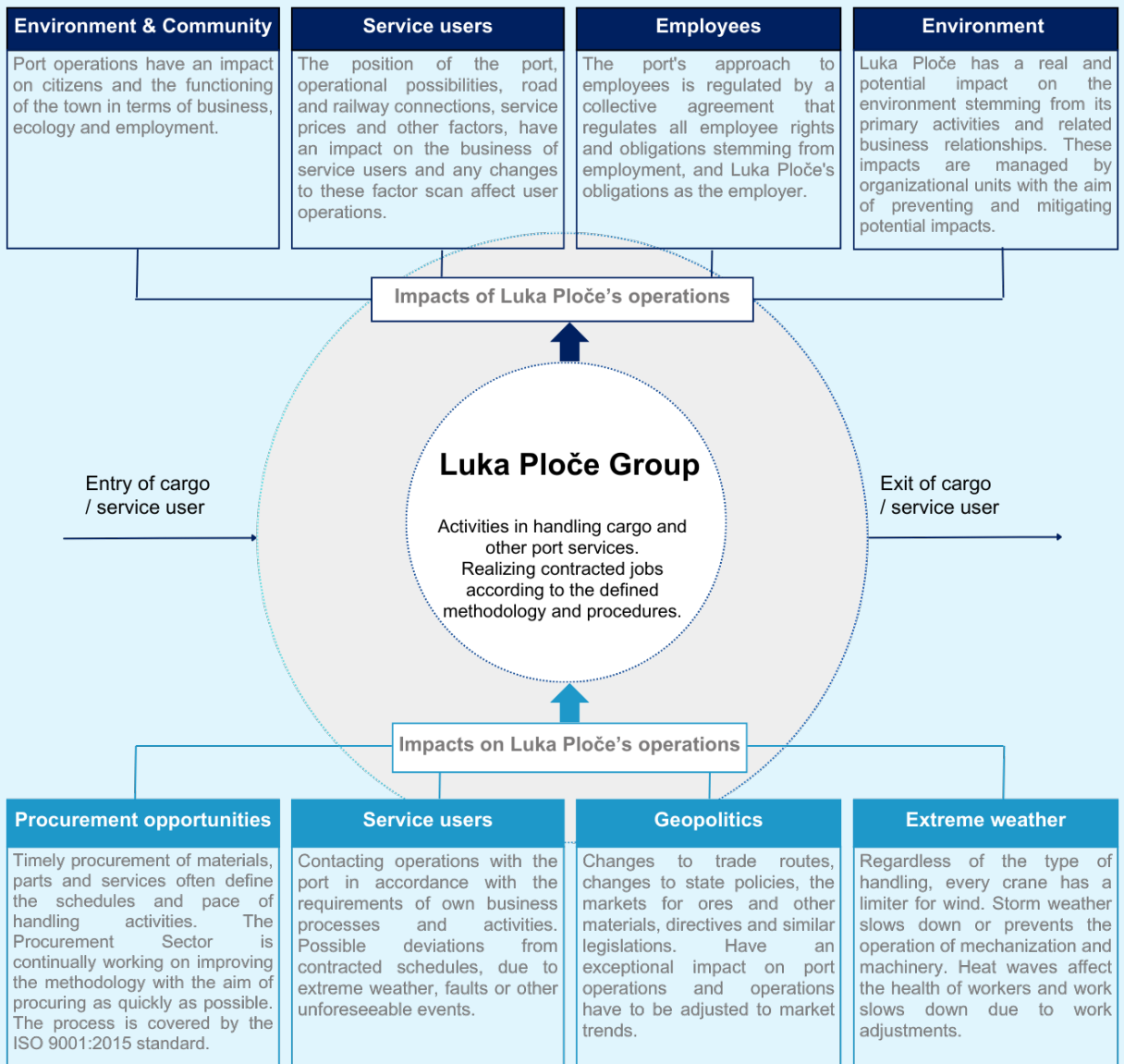
Luka Ploče also applies all legal obligations regarding fire protection measures. The Company is a participant in the civil protection system in the Town of Ploče, as a legal entity of interest for protection and rescue, which has capacities (material and technical means and manpower) in the event of disasters and major accidents.

Transition risks

In assessing the severity of transitional risks to Luka Ploče, market, technological, legal and regulatory risks were identified as serious and possible with regard to the probability of occurrence in the medium and long term. The analysis found that changes in regulations may initiate technological risks, due to import restrictions. For example, in accordance with the new EU directive, the import procedure has been harmonized (mandatory electronic certificate of CE and T2 document at customs clearance), which is why Luka Ploče cannot import certain goods into Croatia (heavy machinery, etc.).

In addition, the impact assessment of global coal-related regulations indicates the sensitivity of business model resilience.

¹ Projections from the Climate Change Adaptation Strategy in the Republic of Croatia for the period until 2040 with a view to 2070 (Official Gazette 46/20)



Climate-related opportunities

When assessing climate-related opportunities for the Port of Ploče, three main "green services" in shipping, as selected by the EcoPorts network, were taken into account, which encourage ships to adopt sustainable waste and energy management practices:

- providing shore-side electricity supply;
- liquefied natural gas (LNG) storage facilities;
- providing differentiated port charges or charges for 'green' ships that go beyond regulatory standards.

The opportunities arising from changes in regulatory legislation and measures and activities related to the planned decarbonization were also taken into account.

Considering the activities carried out in the previous period, the increase in the share of renewable energy sources as a result of the transition to a low-carbon economy and the increase in energy efficiency with

the optimization of energy consumption were assessed as positive impacts of great importance that will have a positive impact on the financial position of the organization through the reduction of operating costs, exposure to the volatility of energy prices on the market and reduced exposure to greenhouse gas emissions, along with the possibility of generating additional income from the sale of surplus energy. It also opens up space for investment in the production of other forms of energy from renewable sources.

The introduction of the service of supplying ships with electricity from land is also certain. The construction of infrastructure for this service was planned by the Port Authority of Ploče.

Our important sustainability topics

Climate change

- Reducing energy consumption from all sources
- Production of energy from renewable sources
- Taking action to mitigate climate change

Environmental impacts

- Prevention of air, water and soil pollution
- Method of using and discharging water into water bodies
- Conservation of biodiversity and ecosystems
- Waste management

Social impacts

- Working conditions, health and safety in the workplace
- Adequate wages and secure employment
- Work-life balance
- Social dialogue and collective bargaining
- Gender equality and equal pay for work of equal value
- Training and skills development
- Workers' right to information, consultation and participation
- Local community and security-related impacts
- Engaging with the local community, including the availability of channels for raising concerns
- Availability of quality information and complaint management
- Customer health and safety

Business conduct

- Corporate culture
- Vendor relationship management
- Whistleblower protections
- Employee privacy
- Investing in digitalization and business automation
- Cybersecurity
- Activities to improve the economy and the quality of life of the local community



LUKA PLOČE



SUSTAINABILITY FRAMEWORK

Environmental topics

Managing environmental, natural resources and biodiversity impacts is key to achieving the goal of transformation into a smart and sustainable port.

Environmental topics (E) include our effects on nature, i.e., the environment and climate change, and dependence on natural capital. We have included information such as greenhouse gas emissions, waste management, energy efficiency and protection of natural resources, climate change mitigation and adaptation measures.

We have covered all the main topics, but only for those subtopics assessed as material, for which we determined the requirements based on four areas: strategy, impact, management and goals—which you can read about below.

The main topics we covered are as follows: E1 – climate change, E2 – pollution, E3 – water and marine resources, E4 – biodiversity and ecosystems, and E5 – circular economy.

Our ambitions

Luka Ploče is taking a role in decarbonizing logistics and providing green solutions to help clients achieve their climate goals and operate sustainably along the entire value chain. Find out more about the progress, activities and measures we are making to minimize our impact on the environment, including our 2030 targets with a view to 2050.

Which is important!

Climate change

- Reducing energy consumption from all sources
- Production of energy from renewable sources
- Taking action to mitigate climate change

Environmental impacts

- Preventing air and water pollution
- Manner of using and discharging water into water bodies
- Conservation of biodiversity and ecosystems
- Waste management



ESRS E1: Climate change and energy

We are continuously reducing the direct and indirect impact on the environment.



Impacts from us

Luka Ploče is strategically oriented towards decarbonization, which includes the procurement of mechanization and machinery with lower energy requirements and energy-efficient property (through adaptation) with the use of energy from renewable sources produced at the point of consumption. These activities reduce dependence on fossil fuels and strengthen resilience to climate change while reducing CO2 emissions.

Our strategic goals

The long-term goal of Luka Ploče and the companies it owns is to achieve carbon neutrality by 2050. To achieve this, measures have been set to achieve an absolute emission reduction target of 15-25% by 2030 and 65-95% by 2050.

In addition to implementing climate change mitigation measures, the aim is to ensure that our investments are in line with the EU Taxonomy guidelines.

We integrate climate resilience by implementing green technology solutions into transportation efficiency and sustainable practices to improve port operations and reduce climate and environmental impacts.

Contribution to the sustainable development goals:



Measures and resources

- Procurement of more energy-efficient mechanization and machinery, including the overhauling of existing ones is some of the measures to mitigate climate change and reduce the carbon footprint.
- Continuous monitoring of energy consumption from all sources with the aim of optimizing consumption and building sustainable infrastructure
- Increasing the share of electricity consumption from renewable sources by building proprietary capacities at consumption points



Policies and governance

Luka Ploče actively manages the impacts stemming from energy consumption, which is a key resource for implementing port activities. The energy management system in compliance with the international standard **ISO 50001:2018** and the quality management system in compliance with the requirements of **the ISO 9001:2015** standard have been integrated. Energy and quality management systems are managed in the organizational unit Quality and Energy System Management.



Realized activities

Some of the activities realized in 2023 are listed in the chapter "[Capital investments](#)" on p. 13. Given below are the details of the solar power plant construction project.

2.819 MWh

of electricity produced from renewable sources from September to the end of December, and emissions were reduced by

2.5 tons of CO2

Electricity generation from renewable sources

TRT solar power plant

In the second half of the year, on 19 September 2023, the first photovoltaic power plant at Luka Ploče, installed on the roof of the bulk terminal with an installed capacity of 20 kW, began operation.

The operation of the power plant is monitored via an application that provides insight into the production of electricity in real-time. It also provides data on the reduction of CO2 emissions.

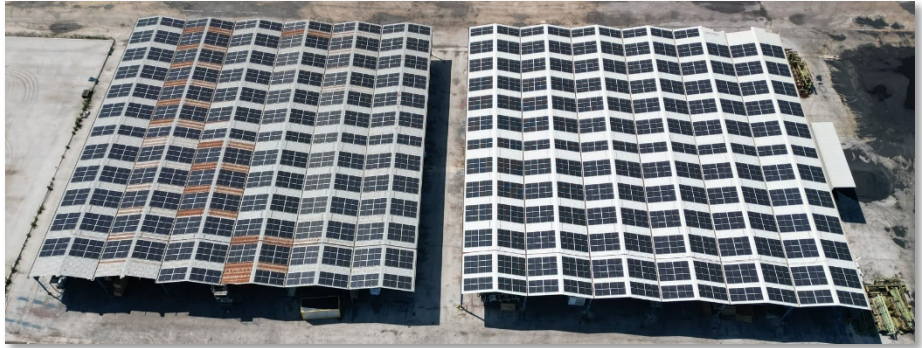
Based on the data from the application, the photovoltaic power plant produced 2.819 MWh of electricity from September to the end of December, achieving a total reduction in emissions of 2.5 tons of CO2.



Drvni Terminal solar power plant

In 2023, work began on the photovoltaic power plant at the wood terminal. The installed capacity of this power plant will be 803 kW, with an estimated annual production of 1,250.1 MWh.

Completion is expected in the second half of 2024.



Utva solar power plant

The preparation of documentation for the construction of a power plant on the roof of the warehouse was initiated for this solar power plant in 2023.

The maximum output of the power plant is planned to be 1,281 kW with an estimated annual production of 1.617 MWh.

The Vlačka ground-based solar power plant will produce 8.9 million kWh of electricity annually

As part of the ongoing decarbonization of operations, in 2023, Luka Ploče initiated preparatory activities for the construction of a new photovoltaic power plant, also the largest in the port area of Ploče (for short: Luka Ploče SE). The plan is to position it on an area of approximately 7.73 ha in the eastern part of the port, as a free-standing photovoltaic power plant with an installed capacity of 6 MW. The planned annual electricity production is 8,890.514 MWh, which is 3,029.22 MWh or 51.7% more than the current annual electricity consumption of the Luka Ploče Group.

The planned Luka Ploče SE project will be carried out using the latest technological solutions in line with all technical regulations, norms and legal regulations. The plan envisages the use of panels with the lowest possible degree of glare to reduce the possible threat to bird fauna due to the replacement of the panel surface with water surfaces.

During preparation and construction, a number of environmental protection and mitigation measures will be taken into account. For example, preparatory works (landscaping for construction and removal of vegetation) are not planned to be carried out during peak animal activity (from March to July), and a protective fence will be installed around the area occupied by the Luka Ploče SE, raised from the ground for the passage of smaller animals.

In 2023, an environmental protection study was done, and the completion of the entire project for the construction of the Luka Ploče photovoltaic power plant is planned for 2026.



Planned additional investments in renewable energy sources

Once all planned solar power plants are constructed, the Port of Ploče will produce almost twice as much electricity as the current consumption. The remaining electricity produced is planned to be used for one of the following additional investments:

→ Investing in a battery energy storage system

Such a shift towards clean renewable energy production and storage solutions would benefit communities, businesses and the planet. It would also contribute to meeting European requirements of energy transition and accelerating sustainable energy initiatives across Europe.

→ Production of hydrogen from renewable sources

Renewable hydrogen is produced by electrolysis of water (in an electrolyzer using electricity), using electricity from renewable sources. In this case, there are almost no greenhouse gas emissions during the life cycle. This hydrogen can also be produced by biogas reforming (instead of natural gas) or biochemical conversion of biomass, if it complies with sustainability requirements.

5,861,345 kWh

of total electricity consumption in 2023, which is 2.8% less than in 2022, when 6,030,350 kWh was consumed

75.6 MWh/ 1,000,000 euros

intensity of electricity consumption in 2023 per million euros of generated operating revenues (62.4 MWh in 2022)

959,441 liters

total fuel consumption in 2023, which is 19.9% more than in 2022, when 800,284 liters were consumed

6,793,621 tons

of goods transferred in 2023. Of which, 4,780,697 tons was commercial tonnage, and 2,012,924 tons as the relocating of goods within the port

Energy consumption

Primary energy consumption in the Luka Ploče Group refers to electricity and motor fuels. Electricity is used to transship cargo using electric cranes, as well as for cooling, heating and lighting in buildings, and lighting in warehouses and outdoor areas. Total electricity consumption in 2023 amounted to 5,861,345.1 kWh, which is 169.1 thousand kWh or 2.8% less than in the previous reporting period when a total of 6,030,350.2 kWh was consumed at the Group level. Consumption is monitored at the Group level, with the exception of Pločanska plovdba, which, from 2023, separately monitors electricity consumption at the sailboat pontoon moorings.

Place of consumption	2022	2023	Change
<i>Electricity consumption</i>			
Old port consumption	3,333,449.2	2,900,443.8	-13.0%
TRT consumption	2,696,901.0	2,958,386.2	9.7%
Pontoon mooring consumption		2,515.0	
Total consumption	6,030,350.2	5,861,345.1	-2.8%

As part of port operations, motor fuels are predominantly used to power light and heavy machinery and for internal transport (forklifts, loaders, tractors, trucks, truck cranes, bulldozers, wagon pulling, container tractors) and other mechanization and maintenance machinery. These are activities that are also monitored as part of the ISO 50001 energy management system. In addition, blue diesel is used to power boats and diesel for vehicles.

Group member	Mechanization and vehicles	Vessels	Machinery /Gasoline	Total
<i>Consumption of motor fuels in 2023</i>				
Luka Ploče	933,453.0	-	-	933,453.0
Luka Šped	1,180.0	-	-	1,180.0
Pločanska plovdba	4,898.4	3,094.1	-	7,992.5
Pomorski servis	7,365.0	9,300.7	150.0	16,815.7
Total consumption	946,896.4	12,394.8	150.0	959,441.2

In 2023, the Group consumed a total of 959,441.2 liters of motor fuels, which is 19.9% more than in the previous year, when 800,284 liters were consumed. Of this, 946,896.4 liters of diesel were used to power machinery and vehicles, while 12,394.8 liters of blue diesel were used to power vessels. The least gasoline was consumed – 150.0 liters to power machines.

ISO 50001:2018 Energy Management System indicators

As part of the ISO 50001:2018 energy management system at the Port of Ploče, energy management performance indicators (EnPI) per ton of goods handled and per working hour of machine group are monitored. Given that cargo transshipment and storage are some of the main activities, those consumers handling more than 20% of the total cargo tons were selected as the significant consumption criterion.

Consumers	Transported tons	Share %	Spent kWh / l
<i>Ratio of forms of energy to consumers in tons transferred</i>			
Heavy mechanization / kWh	469,682	6.91%	1,080,313
TRT / kWh	1,708,618	25.15%	2,958,383
Silos / kWh	93,339	1.37%	110,600
Electricity / kWh	2,271,639	33.44%	4,149,296
Light mechanization / l	4,188,942	61.66%	710,105
Heavy mechanization / l	333,040	4.90%	223,348
Fuel / l	4,521,982	66.56%	933,453

With regard to the total tons of goods transported in 2023, the share of motor fuels was 66.6% (2022: 69.5%), while the share of electricity consumption was 33.44% (2021: 30.1%).

1.85 kWh

of average electricity consumption per ton of goods handled

516.52 kWh

of electricity consumption of all consumers per operating hour of the machine group in 2023, which is an increase of 18.44% compared to 2022

0.21 liters

of average fuel consumption per ton of goods handled in 2023, an increase of 23,5 % compared to 2022

11.17 liters

of average fuel consumption of all consumers per operating hour of the machine in 2023, which is a decrease of 23.5% compared to 2022

In 2023, light and heavy machinery, together with the silo and bulk cargo terminal, transported a total of 6,793,621 tons of goods. Of this, 4,780,697 tons or 70.4% refers to commercial tons, and 2,012,924 tons or 29.6% to the movement of goods within the port, especially bulk cargo as well as part of general cargo.

A large proportion of relocations, showing a disparity of 42.0 % compared to 7.5 % in the previous reporting year, is due to rail failures within a section of the port during a part of the year.

The electricity consumption of all electrical consumers per ton of goods handled (EnPI-7) in 2023 averaged 1.85 kWh (2.3 kWh/t in 2022).

The average electricity consumption of all consumers per operating hour of the machine group (EnPI-8) in 2023 was 516.52 kWh (436.09 kWh in 2022). The significant increase in the average electricity consumption per operating hour of the machine group was due to a large share of relocating goods.

In contrast to the increase in electricity consumption per ton of goods handled, the quantities of unloaded goods at the shift level increased significantly, which indirectly shortens the ship's unloading time.

Total fuel consumption in liters per ton of goods handled (EnPI -5) was 0.21 l/tonne (0.17 l/tonne in 2022).

The total fuel consumption of all electrical consumers per operating hour of the machine (EnPI -6) was 11.17 l/hour (14.6 l/hour in 2022).

Real-time monitoring of energy consumption

In 2020 and 2021, fuel consumption meters were installed in cargo handling machines and equipment. The meters also read the location of the machine and device, as well as the speed and time of operation, which allows them to be monitored in real-time and accurate data gained on the basis of which the efficiency of each individual machine as well as energy performance can be monitored. New machines are also equipped with these benchmarks.

3,548.6 t CO₂e

total emissions of the Luka Ploče Group

87.9 %

of the total emissions of the Luka Ploče Group, referring to Scope 1 and 2

Greenhouse gas emissions

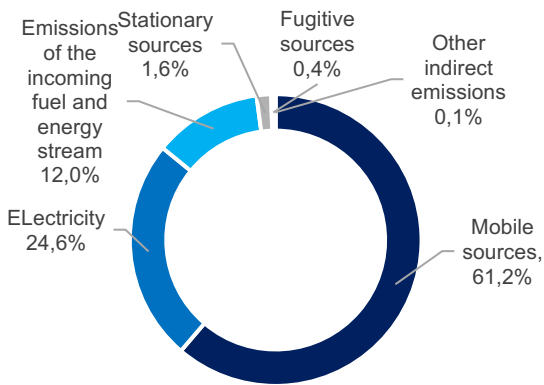
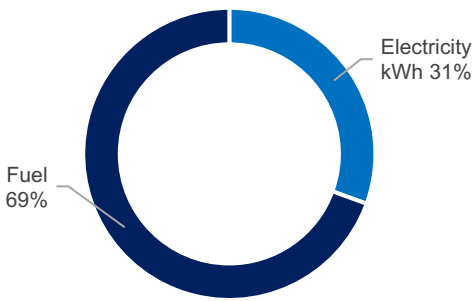
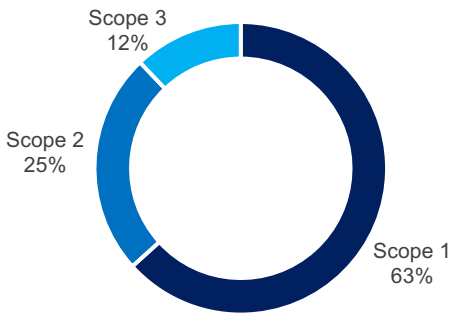
Luka Ploče, in cooperation with the Energy Institute Hrvoje Požar, has prepared a Carbon Footprint Analysis Study and proposed measures to reduce greenhouse gas emissions. The study was done in May 2023 (Study code STU-2023-230008-1/1) for the base year 2022, and measurements will be taken every two years.

For the needs of the Luka Ploče Group, an inventory of greenhouse gases was prepared for the first time in accordance with the Greenhouse Gas Protocol and the ISO 14064-1:2018 standard. Greenhouse gas emissions for 2022 have been calculated for the following emission groups:

- Direct emissions from fuel combustion in stationary and mobile energy sources and emissions from refrigerant losses in cooling systems (Scope 1) amounted to 2,245.4 t CO₂e or 63.3% of total emissions,
- Indirect emissions occurring outside the company's locations and related to electricity consumption (Scope 2) amounted to 3,119.2 t CO₂e or 24.6% of total emissions,
- Emissions resulting from the activities involving the maneuvering and anchoring of ships in terminals and the transport of cargo by trucks within the administrative boundaries of the Luka Ploče Group (Scope 3) amounted to 429.4 t CO₂e or 12.1 % of total emissions.

Direct emissions from mobile energy sources (61.2%), followed by direct emissions from stationary energy sources (24.6%) and indirect emissions related to fuel and energy input energy (12%) represent the largest contribution to the carbon footprint. They are followed by emissions due to energy inputs (1.6%), fugitive emissions (0.4%) and other indirect emissions (0.1%).

The long-term goal of the Luka Ploče Group is to achieve carbon neutrality by 2050. Calculating and reducing the carbon footprint of businesses is part of the solution to mitigate climate change



Measures to reduce CO₂

Short-term measures

Improve the data acquisition system

Training ECO driving

Regular tire air pressure

Use of higher energy class of tires

Lighting replacement

Installation of photovoltaic power plants

Long-term measures

Interventions in the heating system

Electric-powered vehicles and machines

Cooling system containing a working substance that has a lower impact on the climate

Installation of photovoltaic power plants

Realization

Procedures for collecting specific data by departments/sectors have been organized

A system for tracking the movement of vehicles and machines has been implemented

Performed regularly

A procurement procedure has been implemented for ordering tires that reduce consumption and are made from acceptable materials

LED lighting has been changed in the administrative building

In September 2023., the power plant of the TRT was completed, and the implementation of the PV plant at the wood terminal was initiated

Realization

Options for the reconstruction of buildings that already have a heating system in place were considered, with the goal of optimizing them

Where applicable, considering the technical characteristics of vehicles and machines, new procurement is based on established energy criteria

The procurement procedure has been defined, and existing air conditioning units are being gradually replaced

The preparation of documentation for the construction of two more power plants has begun

ESRS E2 Pollution



Impacts from us

The impacts of Luka Ploče on air and water pollution primarily arise from its business relationships as well as the type of cargo and the handling of the cargo at the port. Potentially the most significant negative impact on air quality comes from coal dust that spreads due to wind gusts, while the state of sediment and water resources are most affected by ships that dock at port and the length of their stay. The impact analysis considered the views of citizens who expressed public concern in 2023 about suspicions of the harmful consequences of air and water pollution at the port.

Impacts related to the prevention of air pollution by coal dust are the direct responsibility of Luka Ploče and are actively managed. The stormwater drainage system, i.e., surface water, refers to infrastructure under the jurisdiction of the Ploče Port Authority as the concession provider. To take into account the concerns of the local community regarding the polluting of marine resources, data on rainwater discharges into water bodies will be included in the report, regardless of the fact that they are not within our jurisdiction. Specifically, the bulk cargo terminal is equipped with a modern stormwater drainage system equipped with separators and retention basins, where the purified water is appropriately accumulated to be used for technological needs or discharged into the environment in accordance with positive regulations. Potentially harmful environmental impacts arise from the drainage system in the old port on Shores 3 and 5, where some outlets do not have separators. This problem was recognized by the Ploče Port Authority, which initiated activities for the reconstruction of the.

Our strategic goals

Our task for the future is to continuously invest additional efforts to prevent pollution, both in the port itself and along the entire value chain.

We will take additional effort to methodologically follow these activities.

Contribution to sustainable development goals



Measures and resources

- Measures to conserve air, water and marine resources,
- Investments in the most effective technical solutions to prevent and remediate the impact of coal dust on air quality and the environment,
- Establishment of close cooperation with the Ploče Port Authority and other relevant institutions on the introduction of an automatic particulate matter measurement system at TRT and the Town of Ploče and at the places with the highest emissions in the port area,
- Intensify cooperation with the Ploče Port Authority on the reconstruction of the rainwater system in the Old Port and increase the possibility of using recycled water,
- Cooperation with the affected community concerning the impact of port operations on air and water pollution.

Policies and governance

Luka Ploče implements protection measures in accordance with the Air Protection Act and measures from environmental impact studies. The impact of port operations on the environment is monitored by the Ploče Port Authority, which, in cooperation with authorized institutions, conducts annual tests of sea quality, air quality and quality of wastewater and industrial water, as well as the state of the seabed sediment.

The Environmental Protection Department, which is an organizational unit of the Operational and Technical Sector, is responsible for the implementation of measures and activities in these areas and reports to the Director of the Sector, who then reports directly to the Management Board of the Company. Work procedures are prescribed by the ISO 9001:2015 quality management system.



Air quality

E2-4 – Air pollution

The Port Authority, as the concessionaire, monitors all environmental impacts related to port activities. The annual air quality testing is carried out by an authorized institution that, for the purpose of monitoring air quality, in 2023, set up six measuring stations (MP) in the area of the town and the port according to the requirements of the Ploče Port Authority (MP Municipal Company – Source, MP Meteorological Station, MP Health Center, MP Public Open College with the MP Terminal along the runway and MP Stablina-Čeveljuša)

The results of measurements for the period January-December 2023, available in the annual report on air quality testing in the wider area of the port and the Town of Ploče,² showed that the air quality at five measuring stations (MP) with regard to the tested parameters: the amount of total deposited matter (TDM) and metal content (Pb, Cd and Tl) in the TDM **of the quality category 1**, i.e., negligibly polluted air. The tested parameters at five measuring stations were lower than the limit values (LV), which are prescribed by the Regulation on the Air Pollutant Levels (OG 77/20).

At the measuring station "Terminal by the runway", with regard to the average annual value of the total deposited matter (TDM), the air belongs to the quality category 2, i.e., **polluted air**, because the average annual value (TDM 376 mg/m²d) exceeds the prescribed limit value (LV 350 mg/m²d). With regard to the content of metals (Pb, Cd and Tl) in TDM, the air at TRT was assessed **as quality category 1**, i.e., slightly polluted air. This measuring station is set up at the bulk cargo terminal and is located within the Port of Ploče facility, where there is a lot of heavy machinery traffic. In addition, environmental impacts also arise from the activities of other concessionaires in the port area.

Air pollution prevention measures

The commissioning of the new bulk cargo terminal in August 2020 has led to a significant reduction in the impact of bulk dust. The new terminal is located on a filled land area along the shore of Vlaška Canal, the furthest from the inhabited area, which almost completely eliminates the possible impact of dust on the inhabitants of Ploče during extremely strong and unfavorable winds.

A closed-type belt transshipment system has been installed at the terminal, within which a built-in spraying system with 60 sprayers is automatically activated to prevent the release of contentious particles from the cargo, and more convenient storage of coal is ensured, which is distributed over areas many times larger. This meets the highest environmental standards in the handling and storage of bulk cargo. The infrastructure at the new terminal fully ensures the maximum efficiency of the advanced polymer protection against dust from bulk cargo, which is currently used, and with which the stored coal is poured.

The Luka Ploče also has mobile sprinklers that are especially used in the area of the old port. It also invests in purchasing machines and undertaking dust prevention preparations to prevent air pollution. A brush is used every day to clean the roads, including the loader on which it is installed, and a tanker with a tractor for pouring a polymer emulsion on the stored coal, which forms a crust on the coal and suppresses dust. About 5,000 liters of emulsion concentrate are used annually to suppress dust. In case of adverse weather conditions, especially strong winds, the Company has adopted the practice of suspending transshipment during such circumstances, in order to reduce the possibility of raising dust.

In order to further reduce the impacts of dust, in 2023, boosters for spraying coal at the bulk terminal were purchased. A new loader brush was also purchased for the purpose of cleaning roads and open-type warehouses, and a new solution for forming a crust on coal was tested.

In the fourth quarter of 2023, the daily practice of spraying wagons dispatching coal at the bulk terminal was introduced to prevent the creation of coal dust and thus ensure cleaner air around the port. The wagons are doused with a combination of water and one percent of Actipol, a polymer agent that forms a crust on the surface of the coal, preventing dust particles from becoming airborne. The same agent is also used in port warehouses.

Despite the fact that it does not have direct jurisdiction over the organization and regulation of coal transport by rail, Luka Ploče has voluntarily introduced this practice, which will also be seen in **less creation of dust during the rail transport of coal along the entire route of transport to the destination**, under the premise that coal is transported in open wagons.



² https://www.ppa.hr/hr/wp-content/uploads/2024/02/TRT_lzvjescje-o-ispitivanje-kvalitete-zraka-na-sirem-podrucju-luke-i-grada-Ploca-za-razdoblje-sijecanj-prosinac-2023.pdf

ESRS E3 Water and Marine Resources



Impacts from us

The impact of Luka Ploče on water and marine resources stems from business processes depending on water for pouring coal to prevent the creation of dust, while discharges into the sea primarily rely on the stormwater drainage system. It involves the infrastructure, its reconstruction and construction which is under the jurisdiction of the Ploče Port Authority.

Our strategic goals

We are aware of the role ports have in preserving the quality of marine resources and ecosystems, and the management of water consumption and discharges into water bodies as an environmental priority. Our area of interest is focused on increasing the efficiency of port operations, primarily cargo handling, in order to keep ships in port as little as possible and thus reduce the possibilities of their potentially negative impact on marine resources.

Contribution to the sustainable development goals



Measures and resources

- Sustainable use of water resources
- Reducing potential impacts on pollution of water and marine resources
- Sustainable infrastructure
- Cooperation with the Ploče Port Authority on the reconstruction of the rainwater system in the old port and increasing the possibility of using recycled rainwater



Policies and governance

Luka Ploče implements protection measures in line with the Environmental Protection Act and the measures from the environmental impact study of the bulk cargo terminal and container terminal at the Port of Ploče. In accordance with legal regulations, studies are prepared, i.e., environmental protection studies, prior to interventions on the infrastructure.

The Department of Environmental Protection is responsible for the implementation of measures and activities in the field of environmental protection in the Port of Ploče. Work procedures are prescribed by the ISO 9001:2015 quality management system.

The impact of port operations on the environment is monitored by the Ploče Port Authority, which, according to the Environmental Monitoring Program and in cooperation with an authorized institution, conducts annual tests of sea quality, quality of wastewater and industrial water, as well as the state of seabed sediment.

Manner of using water

E3-4 – Water consumption

Luka Ploče primarily uses water from the public water supply system and, to a lesser extent, recycled water for its operational activities. In 2023, a total of 144,577 m³ of water was consumed (67,478 m³ in 2022). Of this, 138,877 m³ of water or 96.1%, was from the public water supply system, and about 5,700 m³ or 3.9% was recycled water.

Compared to the previous year, water consumption in 2023 is more than twice the amount, primarily due to increased watering of coal for dust suppression. In 2023, around 90% of water from the public water supply system was used for this purpose.

The subsidiary company Pomorski Servis additionally ensures the supply of drinking water to ships via a connection to the city hydrant network.

In the reporting year, a total of 4,278 m³ of water was delivered to moored ships.



144,577 m³

of total water consumption at the end of 2023, which is 1.25 times more than in 2022 when 67,478 m³ was consumed

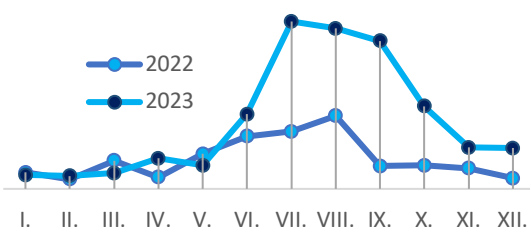
3.9%

share of recycled water in total consumption

Volume of water consumption from the public water supply system

The volume of water consumption depends on the monthly turnover of coal, weather conditions, wind and intensity of coal shipment. The greatest volume of water consumption happens during the summer months. The graph shows that in June last year, a period of intensive coal pouring began, which lasted until September. There is also a significant increase in the amount of water consumed compared to 2022.

Total water consumption in operations per million euros of realized operating revenues amounted to 1,864 m3 in 2023.



Water risk areas

To the best of our knowledge, Luka Ploče and its subsidiary companies do not operate in areas exposed to water risk, as defined in the ESRS (a water basin in which, due to several physical aspects of water: one or more water bodies are not in good condition and/or their condition is deteriorated indicating problematic water availability, water quality and quantity (including severe water scarcity) and/or access to water becomes problematic; raises regulatory or reputational issues (including sharing of water with communities and water affordability) for its facilities and those of key suppliers.

Stormwater system at TRT

The bulk cargo terminal is equipped with a modern drainage system and separators that filter wastewater, from where the treated water is reused for spraying coal or discharged into the environment in accordance with positive regulations. The stormwater drainage system at the terminal is divided into two systems:

- Drainage from land traffic areas and areas where bulk cargo is stored, and
- Drainage from the pier.

In the drainage system from land traffic areas and areas where bulk cargo is stored, stormwater is collected via a system of road drains and canals covered with linear grates and drained through a piped sewer into a fire and process water reservoir. The bulk of the water in the stormwater system comes from rain, but also due to the splashing of bulk cargo. Water settles and accumulates in the retention basin, and is used for process purposes.

A CS-2 pumping station was installed to pump water from the stormwater drainage system toward the fire and process water reservoir in which two vertical centrifugal pumps are installed, designed for larger amounts of wastewater. This pumping station is also used to transfer water from the lower-level stormwater drainage system to the retention basin. To use water from the retention basin for process purposes, the CS-1 pumping station was built, housing four four-stage pumps for delivering process water from the pool to the ring sprinkler system.

Three oil separators have been installed to purify stormwater from surfaces where significant water pollution from petroleum products or oil from vehicles that move within the port is expected.

The overflow facility is designed to drain excessive amounts of stormwater if the process and fire-fighting water reservoirs reach maximum capacity.

Due to the significant volumes of the maximum amount of water, concrete cascades are provided to reduce the height of the free falling of overflow water.

In addition to the mentioned separators and settling tanks, stormwater drains and retention channels are constantly cleaned and maintained.

Drainage on the pier utilizes a slope toward one side of the pier, with channels at the end for collecting stormwater. Pipe channels from the pier are connected to the stormwater drainage system. The channels are also consistently cleaned and maintained.

Stormwater system in the old port

Almost the complete stormwater drainage system in the area of the old port was solved using a network of collectors. The shores have their own channels and outlets, which are mostly preceded by grease and oil separators. The exception is Shore 3, which has two channels and two direct outlets on Shore 4. Thus, Shore 5 has two channels, one of which ends with an outlet on Shore 4, while the other line has two drainage channels on Shore 5.

During the renovation of the port road, new drainage channels were constructed running from the road and surrounding areas with outlets on the circular shore and coast 5, which must be preceded by grease and oil separators.

Testing the quality of the sea

E2-4 – Water pollution

Luka Ploče, in terms of the environmental monitoring program, also does a marine water quality test. The test covers physicochemical indicators, thermohaline properties, dissolved oxygen and oxygen saturation, pH value, nutrients, microbiological indicators, mineral oils, heavy metals and polycyclic aromatic hydrocarbons. The results of tests at the bulk cargo terminal and container terminal are available on the website of the Ploče Port Authority → www.ppa.hr/hr/ekologija/

What was achieved in the reporting year

Based on a complaint by the citizens' initiative lodged in mid-2023 ([more on page 57](#)), the State Inspectorate Office, Sector for Supervision of Environmental Protection, Nature Protection and Water Management Supervision, from 16 to 18 August 2023, carried out an inspection by official duty at the Port of Ploče location. The inspection inspected the wastewater discharge system at the bulk cargo terminal and the old shore (Shore 3 and 5), where scrap iron and coal were located at the time of the inspection.

After the inspection, the State Inspectorate issued a decision prohibiting Luka Ploče d.d. from discharging wastewater from the internal drainage system into the waters and sea from the bulk cargo terminal and shore locations in the Port of Ploče, without a water permit for discharging wastewater.

In other words, the inspection identified deficiencies in the drainage system of the Old Port location (Shores 3 and 5) and the mechanic workshops, where a total of 4 outlets are located, three of which run directly into the sea without pre-treatment through separators, while at the mechanical workshop location, wastewater generated from working machines along with stormwater flows through the stormwater channel after treatment at the oil and grease separator through one outlet into the sea. **It is an infrastructural problem that is under the jurisdiction of the Ploče Port Authority and is currently being addressed.** The marine water quality tests conducted in 2022 by an authorized laboratory were also inspected, which identified certain deviations of measured results for the respective wastewater samples in terms of reference values for the maximum permitted concentrations of suspended substances, while the presence of pollutants was also identified at the TRT: lead, zinc, tin and mercury in the sea. Given that the limit values of wastewater emissions are prescribed by the water transport permit, which Luka Ploče d.d. did not have at the time of the inspection, an official Decision was issued.

Following the issued Decision, Luka Ploče d.d. obtained a water transport permit, issued on 15 November 2023, for discharging wastewater, on the basis of which, to achieve compliance with water management regulations and plans, the following was carried out for the locations of the Bulk Cargo Terminal as well as Shore 3 and Shore 5:

- The Ploče Port Authority has initiated works to install an oil separator for the treatment of industrial wastewater and stormwater from the handling areas on Shore 3 before discharging transitional waters into the main waters;
- Depending on the amount of cargo, barriers are installed between the coal disposal area and the stormwater drainage channel on Shore 5 to prevent the scattering of coal in handling areas;
- The Ploče Port Authority has commenced works on constructing the stormwater drainage system from the handling areas for unloading and storing coal on Shore 5 as a closed system without discharging into the sea;
- Tank containers were purchased in which empty barrels and containers with waste oils are placed next to the service workshop at the bulk cargo terminal, in order to prevent the spillage of hazardous substances on the surrounding terrain;
- The first test of the industrial wastewater system with an 8-hour composite sample was performed during the technological process of spraying water on coal on Shore 5 and on the load of scrap iron on Shore 3, and during the washing of machines in the mechanical workshop at the root of Shore 5 by an authorized laboratory. The completed plates were sent to the state company Croatian Waters. A second test will be carried out in the second half of the year;
- Croatian Waters was provided with data on the amount of wastewater discharged into the receiver and into the public sewage system for the first six months, on the basis of data from the public water service provider as to the amount of water supplied from the public water supply system, and on the basis of readings from internal water meters in the Port of Ploče;
- The authorized laboratory conducted tests of watertightness, structural stability and functionality of buildings for drainage and wastewater treatment, based on which it was determined that the collection pit and pumping station and the wastewater drainage system on the TRT meet the watertightness requirements. According to the water permit, this test must be carried out at least every eight years.



ESRS E4 Biodiversity and Ecosystems



Impacts from us

These impacts stem from business relationships, i.e., our core business—handling and storage of cargo from ships in the area of the ports of Ploče and Metković. Ships that dock in the port exert a potentially negative impact on biodiversity in the form of the introduction of foreign invasive species located on the hull of ships and, leading to pollution as a result of non-compliance with legal regulations. Although this problem is regulated by strict international laws, in the opinion of citizens, it is insufficiently controlled and there is certainly room for initiatives that will result in the greater trust of citizens. The identified impacts are closely related to our impacts associated with ESRS E2 Pollution and ESRS E3 Water and Marine Resources. Noise is also considered a significant problem for the port sector and includes ambient and underwater noise.

Our strategic goals

To preserve biodiversity and ecosystems in the area of the Ploče and Metković basins, which are located along the border of the Natura 2000 ecological network—areas of importance for the conservation of endangered species and habitat types of the European Union. Nearby are the habitats of the ecological network belonging to the Neretva Delta.

Contribution to the Sustainable Development Goals



Measures and resources

In addition to the measures to prevent pollution, due to the concerns of citizens, we consider cooperation with scientific institutions on marine protection and the impact of pollution from ships arriving in port an important issue. These scientific activities aim to define risks, and lay the foundation for management and minimize the risks that arise from activities along the value chain. The end result is the conservation of natural resources and the protection of habitats and biodiversity in the port area.

Given the potentially negative impact of underwater noise coming from ships, further investments in digitalization, mechanization and machinery will improve work organization and also be reflected in the speed of port operations and the time of keeping ships at port. We are restoring the green belt on the TRT and will be planting tree alleys in the harbor, where possible.

Policies and governance

Luka Ploče is implementing protection measures in accordance with the Environmental Protection Act and the measures from the environmental impact study of the bulk cargo terminal and container terminal in the Port of Ploče. In accordance with legal regulations and prior to infrastructure interventions, studies are underway, specifically environmental protection studies. Environmental impacts are monitored by the Ploče Port Authority, which, in cooperation with relevant institutions, conducts annual tests of marine water quality, including the quality of wastewater and industrial water, as well as the state of seabed sediment.

The ESG Committee, established in 2024 by the decision of the Company's Management Board, plays an important role in the implementation of measures and impact management, and results of management will be presented in the following reporting periods.

Realized activities

During the reporting year, activities were initiated for the planting of several treelines in and around the port to set up a tree-lined greenbelt. After checking the possibility of planting with regard to urban conditions and soil quality, in 2024, tree lines will be planted in the port aided by landscaping professionals, though planting around the port is not possible due to the railway line.

Noise measurement

In September, Luka Ploče ordered a noise test from an authorized laboratory. Based on the assessment, the measured noise levels emitted by the recorded noise sources due to activities involving the unloading/loading of scrap iron on Shore 3 and coal on Shore 5 of the Port of Ploče, meet the prescribed requirements of the Ordinance on Maximum Permissible Noise Levels with Regard to the Type of Noise Source, Time and Place of Occurrence. This measurement was carried out according to the decision of the State Inspectorate, issued on the basis of the conducted inspection, upon which it was determined that noise measurements were not carried out for the technological processes of transshipping coal and scrap iron.



ESRS E5 Resource Use and Circular Economy

Our activities allow us to optimally manage waste in our organization and throughout the value chain.



Impacts from us

Port waste is a priority issue for seaports, including the Port of Ploče. Waste streams were analyzed with respect to the source. A distinction is made between waste from port business activities (primary maintenance and pest control activities), waste taken from ships based on legal regulations and other bulk cargo waste stored in the port area. Impacts from us also include the procurement of mechanization and machinery as well as their maintenance, ensuring the proper functioning of mechanization and machinery as well as extending the life of machinery, and waste management at the port through proper infrastructure,



Our strategic goals

Ensure that the business activities of the organization take care of the use, reuse and recycling of waste as well as the use of raw materials and other types of materials that are less harmful to the environment.

We will make additional efforts to methodologically follow these activities.

Contribution to the Sustainable Development Goals



Measures and resources

- Measures to reduce waste from the catering industry:
- Measures to reduce waste from ships
- Measures to reduce production waste



Policies and governance

The reception of waste from ships is regulated by the **EU Directive on Port Reception Facilities (PRF)**, which requires all ships to pay a fixed fee to ports, regardless of the waste they generate in the system.

The treatment of waste from port operations is prescribed by the Waste Management Act and related ordinances, as well as internal policies that provide infrastructure for separate waste disposal at the place of origin.

The internal management system has been harmonized with the Waste Management Act. The Department of Environmental Protection is responsible for the implementation of waste management measures and activities, and enter data on waste generation into the Register of Environmental Pollution.



Realized activities

The issue of waste at the Port of Ploče includes waste generated from port activities and waste from ships that all ships in maritime traffic are obliged to leave at the port of mooring. Waste from ships

Pomorski servis d.o.o. is authorized to collect municipal waste from ships at the Port of Ploče. Since 2022, waste has been collected by fractions: mixed, plastic, paper, glass and metal packaging. The collected waste is documented on the international MARPOL forms submitted to the Port Authority.

Type of waste	2022	2023	Change
<i>Quantities of waste taken from ships in tons</i>			N/N-1
Mixed municipal waste	102.705	602.40	4.87
Paper	3.06	52.80	16.25
Plastics	0.455	96.80	211.75
Glass	0.9		-1.00
Total	107.12	752.00	6.02

In 2023, a total of 752.0 tons of waste was taken from ships and handed over to authorized companies. Of these, 602.4 tons was mixed municipal waste, 52.8 tons of paper waste and 69.0 tons of plastic waste, i.e., a total of 220 containers with a volume of 1.1 m³ and 102 containers with a volume of 5.0 m³. The largest change in quantities was recorded in the amount of plastic waste, and was almost 212 times more than in 2022.

Measures to reduce waste from the catering industry

In order to reduce waste from the food delivery service on ships, fruit and vegetables are packed in recycled paper, while food is delivered in returnable packaging, so that there is no unnecessary accumulation of waste.

Production waste

The Port of Ploče generates exclusively production waste, which is temporarily stored and handed over for disposal to authorized companies.

Luka Šped separately collects waste paper from its business activities, which in 2023 amounted to 1.3 tons (1.25 tons in 2022) and hands it over to an authorized company for further processing.

Waste from rodent control, deratization, disinfection and deodorization services, provided by the Pomorski servis, refers to contaminated plastic packaging and waste of animal origin that is handed over for incineration (energy recovery).

Pločanska plovdba undertakes its business activities within the Nautical Sector and Catering Sector, which, in the provision of services, generate significant amounts of mixed municipal waste, waste paper and waste oils separated at the place of origin.

Other waste is usually generated during the maintenance of boats and machinery or due to decommissioning.

Type of waste	Luka Ploče	Luka Šped	Pomorski servis	Pločanska plovdba	Group total
<i>Quantities of waste generated at the Luka Ploče Group in 2023 (in tons)</i>					
Non-hazardous waste	63.954	1.3	1.711	3.8	70.765
Hazardous waste	46.936	0	0.023	0.221	47.18
Total (t):	110.89	1.3	1.734	4.021	117.945

Type of waste	Luka Ploče	Luka Šped	Pločanska plovdba	Pomorski servis	Group total
<i>Quantities of waste generated in the Luka Ploče Group in 2022. (in tons)</i>					
Non-hazardous waste	68.09	1.25	1.772	3.7646	74.8766
Hazardous waste	21.1		0.052		21.152
Total (t):	89.19	1.25	1.824	3.7646	96.029

In 2023, the Group generated a total of 117,945 tons of waste, which is 21,916 tons or 21.92% more than in the previous year. Such a significant increase in the amount of waste was primarily caused by major overhauls of mechanization and machinery in 2023. Specifically, it was mostly waste generated by the replacement of worn-out parts, filters, batteries, tires, accumulators and the like, waste oils, non-hazardous packaging waste and waste wood.

In total, the non-hazardous waste accounted for 60% and hazardous waste for 40% of all waste.

Of the total waste generated from business activities, 88.4% of waste is intended for the recovery process, while only 11.6% of waste is intended for disposal (sludge and oily water from oil or /water separators, packaging containing residues of hazardous substances or contaminated with hazardous substances, absorbents, filter materials, wipe cloths and protective clothing, contaminated with hazardous substances and other hazardous components).

Type of waste	Luka Ploče	Luka Šped	Pomorski servis	Pločanska plovdba	Group 2023	Group 2022	Percent change
<i>Waste destined for the recovery process in 2023 (t)</i>							
Non-hazardous waste	63.954	1.3		3.432	68.686	72.663	-5.5%
Non-hazardous waste – energy recovery			1.711	0.368	2.079	2.2136	-6.1%
Hazardous waste	1.965				1.965	11.042	-82.2%
Hazardous waste – energy recovery	31.324			0.221	31.545	0.676	4566.4%
Total	97.243	1.3	1.711	4.021	104.275	86.5946	20.4%
<i>Waste diverted to disposal in 2023 (t)</i>							
Non-hazardous waste							
Hazardous waste	13.647		0.023		13.67	9.434	44.9%
Total	13.647		0.023		13.67	9.434	44.9%

In 2023, the Group handed over 2,079 tons of non-hazardous and 31,545 tons of hazardous waste for energy recovery.

As previously stated, due to the implementation of major overhauls carried out in the service workshops at Luka Ploče, the amount of waste generated increased significantly in 2023 ([more on p. 13](#)).

The intensity of non-hazardous waste per unit of revenue in 2023 was 0.91 tons for every EUR 1,000,000 of realized operating revenues.

Social topics

We respect the integrity and personality of the individual, we appreciate and promote diversity as a source of talent, creativity and experience. We do not tolerate any form of discrimination.

Social topics (S) include how a company manages its relationships with employees, suppliers, customers, and the communities with which it does business, and society at large.

We have covered all the main topics, but only for those that are material subtopics have we set requirements in four areas: strategy, impact, management and goals—which you can read about below.

Our policies on managing social issues are aligned with the institutional framework of the Republic of Croatia and include respect for all rights arising from the umbrella regulation of the European Parliament and of the Council at the level of the entire organization, especially with regard to the principle of equal opportunities and equal treatment of men and women in matters of employment and work, child labor, non-discrimination on any grounds, work-life balance, protection of mothers and pregnant women, safety and health at work, and the establishment of a general framework for informing workers and consulting with them.

Our ambitions

The dedication of employees to their work, organization and goals of Luka Ploče and its subsidiaries are the foundation of business success and a prerequisite for a sustainable future. In developing human resources, we strive to create a working environment and conditions in which every worker has the opportunity for personal and professional development.

In accordance with the corporate values of Luka Ploče, special attention is paid to the education and training of employees. The Group is aware of how invaluable the overall experience and knowledge that employees possess is, and sharing them is extremely useful and necessary in the performance of work.

With regard to the type of activity, great attention is paid to occupational safety, working conditions and the means used by employees in their work. The Group fulfills all envisaged legal obligations in terms of training, certification and education of workers. The Group also provides employees with training to improve their competencies and personal development.

The basic organizational values, ethical principles and standards of business conduct are incorporated into the Code of Business Conduct, which all employees, regardless of their position in the organization, are obliged to follow.

In order to improve the social and economic security of workers and the development and economic prosperity of the Company, Luka Ploče signs a collective agreement every four years with the Independent Trade Union of Employees of Luka Ploče d.d., which applies to all employees of the Company.

What is important!

Own workforce

- Working conditions, health and safety in the workplace
- Adequate wages and secure employment
- Training and skills development
- Work-life balance
- Gender equality and equal pay for work of equal value
- Social dialogue and collective bargaining
- Workers' right to information, consultation and participation

Affected communities

- Cooperation with the local community

Service users

- Customer health and safety
- Availability of quality information and complaint management



ESRS S1 Own Workforce

We provide stable employment, a safe working environment, opportunities for growth, regular payment of all incomes, and encourage an organizational climate of mutual support, cooperation and trust with an open flow of information.



Impacts from us

The fundamental rights of employees are guaranteed by the Collective Agreement for Employees of the Port of Ploče, i.e., the Work Regulations for Employees of Subsidiaries that are harmonized with the Collective Agreement. In addition, the Code of Business Conduct of the Port of Ploče sets out organizational values and ethical principles that all employees are obliged to adhere to, regardless of their status in the organization. The Collective Agreement and the Code of Business Conduct represent a legal framework that guarantees employees job stability, equality in terms of promotion and training opportunities. Gender equality and equal pay for work of equal value are a basic right of every employee and have been incorporated into the basic acts of the Port of Ploče. Every worker is also entitled to a reward in the form of incentives for outstanding work results. Health and safety at work is our priority and we provide the necessary protective equipment and training, while workers are obliged to comply with measures to work in a safe way.



Our strategic goals

Satisfied and educated employees for whom Luka Ploče is the employer of first choice. Establish a culture of dialogue and, with transparent internal communication, strengthen the corporate culture and bring organizational values closer to all employees.

To create a working environment and conditions in which every worker has the opportunity for personal and professional development.

The protection of the health and safety of our employees is one of the priority areas of our business, which is integrated into all work processes. The permanent goal is to increase safety at work while reducing the rate of injuries at work.

By investing in modern technical solutions, equipment and mechanization, we strive to ensure adequate protection of our workers in all weather conditions and in all processes.

Zero Discrimination and Inequality.

Contribution to the Sustainable Development Goals



Measures and resources

- Measures to maintain a safe and stable workplace.
- Measures for skills development.
- Health and safety measures.



Policies and governance

- Collective Agreement for the Employees of Luka Ploče d.d.
- Work Regulations for Employees of subsidiary companies
- Regulations on Occupational Safety and Risk Assessment
- Remuneration Regulations
- Luka Ploče Code of Business Conduct
- Regulations on the Organization and Systematization of Jobs



Responsibility for the implementation of policies is the responsibility of the Human Resources Department and the Legal and General Affairs Sector. These organizational units are managed by directors who report directly to the Management Board of the Company.

474
employees

at the end of 2023, which is 2 workers or 0.4% less than in 2022.

1,469 euros

amounted to average gross earnings per employee in the Group in 2023, which is 5.4% more than in 2022, when the average salary amounted to EUR 1,394.

19.6% of women

at the end of the year, held one of the management functions.

100% of employees

in the Port of Ploče d.d. has concluded contracts for an indefinite period of time and full-time work of 40 hours per week.

62% of employees

or 292 of them are between 30 and 50 years old. There are 48 or 10% of people under 30 years of age, while 134 or 28% of people are over the age of 50.

SBM-2 Interests and views of stakeholders

Own workforce, as a key group of stakeholders, greatly influences the entire company's strategy and business model. The commitment of our employees to work and the goals of the company are the foundation of business success and business sustainability. Cooperation with the company's own workforce and other stakeholders is achieved directly or through worker representatives such as trade unions, works councils with the aim of satisfying the interests and rights of one's own workforce and other stakeholders.

SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model(s)

The strong regulatory framework of the Republic of Croatia ensures respect for human and labor rights, especially with regard to child and forced labor, and employee privacy. The legal compliance of the Group's operations with national legislation fully ensures compliance with these rights. In accordance with the legislation, mechanisms have been established for reporting irregularities as well as for the protection of whistleblowers. In addition, employees can express their concerns through trade union commissioners and worker representatives in the Supervisory Board.

Business activities are dependent on the workforce with specific knowledge at all levels of the company – from port services, maintenance of mechanization and machinery to catering, nautical tourism, logistics and other services of the Group. The development of technology and the increase in demand for certain services affects the demand for qualified workers and is positively reflected in the employees through opportunities for skills development, education and new employment in the local community upon the expiration of full-time, fixed-term employment contracts. In addition, through the internal and external education program, all employees, including non-employed workers (seasonal workers), can professionally advance and develop their skills.

We see regulatory changes in reducing negative impacts on the environment and achieving greener and more climate-neutral business as an opportunity to develop a sustainable business model that takes into account the interests of all key stakeholders, especially our employees. This also opens up the possibility of encouraging employees to take on additional training and develop new competencies and skills.

Given that the Group's business is highly dependent on marine resources, and that part of the business is based on tourism and charter business, we have strategically decided to reduce negative impacts on the environment and achieve a greener and more climate-neutral business. As a result, the transition to a climate-neutral economy will not necessarily lead to job losses, but reskilling will be needed for specific jobs to keep up with new trends in sustainable technologies.

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

Luka Ploče closely cooperates with the Independent Trade Union of Employees of Luka Ploče and with the Workers' Council, which has its representative in the Supervisory Board. Collective bargaining takes place every four years and is confirmed by the Collective Agreement (signed and valid for a period of 4 years; the previous one was signed in March 2022), which guarantees employees material rights and other types of rights. When making decisions relevant to the position of the employee, the Employer must consult with the Workers' Council, and in accordance with the provisions of Article 151 of the Labor Act, the Employer may make certain decisions only with the prior consent of the Workers' Council. Workers also have their own Workers' Commissioner for Occupational Safety and Health elected in accordance with the Occupational Safety and Health Act to represent the interests of workers in occupational safety. The Occupational Safety and Health Committee was also established as an advisory body to the employer to improve occupational safety measures.

The responsibility for establishing cooperation and taking into account the results of the company's approach lies with the Sector for Legal and General Affairs and the Management Board of the Company.

Workers are well informed of their rights. They get all the relevant information from the workers' representative in the Supervisory Board and other committees, as well as from the trade unions. The information is available on bulletin boards, the internal app (intranet) and the Company's website, and it can also be requested from the Human Resources Department.

S1-8 – Collective bargaining coverage and social dialogue

All employees of Luka Ploče d.d. are covered by the Collective Agreement. Subsidiary companies are not signatories to the collective agreement, but the same rights apply to their employees based on work regulations harmonized with the collective agreement Luka Ploče.

Structure of employees

S1-6 – Characteristics of the employees in the Group

At the end of 2023, the Luka Ploče Group employed a total of 474 workers (476 in 2022), and the Company 403 (395 in 2022). The share of women in the total number of employees was 20%. A small share of women in the number of employees is specific to this economic activity and traditionally associated with male professions. All employees at Luka Ploče d.d. and its subsidiary companies have a full-time, open-ended employment contract for 40 work hours per week. The only exception is Pločanska plovidba, which has 1 employee on a fixed-term employment contract.

	M	F	Total	% of women
<i>Structure of employees in the Group as of 31/12/2023</i>				
Company Management Board	1	1	2	50.0%
Directors of subsidiary companies	2	1	3	33.3%
Directors of sectors or departments	5	2	7	28.6%
Managers	36	7	43	16.3%
Other employees	334	85	419	20.3%
TOTAL	378	96	474	20.3%
Number of employees with disabilities	4	1	5	

On the other hand, there is a high 50% share of women on the Management Board of Luka Ploče, and 33% in the Management Board and management of subsidiary companies, which is far above the average in Croatia (19.4% according to the SELECTIO index of the share of women in management boards of companies in 2023).

According to the age structure, 292 or 62% are between 30 and 50 years old, 134 or 28% are over 50 years old, and 48 or 10% are under 30 years of age.

S1-12 – Persons with disabilities

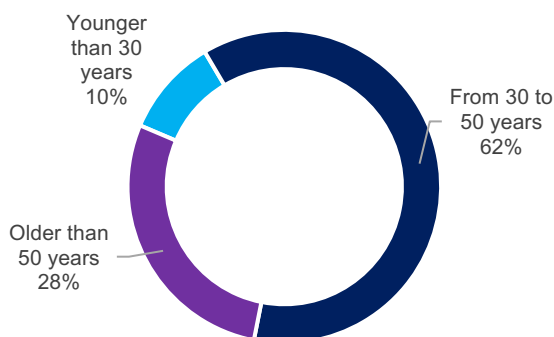
As of 31 December 2023, the Group had five employees with disabilities, 4 at Luka Ploče d.d. and one in Pomorski servis d.o.o., which is 1.1% of the total number of employees. The number of employed persons who have a confirmed disability status is shown in accordance with the provisions of the Ordinance on the Content and Manner of Keeping the Register of Employed Persons with Disabilities.

Turnover and hiring rate

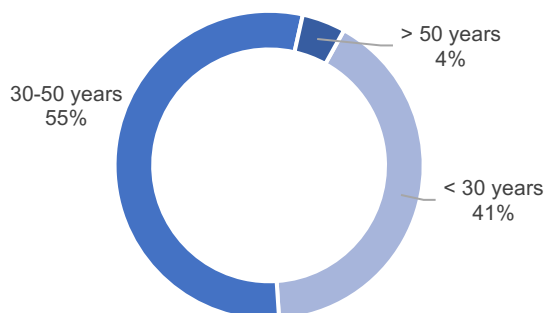
A total of 66 new workers were hired at the Group level in 2023, i.e., 51 workers at Luka Ploče, 13 in Pločanska plovidba (mostly seasonal workers) and 1 in the Pomorski servis. The share of women as new employees was 18.2%. The new hire rate was 13.9% (14.1% in 2022). Of the total number of employees, 27 workers or 40.9% are younger than 30 years of age, 36 or 54.5% are between 30 and 50 years of age, and 3 workers or 4.5% of all employees are older than 50 years.

In the same period, 53 workers left the Group. The turnover rate was 11.2% (8.8% in 2022). It is mostly a voluntary fluctuation.

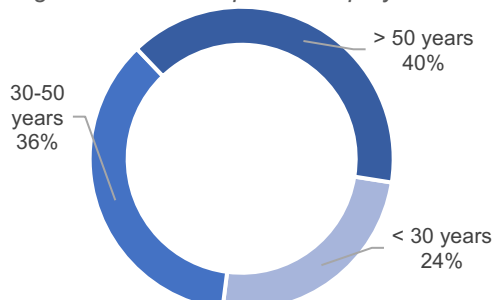
Employee age structure in the Group



Age structure of new employees



Age structure of departed employees



S1-10 – Adequate wages

The lowest contracted gross salary conforms to the legal regulations on the minimum wage and amounted to 700 euros in 2023. This amount is increased with allowances for work in the second and third work shifts, and work on Saturdays, Sundays and holidays, and overtime.

In 2023, the average gross earnings per employee in the Group amounted to EUR 1,469, which is 5.4% more than in 2022, when the average monthly gross salary amounted to EUR 1,394.

Compared to the national average in 2023 of EUR 1,548, where average gross wages were higher in nominal terms by 14.8% and in real terms by 6.3% compared to 2022, average gross wages in the Group in 2023 amounted to 92.7% of average gross earnings in legal entities in the Republic of Croatia.

Remuneration policies

Luka Ploče remunerates managers and executives with monthly incentives, depending on their work performance, and thus encourages them to become more engaged and achieve better results. All employees in the Group are also entitled to remuneration for work performance. The collective agreement also prescribes the right of workers to remuneration in the form of incentives of up to 30% of the gross salary for hours worked in the current month. It is paid on the basis of the Employer's decision for employees who perform ordinary and extraordinary work tasks in the workplace to an extent and quality exceeding the usual results.

In 2023, Luka Ploče had 403 employees, of which 194 received incentives. The percentage of incentives for the total number of employees was 48.14%. Of these, 22.17% were women and 77.83% were men rewarded with incentives or bonuses. Subsidiary companies do not have a set remuneration policy.

All employees of the Group in 2023 received a reward for work performance, which can be paid amounting to the maximum non-taxable cap according to the Ordinance on Income Tax.

Education and training programs

S1-13 – Training and skills development indicators

Luka Ploče places special emphasis on employee education and training. Experience and knowledge are monitored and evaluated, and sharing them is encouraged as a useful and necessary prerequisite for quality work. Workers are provided with training to improve competencies and personal development. Based on the type of activity, training on occupational safety, safe working conditions and the use of occupational safety equipment is regularly carried out, and certification is occasionally carried out.

In 2023, a total of 5,516 hours of education and training took place at Luka Ploče, which is an average of 11.6 hours per employee. A total of 257 employees attended the training. Of these, 46 women attended 668 hours of education, which is an average of 14.5 hours, while 211 men attended 4,822 hours of internal and external education in various programs or an average of 22.9 hours per participant. This large difference in the number of hours of training was due to the number of participants in the forklift operator training program. The program lasted 140 hours and was attended by 29 employees.

The average number of hours of internal and external training per employee was 11.6.

Education and training of the Group's employees in 2023.

Company	Total hours of in-house training (*including digital hours)	Total hours of outsourced education	Number of hours of in-house training per employee	Number of hours of outsourced training per employee	Number of participants by gender		Total number of employees
					M	F	
Luka Ploče d.d.	268	4,365	0.67	10.83	190	22	403
Luka Šped d.o.o.	110	3	10.00	0.27	6	5	11
Pločanska plovidba d.o.o.	360	36	36	13.33	13	14	27
Pomorski servis d.o.o.	330	60	60	10.00	2	5	33
Total	1,068	4,464	2.25	9.42	211	46	474
Total hours of in-house and outsourced education					4,822	668	5,516
Average hours of in-house and outsourced education					22.9	14.5	11.6

Employees at Luka Ploče attended a total of 4,365 hours of external training, which were topically related to the Labor Act, the Occupational Safety and Health Act, the new Act on Maritime Domain and Seaports, amendments to the Act on Compulsory Health Insurance,

and the protection of personal data. Webinars were also organized on the Ordinance on the Content of Salaries, Salary Compensation, Severance Pay and Compensation for Unused Annual Leave, related to the hospitality industry, and ISO 50001:2018 – Course for Internal Auditors.

As previously stated, training for forklift and bridge crane operators and carpenters has been introduced. With the opening of the new Dračevac Terminal, 19 workers have been trained to operate explosives. Training for first aid, evacuation and rescue was also organized.

Training at the Port of Šped is related to the continuous monitoring of regulations, while Pločanska plovidba has an internal program for familiarizing new employees with the workplace, work processes and basic acts of the organization.

Pomorski servis predominantly provides training for the handling of hazardous substances, which is carried out twice a year in accordance with legal regulations, while the head of the sector undergoes training from the Department of Toxicology once a year. There were also 7 internal online workshops for the reporting team on ESG topics and sustainability reporting standards, covering a total duration of approximately 42 hours.

Work-life balance

S1-15 Work-life balance indicators

In 2023, 20 employees exercised their right to take parental leave, five employees exercised their right to take maternity leave, and 10 workers took paternity leave. The right to these leaves was exercised by employees based on rights guaranteed by legislation and as harmonized with the internal acts of Luka Ploče.

All employees have the right to return to their workplace after the expiry of parental, maternity and paternity leave.

In accordance with the Collective Agreement for Employees at Luka Ploče and the Rules on the Work of Subsidiary Companies, all employees are entitled to paid leave for family reasons, which includes

1 working day	▪ Moving within the same area
2 working days	▪ Any voluntary blood donation
	▪ Getting married
	▪ Birth of a child
3 working days	▪ Moving to another area
	▪ Death of a spouse's parent, grandfather, grandmother, brother or sister
4 working days	▪ case of a major accident in the immediate family (burning down of an apartment or house, serious traffic accident)
5 working days	▪ death of a spouse, child or parent
	▪ serious illness of a close family member (spouse, parents, children) at the place of residence

The collective agreement also prescribes subsidies in the maximum non-taxable amount according to the Ordinance on Income Tax in the following cases:

- Death of a family member living in the same household
- Occurrence of employee disability categorized as being over 50%
- Birth of a child
- Continuous employee sick leave exceeding 90 days

Diversity and equal opportunity

S1-9 –Diversity indicators

Equality, fairness and respect for human rights, integrity and dignity of persons is one of the fundamental principles of the Luka Ploče Code of Business Conduct.

The Code promotes equality for all workers, irrespective of sex, age, nationality, ethnic origin, religious affiliation, social or economic status, in the field of work and working conditions, including selection criteria and conditions for employment, promotion and training.

All workers have an equal opportunity for success, and the position in the organization depends solely on the results of work and the success of each individual and their professional qualifications.

There is no difference in the basic salary according to gender.

	M	F	Total	% of women
Company Management Board	1	1	2	50.0%
Directors of subsidiary companies	2	1	3	33.3%
Directors of sectors/departments	5	2	7	28.6%
Managers	36	7	43	16.3%
Other employees	334	85	419	20.3%
TOTAL	378	96	474	20.3%

S1-16 Remuneration indicators

Salaries are defined by the Regulation on Salaries and are exclusively related to the particular job. The prerequisite for salaries is only the workplace and the tasks that the worker performs.

Equality, fairness and respect for human rights, integrity and dignity of persons is one of the fundamental principles of the Luka Ploče Code of Business Conduct.

The Code promotes equality for all workers, regardless of sex, age, nationality, ethnic origin, religious affiliation, social or economic status, in the field of work and working conditions, including selection criteria and conditions for employment, promotion and training.

All workers have an equal opportunity for success, and the position in the organization depends solely on the results and success of each individual and their professional qualifications.

There is no difference in the basic salary according to gender.

Workplace health and safety

SBM 3 - Significant impacts, risks and opportunities and their interaction with the strategy and business model

A workplace health and safety management system has been established at Luka Ploče in accordance with the Occupational Safety and Health Act, which includes risk assessment for all jobs, training for safe work, the right of workers to refuse to work in any process if their health or safety is endangered, and the election of a workers' commissioner for occupational safety. The risk assessment has identified jobs that are subject to increased risk, require special measures and protection, and are subject to periodic medical examinations.

The processes used to identify workplace-related hazards and assess risks are described in the so-called "Info Book", which describes the steps and procedures in case of emergency situations. Each employee has an insight into the risk assessment, and technical sheets with instructions for safe work, is trained to work in a safe way, theoretically and practically, and is assigned personal protective clothing, footwear and other equipment. Hazard markings, warnings and instructions have also been placed at the appropriate places in the port. Work equipment is regularly inspected (attested and replaced at a certain time interval).

The quality of the occupational health and safety process is ensured through instructions for working in a safe manner for each process and through professional training of commissioners and training of employees to work in a safe manner. In the event of accidents at work, the occupational safety expert, together with the management staff, conducts an investigation into the cause of the accident and proposes corrections so that the same does not happen again.

Every worker is obliged and responsible to perform their work with due diligence, taking into account their own safety and health protection and that of other workers. Operational workers and other workers moving around the port area are obliged to wear the prescribed protective equipment.

Election of the Commissioner

In workers' elections, the workers of Luka Ploče elect an Occupational Safety Commissioner every four years. The Commissioner is a member of the Occupational Safety and Health Committee and is obliged to be in constant contact with the occupational safety department, present the problems that workers encounter at work, give suggestions for improving the system and discuss them with the workers. The

Occupational Safety and Health Committee meets every six months. Proposals for decisions of the Committee shall be referred to the higher governing bodies for adoption.

Work safety training

All workers are covered by training related to health and safety in the workplace. At Luka Ploče, based on training for certification to perform the tasks of a certain job, workers acquire basic training in occupational safety. When hiring, workers are additionally trained to work safely at their job. Occupational safety experts are constantly present in the field and show workers the correct ways of working and possibilities for improvement in work through formal and informal channels.

In 2023, 113 workers attended training to work safely covering a total of 126 hours. The proportion of women was 7.1%.

Work-related injuries

S1-14 –Health and safety indicators

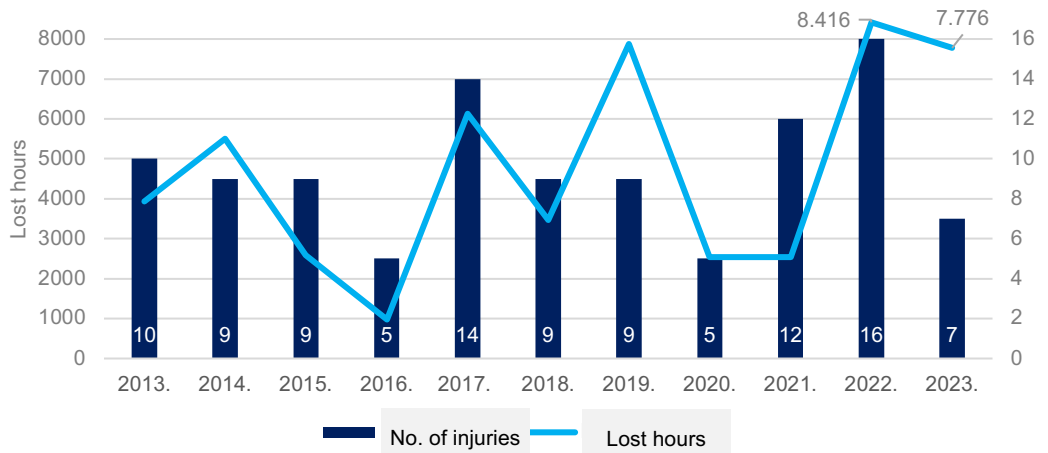
In 2023, 7 injuries at work were recorded at Luka Ploče (2022: 16) and 1 injury at Pločanska plovidba. Of these, one injury was categorized as severe. These are mostly contusions, bruises and cuts, and also 3 fractures. A total of 7,776 working hours were lost, which is 640 hours or 8% less than in the previous year when 8,416 hours were lost due to injuries at work.

All injuries at Luka Ploče are methodologically monitored by the Department of Occupational Safety and Health, which prepares reports, quarterly and annual reports on injuries and cases of occupational diseases, which are submitted to the Management Board of the Company.

The analysis of an injury at work includes, among other things, the type and nature of the injury, the source, place and manner of the injury occurring, the time of occurrence including the day of the week, the shift and hour of occurrence of the event and the severity of the injury. In the context of the realized traffic of goods, the highest number of injuries at work and lost hours was recorded in 2022, when the port had record traffic of all types of cargo.

As stated in the annual report, in 2023, there was a small decrease in lost days of work, due to sick leave after an injury, but these are still large numbers, especially compared to previous years.

Overview of the number of injuries and lost work hours at luka Ploče, 2013-2023.



ESRS S2 Workers in the Value Chain



Impacts from us

Topical issues related to ESRS S2 Workers in the Value Chain were discussed at an internal workshop where, after analyzing all potential impacts, the conclusion was that Luka Ploče does not have a significant impact. These impacts are related to the processes at the port, which equally affect all participants in the value chain. Issues related to the health and safety of workers in the value chain are primarily related to activities in the port, where all participants in the process must adhere to the prescribed procedures of Luka Ploče. The digitalization of Luka Ploče's business also has a positive impact on all stakeholders, including workers in the value chain, given that Luka Ploče, along with the development of applications, organizes training for the involved stakeholders.

This assessment was also confirmed by external stakeholders, who assessed these issues through survey questionnaires. With the exception of the impact on job security and stability, as well as training and skills development, for which the impact of Luka Ploče was assessed as moderately positive, external stakeholders assessed that Luka Ploče had no impact on other realms.

Although this issue is not material in terms of impacts and financial significance, given the large number of stakeholders in the value chain on whose synergy port activities and management standards depend, which we plan to establish using the Code of Business Conduct for Users, we have included it in the sustainability report and will continue to monitor it methodically.

Our strategic goals

We are aware that people, our employees and those who work for our suppliers and customers are the foundation of our success in meeting our goals and our environmental, social and governance commitments. All of them are also going through a transition. In 2023, we continued to accelerate our journey towards becoming a sustainable port. This transition creates the need for new investments, as reflected in the relationships with our suppliers' employees and other employees in the port area. Our goal is to ensure equal working conditions for all of them. Our employees and constant care are core values for the Port of Ploče and are fully aligned with our strategy. All the goals we have for our own workforce are equally reflected in all employees along the value chain in terms of safety, security, equality, inclusion, labor and human rights.

Contribution to the Sustainable Development Goals



Measures and resources

- Equal conditions are ensured for all workers in the port area in terms of occupational safety and protection, and the *Info Book* describes the steps and procedures in the event of an emergency in English on the website of Luka Ploče and on notice boards placed in numerous locations where the signs are understandable and standardized throughout the world.
- Protection of personal data in accordance with legal regulations
- Availability of channels for raising concerns is ensured

Policies and governance

- Luka Ploče Code of Business Conduct
- Personal Data Protection Policy
- Regulations on Occupational Health and Safety
- Procurement Management Procedure for Goods, Services and Works
- Procedure for the sale of services, purchase and sale of goods, lease of assets and lease of premises.



ESRS S3 Affected Communities

Our activities should continuously strengthen the local economy!



Impacts from us

Thematic issues related to ESRS S3 Affected Communities include consideration of the security impacts of Luka Ploče's business activities resulting from critical incidents, as well as impacts related to land and port area expansion, and the availability of channels for expressing concerns.

Negative security-related impacts primarily refer to critical incidents arising from business relationships. Specifically, although the protocols prescribe measures for reporting potential dangers by the shipping company, an incident situation (some of which are described in the Maritime Code of the International Maritime Organization – IMO) may occur. Since the port is some distance from the metropolitan area, the consequences of such incidents are usually easily repaired. Given the potential risks, the assessment is that incident situations causing irreparable damage are unlikely. However, given that this kind of impact causes concern in the community, and that in 2023, the self-ignition of coal resulted in a fire that took several days to extinguish,³³ this topic is important. For further development possibilities, the port has at its disposal 50 ha of land in the area of TRT, where the construction has relocated port activities that cause the greatest disturbances (coal traffic and noise) from the city.

Ongoing dialogue with the community also includes available channels for expressing concerns. Having good communication channels with citizens is important and we support all initiatives that improve such communication.

Our strategic goals

The main focus of Luka Ploče is the local community. Luka Ploče strives to promote environmental and health preservation topics through ongoing partnerships with the local community, expanding the dialogue with members of the local community on the goals of transforming Luka Ploče into a smart and sustainable port.

Through transparent reporting, we build trust in communities.

Ensuring that economic growth has a positive impact on the local community economically and socially



Contribution to the Sustainable Development Goals



Measures and resources

- Transparent reporting on the operations at Luka Ploče and its subsidiary companies
- Supporting projects of interest to the local community
- Cooperation with relevant stakeholders in the area of environmental protection and human health in the local surroundings



Policies and governance

- Quality Management Policy – ISO 9001:2015
- ESG Committee



³³ <https://dubrovacki.slobodnadalmacija.hr/dubrovnik/zupanija/neretva/evo-sto-o-pozaru-ugljena-u-plocama-kazu-iz-luce-uprave-ploce-1310286>

Achievements in the reporting year

As one of the leading undertakings in the Dubrovnik-Neretva County, Luka Ploče recognizes the importance of investing in the community and the Town of Ploče, and is actively involved in various activities of importance to citizens but also to the economy.

Among other things, it seeks to provide assistance and support to humanitarian and social events through sponsorship and donation activities. The sponsoring of the local football team supports amateur sports while actively supporting other events (Fishermen's Evenings, Boat Marathon, various city events), contributing to the recognition of the Town of Ploče and the development of tourism and the economy in the local community.

During the reporting year, cooperation covered the following areas:

- **Dialogue on topics of concern in the local community**
- **Support program for projects of general social interest to the community in which the Group operates.**

Dialogue on topics of concern in the local community

In mid-2023, a citizens' initiative from Ploče filed a report with the Inspectorate concerning the "long-term threat to the health of citizens, air pollution from PM 2.5 and PM 10 particles (heavy metals), pollution of the sea and soil, spontaneous ignition of huge piles of coal, constant creation of dust and pollution of the entire environment!"⁴

Following the expressed concerns of the citizens, a meeting with the citizens' initiative was held in September, and also attended by representatives of the Ploče Port Authority and the Town of Ploče, at which the citizens' initiative presented 8 demands towards Luka Ploče d.d.

On that occasion, Luka Ploče expressed its readiness to cooperate with all relevant stakeholders in the field of environmental protection and human health in the local surroundings and committed itself to providing the highest possible efforts in the future to reduce any harmful impact on the environment. The Company also commented on issues in writing.

Support program for projects of general social interest

During the reporting year, the following activities were carried out:

- At the end of 2023, a donation contest was announced: Ploče and the Port TOGETHER – for a more beautiful city and a better city;
- "Port Games" were organized and held;
- Cooperation with schools and faculties continued, which, as part of their curricula, organize educational courses at Luka Ploče. Among other things, Luka Ploče was visited in October by a student excursion from the Mechanical and Traffic Mixed High School Bihać and in May by students from the Faculty of Maritime Studies in Split, more precisely maritime management, for whom a tour of the port area was organized and an introduction given as to the work processes at Luka Ploče;
- 7 Advent houses were built and donated;
- In June, the Open Days of the Sailing School were organized, and throughout the rest of the year, a traditional sailing school was organized for all those interested. The Group continued to co-finance 50% of the cost of the monthly membership fees for the Sailing School for all elementary and high school students and 75% of the commercial membership fee for the second child in a family. Accordingly, all interested children are given the opportunity to participate in sailing.

⁴ <https://www.dubrovniknet.hr/gradanska-inicijativa-pravo-na-zdrav-zivot-iz-ploca-podnijela-je-inspektoratu-prijavu-zbog-ugroze-zdravlja-gradana/>

ESRS S4 Consumers and End-users

Luka Ploče continuously improves the capacity, efficiency and quality of port services to meet the requirements of existing and potential users.



Impacts from us

Topical issues related to consumers and end-users are covered by the quality management system in compliance with the ISO 9001:2015 standard. As part of the assessment, the effectiveness of the quality management system and customer satisfaction with the services at Luka Ploče is measured and complaints and objections from customers or business partners are monitored. Complaints are showing a declining tendency and are generally not significant, given the financial impact on the business. In addition, annual customer satisfaction surveys with provided services are conducted through survey questionnaires, which show a high level of satisfaction with the quality of the services provided.

Based on our business model and the dependence of our operations on service users, topics related to the availability of (quality) information and the health and safety of customers and end users were assessed as significant. The impacts were also considered in the context of the planned development for the digitalization and transformation of the Port of Ploče into a smart and sustainable port, as well as increasing and improving capacity at the container terminal.

The health and safety of customers is also subject to legal regulations. It is actively managed by Luka Ploče and, given the assessments of external stakeholders, this issue has been included in the list of material topics.

Our strategic goals

To establish partnerships with key beneficiaries on sustainability topics that are also topics of common interest and to launch initiatives, i.e., socially useful projects that promote sustainability topics.

Adopt a Code of Business Conduct for Business Partners and establish a methodology for monitoring the business practices of users of our services, including respect for human rights.

Conduct regular customer satisfaction/service user surveys in order to improve the service.



Contribution to Sustainable Development Goals



Measures and resources

- Investing in digitalization and cybersecurity
- Availability of quality information
- User health and safety
- Complaint management



Politics and governance

- Quality Management Policy – ISO 9001:2015
- Book containing information on the terminal and other policies, in accordance with internationally recognized instruments and legislation of the Republic of Croatia



Realized activities

In the first quarter of 2023, a revised *Info Book* was published for the bulk cargo terminal and for the old port terminal (Shores 5, 3 and 2). Both documents are aligned with the BLU Code (Code of Practice for the Safe Loading and Unloading of Bulk Carriers) and other relevant laws and best practices for safe port operations.

The *Info Book* for the new terminal and for the old port provides key information and is compliant with the latest regulations, ensuring safety and efficiency in bulk cargo handling.

The primary users of this information are shipowners and ship crews, freight forwarders and freight agencies, cargo owners and all participants in the bulk supply chain

Informative documents such as the *Info Book*, for users of the services of Luka Ploče:

- provide concise and relevant information about terminals
- ensure safe and efficient transport and handling of loads
- comply with the latest rules and standards.

The revised *Bulk Terminal Info Book (Iron ore & Coal)* for the new bulk terminal is available on the website and is updated every six months. The *Info Book* contains concise and specific data on the transport and handling of solid bulk cargo. The main reason for the revision was to adjust the draft information and increase the number of lines for mooring ships in accordance with the requirements of the Ploče Port Authority and the Ploče Harbor Master's Office.

This *Info Book* has been prepared in accordance with the provisions of the Ordinance on the Handling of Dangerous Goods, the Conditions and Manner of Performing Maritime Transport, Loading and Unloading of Dangerous Goods, Bulk and Other Cargo in Ports, and the Method of Preventing the Spread of Spilled Oils in Ports, along with the application of the Rules of the Recognized Organization, the provisions of the SOLAS Convention of 1974 along with Protocols and all amendments, the International Code of Safe Practice for Solid Bulk Cargoes (BC Code) and the International Code of Practice for the Safe Loading and Unloading of Bulk Carriers (BLU Code) of 1998.

The *Dry Bulk Cargo Terminal – Old Port Information Book* is also available on the website. This document provides concise and specific information about the old port terminal (Shore 5, 3 and 2), relating to the transport and handling of solid bulk cargo. It was drafted according to the same terms and rules as the *Info Book* for the new terminal.

All changes have been made in collaboration with the relevant port authorities to ensure regulatory compliance and optimal operations at bulk terminals.

Operation at the bulk cargo terminal is also subject to supervisory inspection by the Ploče Port Authority according to Directive 2001/96/EC, the Maritime Code and the BLU Code. In-house training of employees based on additional literature and EMSA reports is recommended.

Along with the preparation of information documents for service users, an internal BLU CODE manual for employee training has also been drafted. The training of employees for safe work according to the BLU CODE has also been organized. The workers are certified according to Directive 2001/96/EC and the relevant regulations.

The EMSAFE report provides an overview of a wide range of maritime safety topics and a detailed analysis of specific technical areas. It brings together information from EMSA's databases (EMCIP, SafeSeaNet, THETIS, STCW-IS) for cross-analysis and insight into the status of maritime safety in the EU.

S4-2 – Processes for engaging with consumers and end-users about impacts

A description of the types of end-users, subject to material impacts as well as the procedures for cooperation, are described in the value chain related to the primary activities of Luka Ploče on [page 7](#).

Improving business with existing and potential clients, increasing the turnover of various types of goods, especially in the segment of bulk and general cargo and containers, continuously monitoring market conditions and the geopolitical situation, increasing and improving new or existing terminals and capacities, and providing a higher level of service, leads to improved port efficiency, which has a positive effect on costs savings in business for our end customers: speed of ship transshipment in the port, higher standards of unloading and loading embarkation, as well as dispatch dynamics.

Customers should also be informed in a timely and truthful manner about our products and services, in accordance with international regulations, as well as the availability of information and assistance at sea 24/7, regular service of equipment in the segment of boat rental, access to manual instructions for safe handling of ships and associated equipment, and the application of the HACCP plan in the hospitality industry.

In accordance with the procedures implemented within the ISO 9001:2015 standard, a customer satisfaction report is prepared once a year based on the questionnaires sent to users. All complaints of service users are answered in writing with clearly stated steps taken to resolve them.



Sport 2023: Luka Ploče and sport go hand in hand

The most important project of Luka Ploče in the community is the sailing school. It was established after many years of successful cooperation between Luka Ploče and water sports (sailing) enthusiasts.

The project was launched in 2019 with the aim of revitalizing and popularizing sailing in the Town of Ploče across all age groups, especially children. The sailing school is organized by the Ploče Sailing Club (JK) with the support of the Luka Ploče Group, i.e. Pločanska plovidba, which provides all investments in sailboats.

Since the establishment of the school, the Group has invested a total of EUR 302,807.26 (excluding VAT) in boats and equipment. Today, the sailing school has a regatta sailboat 11.8 meters long and four school sailboats 5 meters long, as well as a support boat. Boats in the sailing school are used for training, education of children and adults on the basics of sports sailing.

The Group also co-finances monthly membership fees for the sailing school for all elementary and high school pupils at 50% of the commercial price, while the monthly subsidy for the second child in a family is 75% of the commercial price. Accordingly, all interested children are given the opportunity to participate in sailing.

The total amount of the subsidy from Luka Ploče from 2019 to 2023 was EUR 31,988.71. Of this, in 2023, Luka Ploče provided a subsidy amounting to EUR 9,824.00.

Sport 2023: Sporting competitions for Croatian ports

Luka Ploče organized the Sports Meetings of Croatian Ports in 2023. The Port Workers' Games were held for the last time in 1977 at the same place, in Ploče.

The event was attended by more than two hundred workers from as many as six Croatian ports and companies operating in the port area. They competed in futsal, bocce, chess, volleyball and strength sports. Luka Ploče d.d. won 7 gold, 5 silver and 4 bronze medals!



Corporate behavior

Business Conduct (G) topics concentrate on the way an organization is managed and controlled. This aspect also includes reporting on ethical principles and policies, as well as corporate risk management.

The goal of ESRS G1 is to understand how administrative, managerial and supervisory functions shape, monitor, promote and evaluate company culture. The management standard focuses on the following business conduct issues:

Business ethics and organizational culture, including policies on the topics of anti-corruption and bribery, whistleblower protection and animal welfare;

Supplier relationship management, including payment practices, in particular, late payments to small and medium-sized enterprises;

Activities and obligations related to political influence, including lobbying.

We covered all the main topics, but only those that were material subtopics did we set requirements through four areas: strategy, impact, management and goals—which you can read about below.

Our ambitions

With the aspiration of contributing to sustainability goals by collaborating with our stakeholders and adapting our own behavior, our ambition is to become a leader in the industries in which we are active, meeting the highest international standards. We will focus on transparent communication of sustainability topics, respect for ethical principles along the entire value chain, and respect for human rights.

What is important!

- Corporate culture
- Vendor relationship management
- Whistleblower protection
- Employee privacy
- Managing impacts along the value chain



ESRS G1 Business Conduct

We are focused on aligning our policies and managing the risks arising from ESG requirements!



Impacts from us

The protection of whistleblowers is regulated by the Whistleblower Protection Act, on the basis of which Luka Ploče adopted the Regulation on the Protection of Whistleblowers and regulated the procedures for reporting irregularities and acting on received reports.

Core corporate values, which are also embedded in the Code of Corporate Governance, also include respect, appreciation and cooperation. Special emphasis is placed on the commitment of workers to their work and the goals of Luka Ploče are the foundation of current and future success. Therefore, this issue was included in the list of material topics, although it was assessed as an impact of medium importance.

Procedures related to procurement practices are covered by the ISO 9001:2015 quality management standard. The effects of these activities and the management of risks arising from the procurement process are described in detail in the chapter "Risks Arising from the Impact of Luka Ploče on Sustainability Issues" on pages 25 and 29.

Our strategic goals

To better understand our supply chain, we will conduct environmental and social assessments of suppliers that will give us a detailed insight into their activities and management practices.

Where applicable, we will favor local suppliers.

We will transparently communicate sustainability topics with all interested stakeholders.

Contribution to Sustainable Development Goals



Measures and resources

- Measures to achieve sustainable procurement.
- Measures to achieve transparency and communication for sustainability.

Policies and governance

- Quality Management Policy – ISO 9001:2015
- Luka Ploče Code of Business Conduct
- Personal Data Protection Policy
- Protection of whistleblowers – Regulation on the Procedure for Internal Reporting of Irregularities
- Remuneration Policy
- Conflict of Interest Management Policy
- Procurement Management Procedure for Goods, Services and Works
- Procedure for the Sale of Services, Purchase and Sale of Goods, Lease of Assets and Lease of Premises.
- Regulations on the Initiation of Investments

Read about the realized activities in the chapters below.

Protection of whistleblowers

The issue of reporting irregularities is regulated in the Act on the Protection of Whistleblowers. In June 2019, the Management Board of the Company adopted the Regulation on the Procedure for Internal Reporting of Irregularities, which regulates the procedure for reporting irregularities, as well as the rights of persons who report irregularities, the obligations of Luka Ploče in relation to reporting irregularities and other issues important for reporting irregularities and the protection of whistleblowers.

The Management Board of the Company has also appointed a confidential person and a deputy confidential person who are obliged to receive reports of irregularities and ensure compliance with the Ordinance.

There were no reports of irregularities in 2023.

Corporate Culture and Business Ethics

G1-1 – Business conduct policies and corporate culture

The foundation of business ethics is behavior compliant with the law, and such behavior also includes providing true, transparent information, a fair approach to competitors, workers, and partners, as well as focusing on social responsibility and sustainable development. The principles and standards of business conduct, as well as ethical principles, are set out in the Luka Ploče Code of Business Conduct.

Acting in accordance with the principles and standards of the Code is a personal and professional obligation and responsibility of all employees at Luka Ploče. Workers are obliged to monitor whether the principles and standards prescribed by the Code are respected in their work environment. In the event that an employee notices events and situations as a violation of the Code, they are obliged to inform the immediate manager or superior.

Reports of irregularities in work and business and complaints about unethical behavior can be made orally or in writing, anonymously or in confidence. Any such complaint will be reviewed, and, if necessary, appropriate action will be taken. In the event of a violation of the principles prescribed by the Code, appropriate disciplinary proceedings will be initiated in accordance with the law, other regulations or general acts of Luka Ploče d.d. The Code is available on the Company's website for all employees and other interested public.

In 2023, no reports of violations of the principles of the Code of Business Conduct were received.

Relationships with Suppliers

G1-2 – Management of relationships with suppliers

Timely procurement is a key factor that can affect the financial position of the organization, as it is directly related to the working efficiency of mechanization and machinery and the efficiency of employees. The procurement procedure is covered by the quality management system according to the ISO 9001:2015 standard, and the entire procurement procedure for goods, services and works is documented. The procedure determines the course and manner of procurement of goods, services and works. Responsibilities for monitoring the implementation of contracted services, goods and works and the supplier evaluation procedure are also prescribed.

The procedure also prescribes the structure of the procurement request, which may, among other things, include standards that define product quality, methods and quality control, and determinants of energy efficiency.

When selecting the most advantageous bid, where applicable, preference shall be given to the bid for the subject of procurement with higher energy efficiency.

Responsibilities and authority for ordering and signing or approving amounts are also defined. Ordering of goods, works and services (except for property insurance services, and banking and financial services that are under the jurisdiction of the Economic and Financial Sector) at Luka Ploče d.d. is carried out through the Sales and Procurement Sector, while taking into account the guidelines of safety, quality, environmental protection and energy efficiency, respecting standards and commercial profitability.

Directors and managers (process owners) are responsible for the exemplary and implementation of these Procedures, while the principal (contracting authority) is responsible for the completeness of the definition of the Request.

The procurement procedure has been digitized, which almost completely prevents any form of unethical treatment and corruption.

There is a prescribed procedure for assessing and selecting suppliers, monitoring the supplier's capabilities by checking the quality, quantities and dynamics of delivery, adherence to contractual deadlines, prices and payment methods and deadlines.

The assessment of suppliers is carried out at the beginning of the current year for the previous year. On the basis of the assessment, List of Suppliers that must meet the minimum evaluation criteria are determined. The conditions for excluding suppliers from the List of Suppliers have also been defined.

The obligation to monitor the implementation of contracts or purchase orders, receiving, inspection and certification of goods and services, and the receipt, certification and liquidation of incoming invoices is also prescribed.

Given that the entire procurement process is documented and the necessary procurements are planned and implemented in a timely manner with continuous monitoring of the market and technology by the Procurement Sector, the risks associated with the supply chain are not significant. Based on business relationships with renowned manufacturers and authorized representatives, who are mostly from Croatia and the EU, eventual difficulties are quickly resolved.

G1-6 – Payment practices

Luka Ploče does not have specific written procedures related to payments, and thus no policies to prevent payment delays, especially for small and medium-sized enterprises. The standard payment terms for all categories of suppliers are the same. In the reporting year, 90% of the supplier's invoices were paid by the due date, and the remaining 10% of invoices were paid within 15 days of maturity. The due date, depending on suppliers and contractual relationships, ranges from 8 to 90 days.

Combating corruption

G1-3 – Prevention and detection of corruption and bribery

Prevention of corruption and bribery is defined by the Code of Business Conduct, the Conflict of Interest Management Policy and the Regulation on the Procedure for Internal Reporting of Irregularities, which are available to all employees and business partners on the Company's website. In addition, the documented procedure for the procurement of goods, services and works and the digitalization of business processes reduces the possibility of such procedures to a minimum. The committee in charge of conducting investigative activities is separate from the chain involved in the prevention and detection of corruption or bribery. The Audit Committee, the Supervisory Board and the Management Board of the Company report on the efficiency, reliability and security of the systems and procedures prescribed by this Policy at least once a year.

Companies have not implemented specific anti-corruption or anti-bribery training programs.

All employees of the Group are obliged to adhere to the principles and values defined in these acts. Since the issue of corruption and bribery is not recognized as material for Luka Ploče and its subsidiary companies, neither by internal nor external stakeholders, it has been deemed that these policies have been communicated in an appropriate manner.

There were no reported cases of corruption or bribery in the reporting year.

G1-5 – Political influence and lobbying activities

Luka Ploče does not provide financial or in-kind support to political parties, their elected representatives or persons running for political office.

It also does not support lobby associations, nor is it an associated member.

In terms of membership in organizations, Luka Ploče has been a member of the Association of Ports, Shipping Companies and Maritime Agencies, a professional association before the Croatian Chamber of Commerce.



LUKA PLOČE

**Concluding
information**

Executive Summary

The Sustainability Report of the Luka Ploče Group covers the operations of Luka Ploče d.d., as the parent company, and its subsidiary companies in 100% ownership: Luka Šped d.o.o., Pločanska plovidba d.o.o. and Pomorski servis d.o.o. in the period from 1 January to 31 December 2023.

This is our second sustainability report that we are voluntarily publishing because it is only from 2026 that we are obliged to publish a sustainability report for the 2025 financial year.

The report has been prepared in accordance with the guidelines of the European Sustainability Reporting Standards (ESRS) and the Taxonomy Regulation and includes an assessment of our actual and potential impacts on people and the environment, as well as on our governance policies, corporate culture and business conduct, and also other impacts arising from our business. Risks and opportunities

In the report, we focused on materially significant topics with regard to impact and/or financial significance. We also cover those topics that are not within our direct jurisdiction but cause concern in the community in which we operate. Given that port activities depend on the synergy of many stakeholders, we are convinced that there is room for progress in all topics of general interest, which we can achieve through joint cooperation.

The report covers business activities realized in the period from 2021 to 2023 and expresses the goals that we plan to achieve in the future, i.e., by 2030 and beyond. The planned activities and objectives are set according to our current knowledge of market conditions, taking into account the existing regulatory framework, technical solutions and innovations, and sustainability trends in the port sector, and are subject to future events, risks and uncertainties—many of which are beyond our control, depend on the actions of third parties or are currently unknown to us—as well as potentially incorrect assumptions that could cause deviations from the planned results. In the event of a significant change in any of the above factors, due to the above reasons, corrections to the planned goals and metrics in future reports are possible.

Compared to the first sustainability report, which was prepared using the GRI standard, we have made some progress, that is:

- We have adopted the Sustainable Development Strategy of the Luka Ploče Group until 2030 with a view to 2050 and set goals that are the basis for the sustainable, inclusive and innovative development of the Group;
- The ESG Committee was appointed with the primary task of supervising the implementation of the ESG strategy and directing policies for managing the impact on sustainability issues for the achievement of set goals within the Sustainable Development Strategy;
- We have developed a methodology (materiality thresholds) for the (gradual) assessment of the financial consequences of material sustainability issues;
- We conducted an analysis of impacts, risks and opportunities along the value chain, which is a good starting point for further upgrades and analyses.

Compliance

This report is compliant with the requirements of the following:

- Corporate Sustainability Reporting Directive (CSRD)
- European Sustainability Reporting Standards (ESRS)
- Corporate Sustainability Due Diligence Directive (CSDDD)
- Accounting Act of the Republic of Croatia
- UN Global Compact Initiatives for Sustainable Development and Corporate Sustainability
- EU Taxonomy - Regulation establishing a framework to facilitate sustainable investment (REGULATION (EU) 2020/852), i.e., EU Taxonomy Regulation.



Appendices

Appendix 1: Report on operations in the fossil fuel sector⁵

Pursuant to the concession agreement concluded with the Ploče Port Authority, as the concession provider, Luka Ploče d.d. (hereinafter: the Company) is the concession holder of the part of the port basin belonging to the Port of Ploče and the basin belonging to the Port of Metković, where the Company is authorized to provide the following basic port services to port users: loading, unloading, transshipment and storage of goods.

Moreover, on the basis of the concession agreement, the Company performs other secondary port services, such as supplying ships, providing services to passengers, port machinery services and other services, representation in customs proceedings, and goods quality services.

The Company generates revenues to a large extent from the loading, unloading, transshipment and storage services of fossil fuels as defined in Article 2, point (62), of Regulation (EU) 2018/1999 of the European Parliament and of the Council, and in order to understand the impact of Luka Ploče on sustainability matters, a statement is made below on the exposure of Luka Ploče to coal-related activities.

In the port area of the Port of Ploče, it is the holder of a priority concession for port services for handling transshipment and storage of cargo, which include the transshipment of ships, wagons and trucks, as well as cargo storage.

In 2023, the Company generated 4,780,697.51 tons of total turnover in the concession area, of which 2,870,759.263 tons or 60% is attributed to coal.

Given the structure of the cargo, the handling of bulk cargo in the open air is recognized as the most prevalent environmental risk that the Company actively manages. This primarily refers to coal dust, which is more pronounced during handling and has a potential negative impact on air quality in the local community.

In 2020, the Company completed the construction of a new bulk cargo terminal on the outskirts of the port, the farthest from the Town of Ploče, which guarantees a completely negligible environmental impact on the urban zone.

The company continuously implements protective measures such as pouring water on the stockpiles, pouring water on the stockpiles with a specialized solution to create an outer crust, cleaning roads and storage spaces with a specialized brush on the loader, and pouring water on roads, for which recycled water is used to the greatest extent possible. These activities were further intensified in 2023, which is also evident from the amount of water consumed, i.e., 114% more than in the previous year. In case of adverse weather conditions, especially strong winds, the Company has adopted the practice of suspending transshipment during such conditions in order to reduce the possibility of creating dust.

In the last quarter of 2023, the Company began implementing the project involving spraying bulk cargo in wagons with the water dispersion of the polymer ACTIPOL AD 50019, which creates a hard cover on the surface of the cargo and prevents the emission of cargo into the atmosphere. Please note that Luka Ploče d.d. does not have direct jurisdiction over the organization and regulation of coal transport by rail. Given that coal is transported in open wagons, Luka Ploče d.d. has voluntarily introduced this practice, with the aim of reducing the creation of dust when transporting coal by rail along the entire route to the destination.

The Company does not use this coal as an energy source for its operations in any form, nor does it have significant influence on the volume and types of cargo passing through the port.

Ploče, July 2024

⁵ The report shall be published in accordance with ESRS 2 – paragraph 40(d)(i). Report on the Company's Activities in the Fossil Fuels Sector: Coal, Oil and Gas

Appendix 2: EU Taxonomy Report

Share of revenues from products or services related to Taxonomy-aligned economic activities

ECONOMIC ACTIVITIES	Absolute capital revenues	Share of capital revenues	Substantial contribution criterion						DNSH criteria (do not cause significant harm)						Minimum safeguards
			Climate change mitigation	Adaptation to climate change	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water and marine resources	Pollution	Circular economy	Biodiversity	
	EUR	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	v
A. TAXONOMICALLY ELIGIBLE ACTIVITIES	38,713,487	50%													
A.1. Environmentally sustainable activities (aligned with the taxonomy)	38,713,487	50%													
6.16. Infrastructure for low-carbon maritime transport	38,067,275	49%	25%	N/EL	N/EL	N/EL	N/EL	N/EL	/	Yes	Yes	Yes	Yes	Yes	Yes
Other activities	646,212	1%													
A.2. Eligible activities (not aligned with the taxonomy)	0	0%													
B. TAXONOMICALLY ILLEGIBLE ACTIVITIES		0%													
Revenue from taxonomically illegible activities (B)	38,866,719	50%													
Total (A+B)	77,580,206	100%													

Share of operational expenditure for products or services related to taxonomy-aligned economic activities

ECONOMIC ACTIVITIES	Absolute capital revenues	Share of capital revenues	Substantial contribution criterion					DNSH criteria (do not cause significant harm)					Minimum safeguards		
			Climate change mitigation	Adaptation to climate change	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water and marine resources	Pollution		Circular economy	Biodiversity
	EUR	%	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No
A. TAXONOMICALLY ELIGIBLE ACTIVITIES															
6.16. Infrastructure for low-carbon maritime transport	24,055,468	39%	25%	N/EL	N/EL	N/EL	N/EL	N/EL	/	Yes	Yes	Yes	Yes	Yes	Yes
A.1. OpEx aligned taxonomically eligible activities (A1)	24,055,468	39%													
A.2. OpEx non-aligned taxonomically eligible activities (A2)	0	0%													
B. TAXONOMICALLY ILLEGIBLE ACTIVITIES	37,255,270	61%													
OpEx taxonomically illegible activities (B)	37,255,270	61%													
Total (A+B)	61,310,738	100%													

Share of CapEx for products or services related to taxonomy-aligned economic activities

ECONOMIC ACTIVITIES	Absolute capital revenues	Share of capital revenues	Substantial contribution criterion						DNSH criteria (do not cause significant harm)						Minimum safeguards
			Climate change mitigation	Adaptation to climate change	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Adaptation to climate change	Water and marine resources	Pollution	Circular economy	Biodiversity	
	EUR	%	%	%	%	%	%	%	Da/Ne	Da/Ne	Da/Ne	Da/Ne	Da/Ne	Da/Ne	Da/Ne
A. TAXONOMICALLY ELIGIBLE ACTIVITIES	5,870,668	100%													
6.16. Infrastructure for low-carbon maritime transport	5,827,138	99%							Assessment of compliance of taxonomically acceptable activities with DNSH criteria, i.e., the criteria of do no significant harm (DNSH). DNSH - <i>do not significantly harm</i>).was not made for capital investments in 2023, due to insufficient supporting documentation required for the assessment. In accordance with the set goals, a procedural framework for the preparation of this report will be established for the next reporting year.						
7.3. Installation, maintenance and repair of energy-efficient equipment	21,718	<1%													
7.6. Installation, maintenance and repair of renewable energy technologies	21,812	<1%													
CapEx taxonomically eligible activities (A)	5,870,668	100%													
B. TAXONOMICALLY ILLEGIBLE ACTIVITIES		0%													
CapEx taxonomically illegible activities (B)															
Total (A+B)	5,870,668	100%													

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	DR S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	56
ESRS S4 CONSUMERS AND END-USERS	Disclosure requirement related to ESRS 2 SBM-2 – Interests and views of stakeholders	58
	Disclosure requirement related to ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction of with strategy and business model(s)	58
	DR S4-1 – Policies related to consumers and end-users	58
	DR S4-2 – Processes for engaging with consumers and end-users about impacts	59
	DR S4-3 – Processes for managing negative effects and channels for consumers and end-users to raise concerns	59
	DR S4-4 –Actions for material impacts on consumers and end-users, processes in handling materials risks and achieving material opportunities related to consumers and end-users and effectiveness of such actions	59
	DR S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	58-59
ESRS G1 BUSINESS	Disclosure requirement related to ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	21

CONDUCT	Disclosure requirement related to ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	25
	DR G1-1 –Business conduct policies and corporate culture	62-63
	DR G1-2 – Management of relationships with suppliers	63-64
	DR G1-3 – Prevention and detection of corruption and bribery	64
	DR G1-4 – Confirmed incidents of corruption or bribery	64
	DR G1-5 – Political influence and lobbying activities	64
	DR G1-6 – Payment practices	64

Appendix 4: Cross-cutting and thematic standards derived from other EU legislation

Disclosure requirement and related datapoint	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third column	Reference to benchmark regulations	Reference to the European Climate Act	Page
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator no. 13 from Table 1 in Annex I		Commission Delegated Regulation (EU) 2020/1816, Annex II		50
ESRS 2 GOV-1 Percentage of board members who are independent, paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		21
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	Indicator no. 10 from Table 1 in Annex I				24
ESRS 2 SBM-1 Involvement in activities related to fossil fuel, paragraph 40 (d) i	Indicator no. 4 from Table 1 in Annex I.	Regulation (EU) No. 575/2013, Article 449.a Commission Implementing Regulation (EU) 2022/2453, Table 1: Qualitative Information on Environmental Risk and Table 2: Qualitative Information on Social Risk.	Delegated Regulation (EU) 2020/1816, Annex II		68
ESRS 2 SBM-1 Involvement in activities related to chemical production, paragraph 40 (d) ii	Indicator no. 9 from Table 2 in Annex I.		Delegated Regulation (EU) 2020/1816, Annex II		/
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator no. 14 from Table 1 in Annex I		Delegated Regulation (EU) 2020/1818 Delegated Regulation (EU) 2020/1816, Article 12, para. 1, Annex II		/
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco, paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Delegated Regulation (EU) 2020/1816, Article 12, para. 1, Annex II		/
ESRS E1-1 Transition plan to reach climate neutrality by 2050, paragraph 14.				Regulation (EU) 2021/1119, Article 2, para. 1	32
ESRS E1-4 GHG emission reduction targets, paragraph 34	Indicator no. 4 from Table 2 in Annex I.	Article 449.a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking Book – Climate Change Transition Risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6.		32
ESRS E1-5 Energy consumption from non-renewable sources disaggregated by sources (only high climate impact sectors), paragraph 38	Indicator no. 5 from Table 1 and Indicator no. 5 from Table 2 in Annex I				/

Disclosure requirement and related datapoint	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third column	Reference to benchmark regulations	Reference to the European Climate Act	Page
ESRS E1-5 Energy consumption and mix, paragraph 37	Indicator no. 5 from Table 1 in Annex I				35-36
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors, paragraphs 40 to 43	Indicator no. 6 from Table 1 in Annex I				/
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions 1, 2, 3 and total greenhouse gas emissions, paragraph 44	Indicators no. 1 and 2 from Table 1 in Annex I	Article 449.a Regulation (EU) No. 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking Book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5, para. 1, Article 6, and Article 8. para. 1		37
ESRS E1-6 Gross GHG emissions Intensity, paragraphs 53 to 55	Indicator no. 3 from Table 1 in Annex 1	Regulation (EU) No. 575/2013, Article 449. a Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Climate change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8, para. 1		37
ESRS E1-7 GHG removals and carbon credits, paragraph 56				Regulation (EU) 2021/1119, Article 2, para 1	/
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks, paragraph 66			Delegated Regulation (EU) 2020/1818, Delegated Regulation (EU) 2020/1816, Annex II		27
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk, paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk, paragraph 66 (c)		Regulation (EU) No. 575/2013, Article 449.a Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47 Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			/
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes, paragraph 67 (c).		Regulation (EU) No. 575/2013, Article 449.a 575/2013, Article 449.a Commission Implementing Regulation (EU) 2022/2453, paragraph 34, Template 2: Banking book – Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral			/
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities, paragraph 69.			Delegated Regulation (EU) 2020/1818, Annex II		/

Disclosure requirement and related datapoint	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third column	Reference to benchmark regulations	Reference to the European Climate Act	Page
ESRS E2-4 Quantity of each pollutant is mentioned in Annex II. Regulation on the E-PRTR (European Pollutant Release and Transfer Register) for emissions into air, water, and soil, para. 28.	Annex I, Indicator no. 8 from Table 1 in Annex I; Indicator no. 2 from Table 2 in Annex I; Indicator no. 1 from Table 2 in Annex I; Indicator no. 3 from Table 2				/
ESRS E3-1 Water and marine resources, para 9.	Indicator no. 7 from Table 2 in Annex I.				40-42
ESRS E3-1 Dedicated policy, para 13	Indicator no. 8 from Table 2 in Annex I.				/
ESRS E3-1 Sustainable oceans and Seas, paragraph 14	Indicator no. 12 from Table 2 in Annex I.				40-42
ESRS E3-4 Total water recycled and reused, paragraph 28(c)	Indicator no. 6.2. from Table 2 in Annex I.				40
ESRS E3-4 Total water consumption in m3 per net revenue on own operations, paragraph 29	Indicator no. 6.1. from Table 2 in Annex I.				41
ESRS 2- IRO 1 – E4 paragraph 16 (a) i	Indicator no. 7 from Table 1 in Annex I.				43
ESRS 2- IRO 1 – E4 paragraph 16 (b)	Indicator no. 10 from Table 2 in Annex I.				43
ESRS 2- IRO 1 – E4 paragraph 16 (c)	Indicator no. 14 from Table 2 in Annex I.				43
ESRS E4-2 Sustainable land / agriculture practices or policies, paragraph 24 (b)	Indicator no. 11 from Table 2 in Annex I.				/
ESRS E4-2 Sustainable oceans / seas practices or policies, paragraph 24 (c)	Indicator no. 12 from Table 2 in Annex I.				40-42
ESRS E4-2 Policies to address deforestation, paragraph 24 (d)	Indicator no. 15 from Table 2 in Annex I.				/
ESRS E5-5 Non-recycled waste, paragraph 37 (d)	Indicator no. 13 from Table 2 in Annex I.				44-46
ESRS E5-5 Hazardous waste and radioactive waste, paragraph 39	Indicator no. 9 from Table 1 in Annex I.				45-46
ESRS 2 – SBM3 – S1 Risk of incidents of forced labour, paragraph 14 (f)	Indicator no. 13 from Table 3 in Annex I.				/

Disclosure requirement and related datapoint	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third column	Reference to benchmark regulations	Reference to the European Climate Act	Page
ESRS 2 – SBM3 – S1 Risk of incidents of child labour, paragraph (g)	Indicator no. 12 from Table 3 in Annex I.				/
ESRS S1-1 Human rights policy commitments, paragraph 20	Indicator no. 9 from Table 3 and Indicator no. 11 from Table 1 in Annex I.				47
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21.			Delegated Regulation (EU) 2020/1816, Annex II.		47
ESRS S1-1 Processes and measures for preventing trafficking in human beings, paragraph 22	Indicator no. 11 from Table 3 in Annex I.				/
ESRS S1-1 Workplace accident prevention policy or management system, paragraph 23	Indicator no. 1 from Table 3 in Annex I.				53-54
ESRS S1-3 Grievance/complaints handling mechanisms, paragraph 32 (c)	Indicator no. 5 from Table 3 in Annex I.				53
ESRS S1-14 Number of fatalities and number and rate of work-related accidents, paragraph 88 (b) and (c)	Indicator no. 2 from Table 3 in Annex I.		Delegated Regulation (EU) 2020/1816, Annex II		54
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness, paragraph 88 (e)	Indicator no. 3 from Table 3 in Annex I.				54
ESRS S1-16 Unadjusted gender pay gap and weighted average gender pay gap, paragraph 97 (a)	Indicator no. 12 from Table 1 in Annex I.		Delegated Regulation (EU) 2020/1816, Annex II.		53
ESRS S1-16 Excessive CEO pay Ratio, paragraph 97 (b)	Indicator no. 8 from Table 3 in Annex I.				/
ESRS S1-17 Incidents of discrimination, paragraph 103 (a)	Indicator no. 7 from Table 3 in Annex I.				20
ESRS S1-17 Violations of UNGC principles and OECD, paragraph 104 (a)	Indicator no. 10 from Table 1 and Indicator no. 14 from Table 3 in Annex I.		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12, para. 1		63
ESRS 2 – SBM3 – S2 Significant risk of child labour or forced labour in the value chain, paragraph 11 (b)	Indicators no. 12 and 13 from Table 3 in Annex I.				/

Disclosure requirement and related datapoint	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third column	Reference to benchmark regulations	Reference to the European Climate Act	Page
ESRS S2-1 Human rights policy commitments, paragraph 17	Indicator no. 9 from Table 3 and Indicator no. 11 from Table 1 in Annex I.				17
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicators no. 11 and 4 from Table 3 in Annex I.				55
ESRS S2-1 Violations of UNGC principles and OECD guidelines, paragraph 19	Indicator no. 10 from Table 1 in Annex I.		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12, para. 1		/
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		/
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain, paragraph 36	Indicator no. 14 from Table 3 in Annex I.				/
ESRS S3-1 Human policy commitments, paragraph 16	Indicator no. 9 from Table 3 in Annex I and Indicator no. 11 from Table 1 in Annex I.				17, 47
ESRS S3-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, ILO Principles, and OECD Guidelines, para. 17	Indicator no. 10 from Table 1 in Annex I.		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12, para. 1.		17
ESRS S3-4 Human rights issues and incidents, para. 36	Indicator no. 14 from Table 3 in Annex I.				17
ESRS S4-1 Policies related to consumers and end-users, para. 16.	Indicator no. 9 from Table 3 and Indicator no. 11 from Table 1 in Annex I.				58
ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, ILO Principles, and OECD Guidelines, para. 17	Indicator no. 10 from Table 1 in Annex I.		Delegated Regulation (EU) 2020/1816, Delegated Regulation (EU) 2020/1818, Annex II, Article 12, para. 1		/
ESRS S4-4 Human rights issues and incidents, para. 35	Indicator no. 14 from Table 3 in Annex I.				/
ESRS G1-1 United Nations Convention against Corruption, paragraph 10 (b)	Indicator no. 15 from Table 3 in Annex I.				64
ESRS G1-1 Protection of whistleblowers, paragraph 10 (d)	Indicator no. 6 from Table 3 in Annex I.				63

Disclosure requirement and related datapoint	Reference to the Sustainable Finance Disclosure Regulation	Reference to the third column	Reference to benchmark regulations	Reference to the European Climate Act	Page
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws, paragraph 24 (a)	Indicator no. 17 from Table 3 in Annex I.		Commission Delegated Regulation (EU) 2020/1816, Annex II		64
ESRS G1-4 Standards of anticorruption and antibribery, para. 24 (b)	Indicator no. 16 from Table 3 in Annex I.				64

Appendix 5: Key performance indicators

ENVIRONMENTAL INDICATORS

ESRS - DR	Indicator	Unit	2022	2023	Change N/N-1	Page
CLIMATE CHANGE						
E1.GOV-3, DR 13	Percentage of remuneration recognized that is linked to climate-related considerations	%	0	0	0	21
E1-1, DR 16 c	Financial resources allocated to action plan (OpEx)	EUR	N/A	N/A		N/A
	Financial resources allocated to action plan (CapEx)	EUR	N/A	N/A		N/A
E1-1, DR 16 f	Significant CapEx for coal-related economic activities	EUR	See the data on the respective page			71
	Significant CapEx for oil-related economic activities	EUR	N/A	N/A		N/A
	Significant CapEx for gas-related economic activities	EUR	N/A	N/A		N/A
E1-1, DR 17	Date of adoption of transition plan for undertakings not having adopted transition plan yet	year	2022.	/		37
E1-3, DR 29 b	Achieved GHG emission reductions	tco2	N/A	N/A		N/A
	Expected GHG emission reductions	tCO2	See the data on the respective page			37
E1-5, DR 37	Total energy consumption related to own operations	MWh	See the data on the respective page			35
E1-5, DR 37 a	Total energy consumption from fossil sources	MWh				
E1-5, DR 37 b	Total energy consumption from nuclear sources	MWh	N/A	N/A		N/A
E1-5, DR 37 c	Total energy consumption from renewable sources	MWh	N/A	N/A		N/A
	– Fuel consumption from renewable sources including biomass, biofuels, biogas, and hydrogen from renewable sources	MWh	N/A	N/A		N/A
	– Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	N/A	N/A		N/A
	– Consumption of self-generated, non-fuel renewable energy	MWh	N/A	N/A		N/A
	– Percentage of renewable sources in total energy consumption	%	N/A	N/A		N/A
E1-5, DR 38a	Fuel consumption from coal and coal products	MWh	N/A	N/A		N/A
E1-5, DR 38b	Fuel consumption from crude oil and petroleum products	MWh	8,018.8	9,613.6	19.9%	35
E1-5, DR 38c	Fuel consumption from natural gas	MWh	N/A	N/A		N/A
E1-5, DR 38d	Fuel consumption from other fossil sources	MWh	N/A	N/A		N/A
E1-5, DR 38e	Consumption of purchased or acquired electricity, heat, steam, or cooling from fossil sources	MWh	N/A	N/A		N/A
E1-5, DR 39	Non-renewable energy production	MWh	N/A	N/A		N/A
	Renewable energy production	MWh	N/A	2,819	100	33
E1-5, DR 40	Energy intensity from activities in high climate impact sectors (total energy consumption per net revenue)	%	N/A	N/A		N/A
E1-5, DR 41	Total energy consumption from activities in high climate impact sectors	MWh	N/A	N/A		N/A
E1-6, DR 48 a	Gross Scope 1 greenhouse gas emissions	tCO2	2,245.4	N/A		37

E1-6, DR 48 b	Percentage of Scope 1 GHG emissions from regulated emission trading schemes	%	N/A	N/A		N/A
E1-6, DR 49 a	Gross location-based Scope 2 greenhouse gas emissions	tCO2	3,119.2	N/A		37
E1-6, DR 49 b	Gross market-based Scope 2 greenhouse gas emissions	tCO2	N/A	N/A		N/A
E1-6, DR 51	Gross Scope 3 greenhouse gas emissions	tCO2	429.4	N/A		37
E1-6, DR 44+52	Total GHG emissions	tCO2	3,548.6	N/A		37
E1-7, DR 58a	Total GHG removals and storage	tCO2	N/A	N/A		N/A
E1-7, DR 59a	Total amount of carbon credits outside value chain that are verified against recognized quality standards and cancelled	tCO2	N/A	N/A		N/A
E1-7, DR 59b	Total amount of carbon credits outside value chain planned to be cancelled in the future	tCO2	N/A	N/A		N/A
E1-9, DR 69a	Expected cost savings from mitigation actions for climate change	EUR	N/A	N/A		N/A
	Expected cost savings from actions for adapting to climate change	EUR	N/A	N/A		N/A
POLLUTION						
E2-4, DR 28 a	Emissions to air by pollutant	tCO2	N/A	N/A		N/A
	Emissions to water by pollutant [+ by sectors/Geographical Area/Type of source/Site location]	tCO2	N/A	N/A		N/A
	Emissions to soil by pollutant [+ by sectors/Geographical Area/Type of source/Site location]	tCO2	N/A	N/A		N/A
E2-4, DR 28 b	Microplastics generated and used	tons	N/A	N/A		N/A
	Microplastics generated	tons	N/A	N/A		N/A
	Microplastics used	tons	N/A	N/A		N/A
E2-5, DR 34	Total amount of substances of concern that are generated or used during production or that are procured by main hazard classes of substances of concern	tons	N/A	N/A		N/A
	Total amount of substances of concern that are generated or used during production or that are procured	tons	N/A	N/A		N/A
	Total amount of substances of concern that leave facilities as emissions, as products, or as part of products or services	tons	N/A	N/A		N/A
	Amount of substances of concern that leave facilities as emissions by main hazard classes of substances of concern	tons	N/A	N/A		N/A
	Amount of substances of concern that leave facilities as products by main hazard classes of substances of concern	tons	N/A	N/A		N/A
	Amount of substances of concern that leave facilities as part of products by main hazard classes of substances of concern	tons	N/A	N/A		N/A
	Amount of substances of concern that leave facilities as services by main hazard classes of substances of concern	tons	N/A	N/A		N/A
E2-5, DR 35	Total amount of substances of very high concern that are generated or used during production or that are procured by main hazard classes of substances of concern	tons	N/A	N/A		N/A

	Total amount of substances of very high concern that leave facilities as emissions, as products, or as part of products or services by main hazard classes of substances of concern	tCO2	N/A	N/A		N/A
	Amount of substances of very high concern that leave facilities as emissions by main hazard classes of substances of concern	tCO2	N/A	N/A		N/A
	Amount of substances of very high concern that leave facilities as products by main hazard classes of substances of concern	tons	N/A	N/A		N/A
	Amount of substances of very high concern that leave facilities as part of products by main hazard classes of substances of concern	tons	N/A	N/A		N/A
	Amount of substances of very high concern that leave facilities as services by main hazard classes of substances of concern	tons	N/A	N/A		N/A
E2-6, DR 39a	Disclosure of quantitative information about anticipated financial effects of material risks and opportunities arising from pollution-related impacts	EUR	N/A	N/A		N/A
E2-6, DR 40a	Percentage of net revenue made with products and services that are or that contain substances of concern	%	N/A	N/A		N/A
	Percentage of net revenue made with products and services that are or that contain substances of very high concern	%	N/A	N/A		N/A
E2-6, DR 40b	Operating expenditures (OpEx) in conjunction with major incidents and deposits (pollution)	EUR	N/A	N/A		N/A
	Capital expenditures (CapEx) in conjunction with major incidents and deposits (pollution)	EUR	N/A	N/A		N/A
E2-6, DR 40c	Provisions for environmental protection and remediation costs (pollution)	EUR	N/A	N/A		N/A
WATER AND MARINE RESOURCES						
E3-4, DR 28a	Total water consumption	m3	67,478	144,577	114%	40-41
E3-4, DR 28b	Total water consumption in areas at water risk, including areas of high-water stress	m3	0	0	0	41
E3-4, DR 28c	Total water recycled and reused	m3	5,700	5,700	0	
E3-4, DR 28d	Total water stored	m3	N/A	N/A		N/A
E3-4, DR 28d	Changes in water storage	m3	N/A	N/A		N/A
E3-4, DR 28e	Proportion of measure gained by directly measuring, sampling and extrapolating or best assessments.	%	N/A	N/A		N/A
USE OF RESOURCES AND CIRCULAR ECONOMY						
E5-4, DR 31a	Overall total weight of products and technical and biological materials used during the reporting period	tons	N/A	N/A		N/A
E5-4, DR 31b	Percentage of biological materials (and biofuels used for non-energy purposes)	%	N/A	N/A		N/A
E5-4, DR 31c	The absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (including packaging)	Tons				
E5-4, DR 31c	Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials	%				

E5-5, DR 36a	Disclosure of the expected durability of the products placed on the market, in relation to the industry average for each product group	%	N/A	N/A		N/A
E5-5, DR 36c	The rates of recyclable content in products	%	N/A	N/A		N/A
E5-5, DR 36c	The rates of recyclable content in product packaging	%	N/A	N/A		N/A
E5-5, DR 37 a	Total Waste generated	tons	96.029	117.945	22.8%	45
E5-5, DR 37 b	Hazardous waste diverted from disposal	tons	48.797	104.275	114%	46
	– hazardous waste	tons	68.686	36.813	87%	46
	– non-hazardous waste		2.079	2.214	-6%	
	– hazardous waste / energy recovery		1.965	1.64	20%	
– non-hazardous waste / energy recovery	31.545		8.13	288%		
E5-5, DR 37c	Hazardous waste directed to disposal	tons	2.262	13.67	504%	46
	– hazardous waste	tons	2.262	13.67	504%	46
– non-hazardous waste	0,0		0.0	0		
E5-5, DR 37d	Non-recycled waste	tons	9.434	13.67	44.9	46
	Percentage of non-recycled waste	%	9.8	11.6	18.0	46
E5-5, DR 39	Total amount of hazardous waste	tons	21.152	47.18	123.1%	45
	Total amount of radioactive waste	%	N/A	N/A		N/A

SOCIAL AND GOVERNANCE INDICATORS

ESRS DR	Indicator	Unit	2022	2023	Change N/N-1	Page
STRUCTURE OF EMPLOYEES IN THE GROUP						
S1-6, DR 50a	Characteristics of employees	number	476	474	-0.4%	50
	Number of male employees	Number	378	378	0%	50
	Number of female employees	Number	98	96	-2.0%	50
S1-6, DR 50b	Characteristics of undertaking's employees - information on employees by contract type and gender		See the data on the respective page			50
S1-6, DR 50c	Employees gaining employment in the Luka Ploče Group	%	67	66	-1.5%	50
	New male employees	%	58	54	-6.9%	50
	New female employees	%	9	12	33.3%	50
	Employees who have departed from the Group	%	38	52	36.8%	50
	Number of men who have departed from the Group	%	35	44	25.7%	50
	Number of women who have departed from the Group	number	5	9	80.0%	50
	Employee turnover rate	%	8.8	8.9	0.4%	50
	Turnover rate – men	%	See the data on the respective page			50
	Turnover rate – women	%				
S1-6, DR 50, c-i	Number of employees on open-ended employment contracts	number	460	473	2.8%	50
S1-6, DR 52	Number of employees on fixed-term employment contracts	number	16	1	- 94%	50
	Number of casual employees	number	0	0	0	N/A
S1-8, DR 60a	Percentage of total employees covered by collective bargaining agreements	%	83	85	2.5%	49
S1-12, DR 79	Percentage of persons with disabilities amongst employees subject to legal restrictions on collection of data	%	0	0	0	50
S1-13, DR 83a	Training and skills development indicators gender	number	See the data on the respective page			51-52
	Percentage of non-employees that participated in regular performance and career development reviews	%	100	100	0	51
S1-13, DR 83b	Average number of training hours by gender	hours	See the data on the respective page			51-52
	Average number of training hours per person for employees	hours				
S1-14, DR 88a	Percentage of people in its own workforce who are covered by health and safety management system based on legal requirements and (or) recognised standards or guidelines	%	100	100	0	53
S1-14, DR 88c	Rate of recordable work-related accidents for own workforce	%	See the data on the respective page			54
S1-15, DR 93a	Percentage of employees entitled to take family-related leave	%	100	100	0	52
S1-15, DR 93b	Percentage of entitled employees that took family-related leave	%	See the data on the respective page			52
S1-15, DR 93b	Percentage of entitled employees that took family-related leave by gender	%				
S1-16, DR 97a	Gender pay gap	%	See the data on the respective page			51
S1-16, DR 97b	Annual total remuneration ratio	%				

S1-17, DR 103 a	Number of incidents of discrimination	number	0	0	0	63
GOVERNANCE						
G1-3, DR 21b	Percentage of functions-at-risk covered by anti-corruption training program	%				N/A
G1-4, DR 24a	Amount of fines for violation of anti-corruption and anti-bribery laws	EUR	0	0	0	64
G1-4, DR 24b	Prevention and uncovering corruption or bribery – training against corruption and bribery	sati	See the data on the respective page			64
G1-5, DR 9b i	Financial political contributions made	EUR	0	0	0	64
G1-5, DR 29	Amount of internal and external lobbying expenses	EUR	0	0	0	64
	Amount paid for membership to lobbying associations	EUR	0	0	0	64
	In-kind political contributions made	EUR	0	0	0	64
	Financial and in-kind political contributions made	EUR	0	0	0	64
G1-6, 33 b	Percentage of payments aligned with standard payment terms	%	100	100	0	64
GENERAL INDICATORS						
ESRS 2 SBM-1, 21 d	Percentage of members of administrative, management and supervisory bodies by gender and other diversity aspects	%	See the data on the respective page			21-22
	Ratio of gender diversity in administrative bodies	%				21-22
ESRS 2 SBM-1, 21 e	Percentage of independent board members	%	100	100	0	22
ESRS 2 SBM-1, 29 d	Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts	%	0	0	0	21
ESRS 2 SBM-1, 40 b	Total revenue	EUR	97,207,501	77,776,504	-20%	16
	Revenue by important sectors (in 000)	EUR	96,654	76,934	-20%	15
	– Port services	EUR	33,872	35,396	4%	15
	– Maritime services		2,270	1,446	-36%	
	– Good trade		59,094	38,862	-34%	
– Other segments	1,418		1,230	-13%		



LUKA PLOČE

IMPRESSUM

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