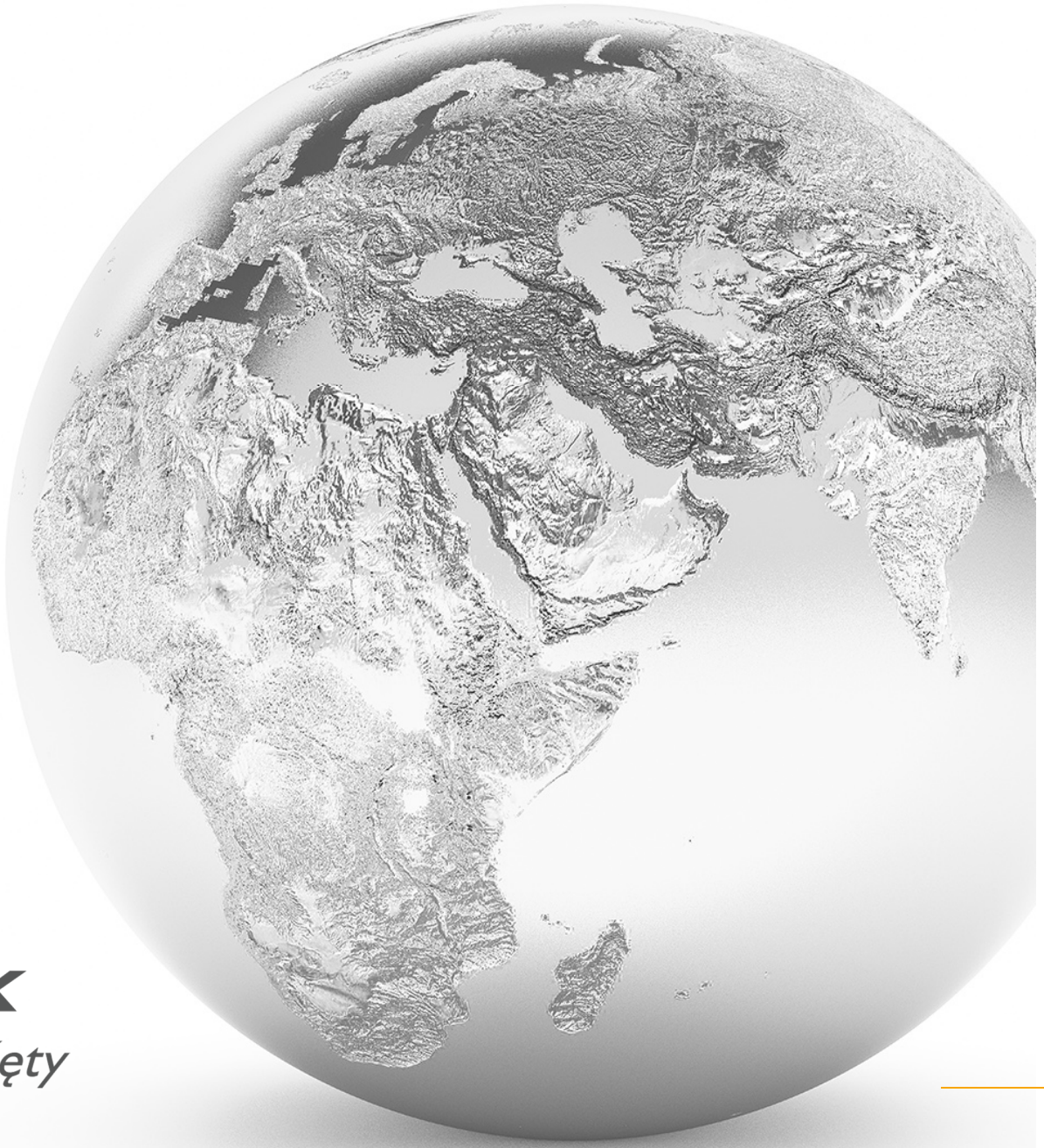
REPORT OF THE MANAGEMENT BOARD OF GRUPA KĘTY S.A. ON THE OPERATIONS OF THE COMPANY AND THE CAPITAL GROUP IN 2024



Grupa Kęty

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1. LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD

Dear Ladies and Gentlemen,

The 2024 results of the Capital Group of Grupa Kęty S.A. once again confirmed our efficiency in the difficult environment, in face of strong competitive struggle. The Group generated PLN 5.1 billion sales and PLN 560 million net profit (growth by 4%), with EBITDA amounting nearly to PLN 932 million (growth by 7%). The stable financial situation enabled the payout of dividend in 2024 in the amount of PLN 539 million, i.e. PLN 55.40 per share.

The highest contribution to the 2024 results was brought by Aluprof, which thanks to its developed sales organisation, including a network of international companies, and innovative solutions recorded significant sales growth year over year, both in Poland (+21%) and in exports (+37%).

The Extruded Products Segments, on the other hand, has strongly felt the European slow-down in the sector of aluminium processing, recording lower results than in the preceding year. Worth mentioning is the fact of completion of a large capital project and launching of production lines with 2,000 tons and 4,000 tons presses and auxiliary equipment, which will enable the Segment to serve their customers more efficiently in the requiring sectors of automotive, construction and electronics.

Traditionally, stable results were generated by the Flexible Packaging Segment, which not only recorded a 3% growth in sales but also a major improvement of EBITDA (+26% y/y) and net profit higher by 29% net profit.

From the perspective of the further development of the Group, of crucial importance was the completion of the planned capital projects: The Extruded Products Segments extended production capacity by roughly 25% (+ 26,000 tons a year), whereas the Aluminium Systems Segment increased production capacity with regard to architectural systems by 20-25% thanks to the extension of the plant in Złotów (vertical paint shop and warehouse space were provided in the new production and warehouse hall, among other things).

The Group focuses not only on organic growth. A major contribution to the extension of the product offer was the acquisition of 100% share at SELT Sp. z o.o. – one of the leaders of the Polish market of sun protection systems. The company has been selling 45% of products on foreign markets, mainly in Western Europe. New products for the Capital Group are the popular architectural solutions, such as external blinds, pergolas, awnings, sunbreakers, reflex screens, and verandas. In the times of extreme weather phenomena, the products provide the customers not only with the comfort in use and function, but also bring energy savings and fit in the passive construction trend. Based on the assets of the Aluminium Systems Segment located in Opole, where production and sales of roller-shutter systems is carried out, we plan to create a European leader in the sector of sun protection systems.

The product portfolio of the Capital Group also comprises a series of innovative products, including environmentally friendly architectural systems which support the development of sustainable construction, packaging contributing to the development of circular economy, as well as profiles with high content of recycled material. Our activities in that area are presented in more detail in the Sustainability Statement of Grupa Kęty S.A. for the year ended 31 December 2024, which has been adjusted to the requirements of the European Sustainability Reporting Standards (ESRS). The extremely requiring process of preparing the Statement allowed us to better understand the impact of our operations on the environment and set out new directions for operation.

While we support the idea of ESG and honest, complete reporting in this area, we perceive that the complexity and number of obligations imposed by the new regulations may pose a risk to the very essence of sustainability efforts. Despite that, we are convinced that balance between regulatory obligations and the actual activities for sustainable development is key to creating permanent value both for our Capital Group and other stakeholders. We believe that responsible approach to environmental, social and corporate governance issues is key to building long-term economic value and market success.

Summing up the year 2024, I wish to congratulate the whole team the awards obtained, which confirm the high market assessment of Grupa Kęty S.A. The Company is 22nd on the list of 50 Polish Global Companies with ambition to expand internationally and build strong brands. High level of foreign sales and over 50 foreign markets served evidence that a company with strong regional roots may create modern products for which borders do not mean limits.

Further, in the 'Polish Eagles' ranking of *Rzeczpospolita* Daily and the SGH Warsaw School of Economics Grupa Kęty S.A. was honoured in the category of Industry. It was also awarded the title of a Good Company 2024 within the Corporate Social Responsibility Leaders Programme, and took the 15th position in the ranking of Climate-aware Corporates. The good practices of the Capital Group were honoured and described in the latest Responsible Business Forum report.

There were also personal awards. In the main ranking of the 'Polish Stock Exchange TOP30 CEOs Valuation' I ranked 11th. I also obtained the statue of the Bull and Bear from the jury of the *Parkiet* magazine in the category of the 'CEO of the Year'.

The prizes symbolically crown the 30 years of my professional career. I take the opportunity to personally thank the jury again in this place for stating in the justification of the award that *'after 19 years the CEO has built a modern industrial group of global reach with revenue of over PLN 5 billion and net profit exceeding PLN 500 million. The jury esteems the quality of management, consequent development and goodwill growth, very good results, fulfilment of forecasts and strategies, investments, growing dividends, perfect investor relations, and transparency'*. The words are a token of appreciation not only of myself, but of the skills and hard work of all Employees. The time of receiving the honours is special for me, as at the end of 2024 I made the decision not to run for another term on the Management Board.

I have been lucky that my leadership of the Capital Group coincided with Poland's entrance to the European Union in 2004. 20 years passed since that time, and Grupa Kęty S.A. has gone a long way which led it to the gate of the first league of the European business. In order to get to the place we are in now, the Company had to develop two times faster than others, we had to increase sales many times by improving exports channels which now sell roughly half of the products offered around the world. We have been investing all the time. We have spent the total of PLN 4.3 billion on modern technologies and solutions.

All our activities contribute to maintaining high value of the Group. The capitalisation of Grupa Kęty S.A. at the Warsaw Stock Exchange amounted to approximately PLN 6.6 billion at the end of 2024, despite unfavourable economic situation.

Sharing the good results with you, I would like to cordially thank all the Employees of the Capital Group for their engagement and cooperation. I wish you satisfaction from work and further development opportunities.

I would also like to thank the Shareholders and the Supervisory Board for their trust and support, which helps us manage the Company and the Capital Group in an efficient way.

In one of the interviews I said that aluminium is more valuable than gold. Today, aluminium is a desired raw material on our way to climate neutrality, perfectly suited to the circular economy concept, which is going to play a key role in the leading sectors of economy. This should bring opportunities for further development of the Capital Group.

Yours faithfully,

Dariusz Mańko

President of the Management Board of Grupa Kęty S.A.

2. MAJOR EVENTS AND ACHIEVEMENTS

The major events of 2024 at the Capital Group undoubtedly include the acquisition of SELT Sp. z o.o., one of the leaders of the Polish market of sun protection systems, and the subsequent integration of the company in the organisational structure. At the beginning of September 2024, the Management Board of Grupa Kęty S.A. informed about finalising the acquisition procedure and conclusion of the promised agreement on acquisition of 100% of shares in SELT Sp. z o.o. for the amount of PLN 394.9 million. The acquired company offers external blinds, pergolas, awnings, sunbreakers, and reflex screens, and avails of 5 plants furnished with modern machinery as well as its own fleet of transport vehicles. Approximately 45% of its products are sold on foreign markets. In 2024, by the acquisition date, SELT Sp. z o.o. generated PLN 220.6 million sales, PLN 46.3 million EBITDA, and PLN 23.4 million net profit. The company acquisition will enable the Capital Group to extend the value chain, and the product portfolio of the Group in that promising market area. It will also result in a number of synergies, for example in purchasing, sales and customer service areas. The growing value of the European sun protection systems market, estimated at approximately EUR 10 billion, combined with the current market trends related to thermal performance improvement of the existing buildings, passive buildings construction, energy savings and protection against extreme weather conditions open new opportunities before the Capital Group and provide good perspectives for fast growth and income increase in this market area.

The activities of the particular operating segments focused on further extension of the scale of business and market share as well as performance of projects compliant with the binding Development Strategy of the Capital Group. At the Extruded Products Segment and Aluminium Systems Segment there were completed key projects set forth in the Strategy, whereas at the Flexible Packaging Segment aid was obtained in the form of a tax allowance worth 50% of eligible costs (capped at PLN 16 million) for projects carried out in 2024 and 2025, comprising conversion of the existing production and warehouse halls as well as purchase of assets, such as flexographic printers, laminating machines and auxiliary equipment.

There is planned a change in the position of the President of the Management Board of Grupa Kęty S.A. At the beginning of December, Mr Dariusz Mańko, who has performed the function for over 19 years, informed the Supervisory Board that he does not intend to run for another term at the Management Board. Termination of his carrier at the position by Mr Dariusz Mańko has been accompanied by granting him the title of the 'CEO of the Year' by the 'Parkiet' magazine at the ceremony of awarding the 'Bulls and Bears' and 'Golden Wallets' honours, and also ranking 11th in the main ranking of the 'Polish Stock Exchange TOP30 CEOs Valuation'. In accordance with the decision of the Supervisory Board, the new President of the Management Board will be the current Vice President Roman Przybylski. The resolution will come into force in 2025, on the day next following the expiry of the term of the Management Board Members of the current term, i.e. post the Annual General Meeting of the Company which is to approve the financial statements of the Company for the year 2024.

Prizes and honours were also granted to the companies of the Capital Group. Grupa Kęty S.A. ranked 22nd in the list of 50 Polish Global Companies with the ambition to expand internationally and to build strong brands, it also took the 15th position in the ranking of Climate-aware Corporates, and was awarded in the category of a 'Good Company 2024' at the European Business Forum gala in Katowice. Aluprof S.A. (a subsidiary of the Issuer) was awarded the 'Market Leader in Joinery' title and took the 6th position in the TOP BRAND ranking, whereas in the Builder Awards gala it became 'The Building Company of the Year 2023'. The CEO of the company, Mr Tomasz Grela was honoured with the title of the 'Personality of the Sector 2023'.

Year 2024 also watched the performance of many projects and initiatives related to Corporate Social Responsibility and Sustainable Development, in that 85 projects within the 'Together with the Group'programme. Additionally, a dedicated edition of that program commenced under the motto ***'Together with the Group' – We help flood victims!***, which was the response of the organisation to the needs originating after the flood in southern Poland. The organisation was engaged in the 'Ultrakrew' blood donation promotion, 'Let's Clean the Beskids' action, and cleaning the banks of the Soła River within the 'Clean Vistula River' initiative. 'Grupa Kęty for the Children of the Podbeskidzie Region' Foundation runs activities supporting the children and youths from children's homes in starting their adult life, as well as a campaign for promoting child custody under the 'Share Your Home' motto. More information about actions in that area may be found at the Issuer's website: https://grupakety.com/zrownowazony-rozwoj/wydarzenia-esg/ as well as the website of the 'Grupa Kęty for the Children of the Podbeskidzie Region' Foundation: https://dziecipodbeskidzia.pl/.

The table below presents other major events at the Capital Group in the year 2024 and by the date of publishing this Report, along with references to the sites where more information may be found about the respective subjects.

TABLE 1: MAJOR EVENTS AND ACHIEVEMENTS IN 2024

Event	Date	Additional information
Q.2, 2024		
The Annual General Meeting of the Company passed a resolution on appointment of the Members of the Supervisory Board of the 12th term. Another resolution referred to assigning PLN 539,302,773.20 (say: five hundred and thirty nine million three hundred and two thousand and seven hundred seventy three zlotys 20/100) to dividend to be paid out to the Company shareholders, i.e. PLN 55.41 per share (in reference to the number of the Company shares as at the date of passing the resolution, namely 9,731,952).	29 May	Current report No. 19/2024
The Management Board of Grupa Kęty S.A. informed that it entered into a conditional preliminary agreement with two natural persons on the purchase 211,815 shares in SELT Sp. z o.o. with its registered office in Opole, KRS [court ID] No.: 0000589791, representing 100% of the share capital and the total number of votes in the General Meeting of the Company.	14 June	Current report No. 25/2024
Q.3, 2024		
The Management Board of Grupa Kęty S.A. informed about a decision on accepting the terms proposed by Powszechna Kasa Oszczędności Bank Polski S.A. and signing an agreement with regard to a term loan in the total amount of PLN 350 million. The loan was allocated to the purchase of 100% shares in SELT Sp. z o.o.	28 August	Current report No. 36/2024
The Management Board of Grupa Kęty S.A. informed that it entered into the promised agreement with two natural persons on the purchase of 211,815 shares in SELT sp. z o.o., representing 100% of the share capital and the total number of votes in the General Meeting of the company. The final sales price of the company shares amounted to PLN 394.9 million and was fully paid on the date of the agreement.	2 September	Current report No. 37/2024
The Extraordinary General Meeting of the Company passed a resolution on the issue of E and F series registered subscription warrants entitling to the take-up of L series ordinary bearer shares of the Company and conditional increase of the Company share capital by way of issue of L series ordinary bearer shares and exclusion of the rights issue for the existing shareholders in reference to both the shares and the warrants, in order to enable L series shares take-up by the Management Options Plan participants, as well as amendment to the Company Articles of Association by way of inclusion in the text of the Articles of the conditional share capital increase through the issue of L series shares.	4 September	Current report No. 38/2024
Q.4, 2024		
Information was received with regard to resignation of Mr Przemysław Gardocki from the function of a Member of the Issuer's Management Board.	8 October	Current report No. 45/2024
The Management Board of Grupa Kęty S.A. informed about a decision on accepting the terms proposed by Bank POLSKA KASA OPIEKI S.A. with regard to amendment of the credit limit agreement concluded with the bank, which was earlier disclosed on 23 October 2023 in the current report No. 24/2023, and signing an annex to the agreement together with the other borrowers.	23 October	Current report No. 47/2024
The Extraordinary General Meeting of the Company passed a resolution on appointing Mr Grzegorz Piwowar Member of the Supervisory Board.	21 November	Current report No. 52/2024
The Management Board of Grupa Kęty S.A. informed about a decision on accepting the terms proposed by Powszechna Kasa Oszczędności Bank Polski Spółka Akcyjna (hereinafter referred to as the Bank) as regards amendment of the terms of a multipurpose credit facility agreement concluded with the Bank, about which the Issuer informed in current report No. 28/2023 of 4 December 2023, and signing the agreement together with the other borrowers.	22 November	Current report No. 55/2024

The Management Board of Grupa Kęty S.A. informed that the Company Supervisory Board received information that President of the Company Management Board Dariusz Mańko does not intend to run for another term at the Management Board. Therefore, on 5 December 2024, the Supervisory Board passed Resolution No. XII/13/24 on appointing the current Vice President of the Management Board, Mr Roman Przybylski, President of the Management Board. The resolution comes into force in 2025, on the day next following the expiry of the term of the Management Board Members of the current term, i.e. post the Annual General Meeting of the Company which is to approve the financial statements of the Company for the year 2024.	5 December	Current report No. 57/2024
The Management Board of Grupa Kęty S.A. informed about a decision on accepting the terms proposed by BNP Paribas Bank Polska S.A. with regard to amendment of the multipurpose credit facility agreement concluded with the bank, which was earlier disclosed on 4 December 2023 in the current report No. 27/2023, and signing an annex to the agreement together with the other borrowers.	9 December	Current report No. 59/2024
Disclosure of the forecast of selected financial and operating results for the year 2025.	17 December	Current report No. 63/2024

3. CHARACTERISTICS OF THE COMPANY AND THE CAPITAL GROUP

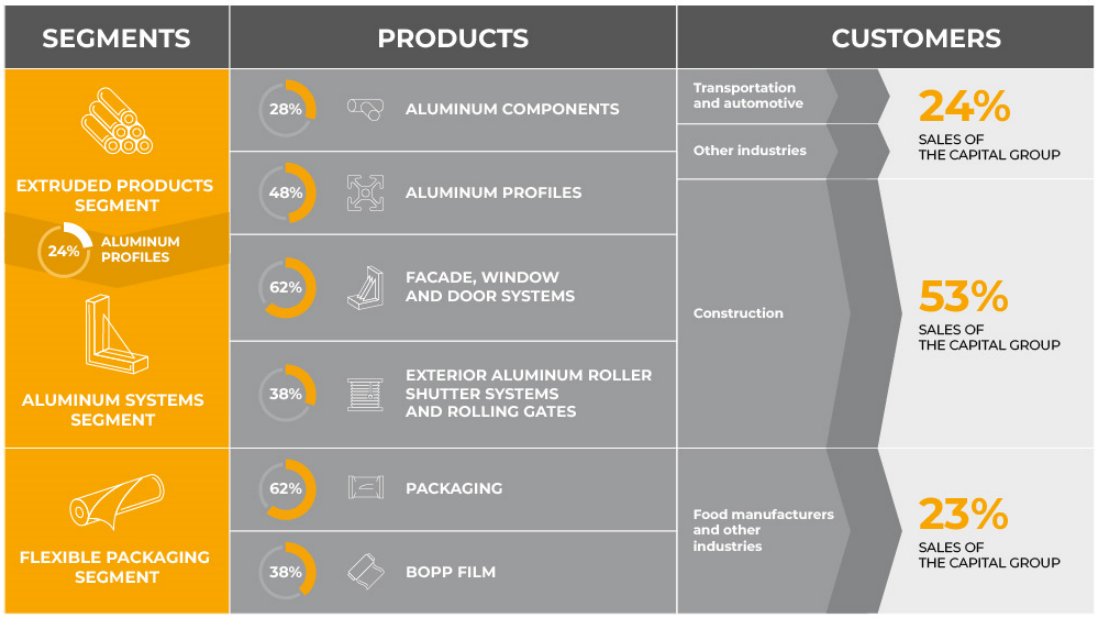
3.1 Basic information about the Company and the Capital Group

Grupa Kęty S.A. (hereinafter referred to as Grupa Kęty, the Company or the Issuer) is a parent of the Capital Group of Grupa Kęty S.A. (hereinafter referred to as the Capital Group), composed of following three business segments operating in the areas which are presented in more detail in Section 5.1 of this Report.

- EXTRUDED PRODUCTS SEGMENT (EPS) – production and sales of aluminium profiles and components used in construction, automotive business, transport, electrical engineering and many other sectors
- ALUMINIUM SYSTEMS SEGMENT (ASS) – production and sales of aluminium façades, doors and windows, internal structures as well as external aluminium roller shutters and roll-up gates for the construction business
- FLEXIBLE PACKAGING SEGMENT (FPS) – production and sales of printed flexible packaging and BOPP films for food manufacturers and other sectors

Diversification of activities in the three areas of various natures and customer groups reduces the market risk resulting from economic volatility in the particular industries, and improves the stability of the Capital Group financial performance.

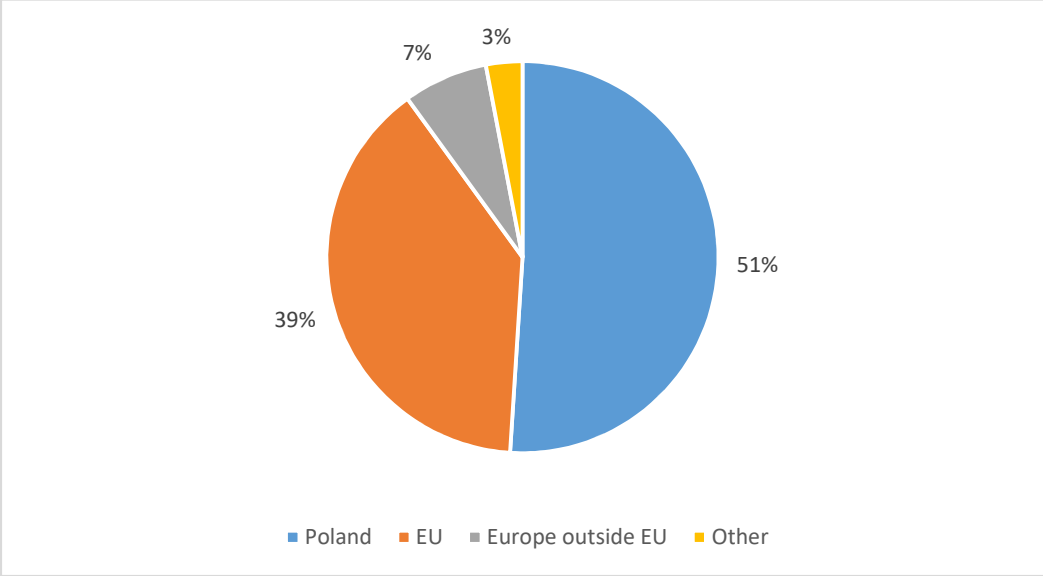
CHART 1: ACTIVITIES CARRIED OUT BY THE CAPITAL GROUP



Source: Company own materials.

The Capital Group has 14 foreign companies which sell products to over 4,500 customers on over 60 markets. In 2024, nearly half of the PLN 5.1 billion Capital Group's sales income was invested outside Poland, specifically on the European market, where 46% of sales are generated, including 39% in the European Union member states, such as Germany, Czech Republic, Italy, Netherlands, Romania, Belgium and Austria. Outside Europe sales are generated in the United States, Vietnam, Saudi Arabia and the United Arab Emirates, among others.

CHART 2: SALES BY TERRITORIES

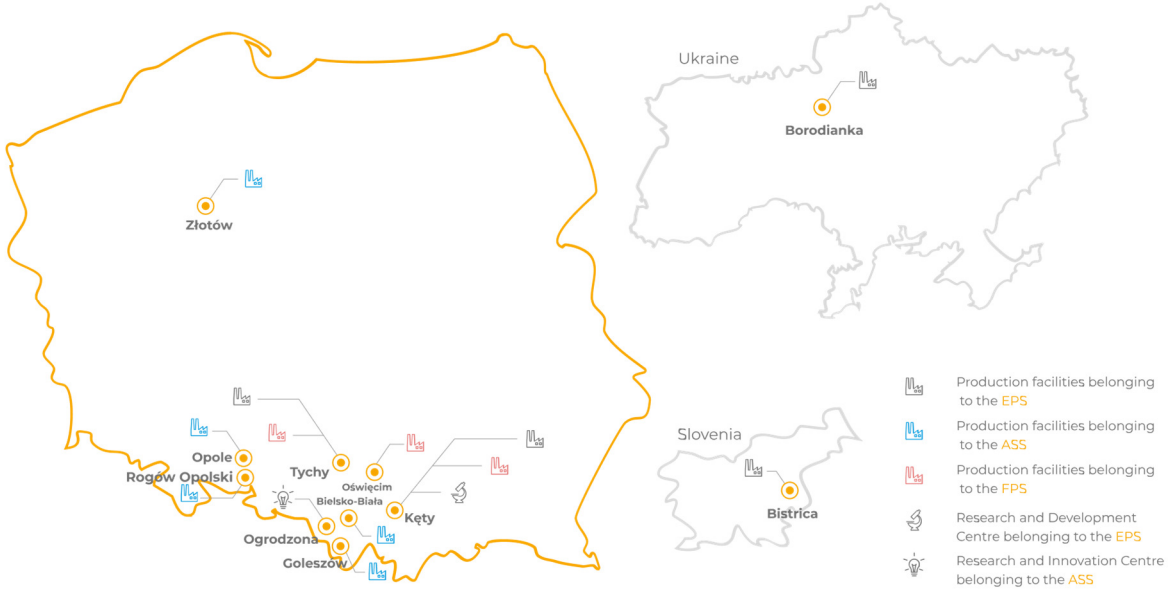


Source: Company own materials.

The Capital Group has 12 production complexes, out of which four belong to the EPS and are located in Kęty, Tychy, Borodianka (Ukraine) and Slovenska Bistrica (Slovenia), five belong to the ASS and are located in Bielsko-Biała, Złotów, Opole and Rogów Opolski, Goleszów and Ogrodzona, and three belong to the FPS and are located in Kęty, Tychy and Oświęcim. The Capital Group has its in-house Research and Development Centre based in Kęty, within the Extruded Products Segment, as well as the Research and Innovation Centre in Ogrodzona, within the Aluminium Systems Segment.

In 2024, in reference to the acquisition of SELT Sp. z o.o., whose results were consolidated within the ASS since September 2024, the Capital Group gained the production complexes belonging to the company in Opole and Rogów Opolski, furnished with modern machinery, including comprehensive machining centre with 36 CNC machine tools, 3 lasers, 2 machines for high pressure aluminium casting, 16 profiling machines used in coated aluminium strips forming for external blinds louver blades or galvanised pipes, 290 dies for aluminium profiles extrusion, 46 injection moulds for the production of PVC details and 2 powder coating workshops.

CHART 3: PRODUCTION PLANTS AND RESEARCH CENTRES OF THE CAPITAL GROUP



Source: Company own materials.

The Capital Group development directions, as well as its operational and financial objectives are formulated each time by the Company Management Board in the form of an announced development strategy covering for the ESG area and including commitments related to sustainable development indicators that the Group aims to achieve. The cornerstones of each strategy are the Mission, Vision and Values adopted for the Capital Group and the constant endeavour to maintain corporate governance and open information policy at the highest level.

CHART 4: MISSION, VISION AND VALUES OF THE CAPITAL GROUP

Source: Company own materials.

3.2 Major events in the history of the Company and the Capital Group

The history of Grupa Kęty S.A. is 70 years long. The beginnings date back to the mid-20th century, when a decision was made on building an aluminium processing plant in Kęty which started manufacturing casting alloys in 1953. In the years 1953-1992, the Issuer operated in the form of a state-owned company under the name of Zakłady Metali Lekkich 'Kęty' ['Kęty' Light Metals Plant], to be transformed in 1992 into a sole-shareholder company of the State Treasury. In 1995, the Company privatisation process was carried out, and in January 1996 the Company shares were introduced to trading at the Warsaw Stock Exchange. In 2001, the Company name was changed to Grupa Kęty S.A.

Below presented are the selected major events in the history of Grupa Kęty S.A. that led to the origination of the current structure of the Capital Group.

TABLE 2: MAJOR EVENTS IN THE HISTORY OF THE CAPITAL GROUP

1953	Commencement of casting alloys manufacturing in Kęty by Zakłady Metali Lekkich 'Kęty'
1956	Creation of the first Foil Rolling Department
1958	Creation of the first Press and Drawing Mill Department
1992	Transformation of Zakłady Metali Lekkich 'Kęty' into a sole-shareholder company of the State Treasury
1995-1996	Zakłady Metali Lekkich 'Kęty' (now Grupa Kęty S.A.) privatisation and début at the Warsaw Stock Exchange
1996	Acquisition of 47.62% of shares of Metalplast Bielsko S.A. (now Aluprof S.A.), leading to the process of the Capital Group formation. In the subsequent years the share in the company equity had been increased to 100%
1998	Creation of Alupol sp. z o.o. with its registered office in Tychy, in the Katowice Special Economic Zone
1999	Separation of the Research and Development Department, the Foundry, and the Engineering Services Department from ZML 'Kęty' and transformation into newly established companies of Alutest sp. z o.o. (in 2002 the object of the company operations changed and it was renamed into Dekret Sp. z o.o.), Alumetal sp. z o.o. (company sold in 2002), and Alutech sp. z o.o. (company wound up in 2018)
2000	Transformation of the Aluminium Joinery Production Department of Metalplast-Bielsko S.A. into a new company of Metalplast-Stolarka Sp. z o.o.
2005	Creation by Metalplast-Stolarka Sp. z o.o. of the company of MERTZ s.r.o. with its registered office in Ostrava (now Aluprof System Czech s.r.o.)
	Creation by Metalplast-Bielsko S.A. of the companies of Metalplast Deutschland GmbH with its registered office in Düsseldorf (now Aluprof Deutschland GmbH) and Metalplast Romania s.r.l. (now Aluprof System Romania s.r.l.), and acquisition of 100% shares at Metalplast Zalur Kft with its registered office in Dunakeszi (now Aluprof Hungary Kft).
	Creation by the Issuer of the company of Alupol LLC with its registered office in Borodianka, Ukraine

2006	Acquisition by Grupa Kęty S.A. of 100% shares in Aluprof sp. z o.o. with its registered office in Opole, and its merger with Metalplast Bielsko S.A. together with a change of name into Aluprof S.A. The change of name from Metalplast to Aluprof also referred to all foreign commercial companies of the ASS segment.
	Acquisition by Aluprof S.A. of 100% shares in Aluprof UK Ltd with its registered office in the United Kingdom
	Disposal by Aluprof S.A. in favour of the Issuer of 100% shares at Metalplast-Stolarka Sp. z o.o.
	Acquisition by Aluprof S.A. of 100% of shares of Aluprof System Czech s.r.o. from Metalplast-Stolarka Sp. z o.o.
2007	In the process of privatisation, acquisition by Aluprof S.A. of 85% shares in Fabryka Elementów Wyposażenia Budownictwa Metalplast Złotów S.A. with its registered office in Złotów (name changed to ROMB S.A.). As a result of taking-up new shares of that company and acquisition of the remaining shares, Aluprof S.A. increased its share to 100%
2009	Acquisition by Aluprof S.A. of 100% shares in Aluprof System Ukraina LLC
	Division of Alupol sp. z o.o. with its registered office in Tychy into Aluform Sp. z o.o. and Alupol sp. z o.o. Aluform Sp. z o.o. being a 100% subsidiary of Grupa Kęty S.A. took over the assets related to the operations of the Extruded Products Segment, whereas Alupol sp. z o.o. took over the production assets related to the Flexible Products Segment
2010	Transformation of Alupol sp. z o.o. into Alupol Packaging S.A. Creation by Grupa Kęty S.A. of Alupol Packaging Kęty Sp. z o.o., which took over the assets related to packaging production in Kęty, and transfer of its shares to Alupol Packaging S.A.
2011	Creation by Grupa Kęty S.A. of the 'Grupa Kęty for the Children of the Podbeskidzie Region' Foundation
2012	Creation by Aluprof S.A. of Aluprof Serwis sp. z o.o. (now Glassprof sp. z o.o.)
2014	Creation by Alupol Packaging S.A. of Alupol Films Sp. z o.o. and commencement of BOPP films production in Oświęcim by that company in 2016
	Creation by the Grupa Kęty S.A. of Grupa Kety Italia s.r.l. with its registered office in Milan
	Creation by Aluprof S.A. of Aluprof System USA Inc., which further took up 45% shares in Aluprof USA LLC with its registered office in New York, created together with two American partners (now being wound up)
2015	Creation by Aluprof S.A. of Aluprof Belgium N.V. with its registered office in Dendermonde
2016	Acquisition by Aluform Sp. z o.o. of AHA EMMI Predelava aluminija, d.o.o. in Slovenia (now Aluminium Kety Emmi d.o.o)
	Creation by Aluform Sp. z o.o. of Aluminium Kety Deutschland GmbH with its registered office in Dortmund
2017	Creation by Aluform Sp. z o.o. of Aluminium Kęty CSE s.r.o. with its registered office in Ostrava
	Take-over by Aluprof S.A. of Metalplast-Stolarka Sp. z o.o. as a result of merger
2023	Take-over by Aluprof S.A. of Romb S.A. as a result of merger
2024	Acquisition by Grupa Kęty S.A. of 100% shares in SELT Sp. z o.o.

3.3 Company and Capital Group organisational chart and management structure

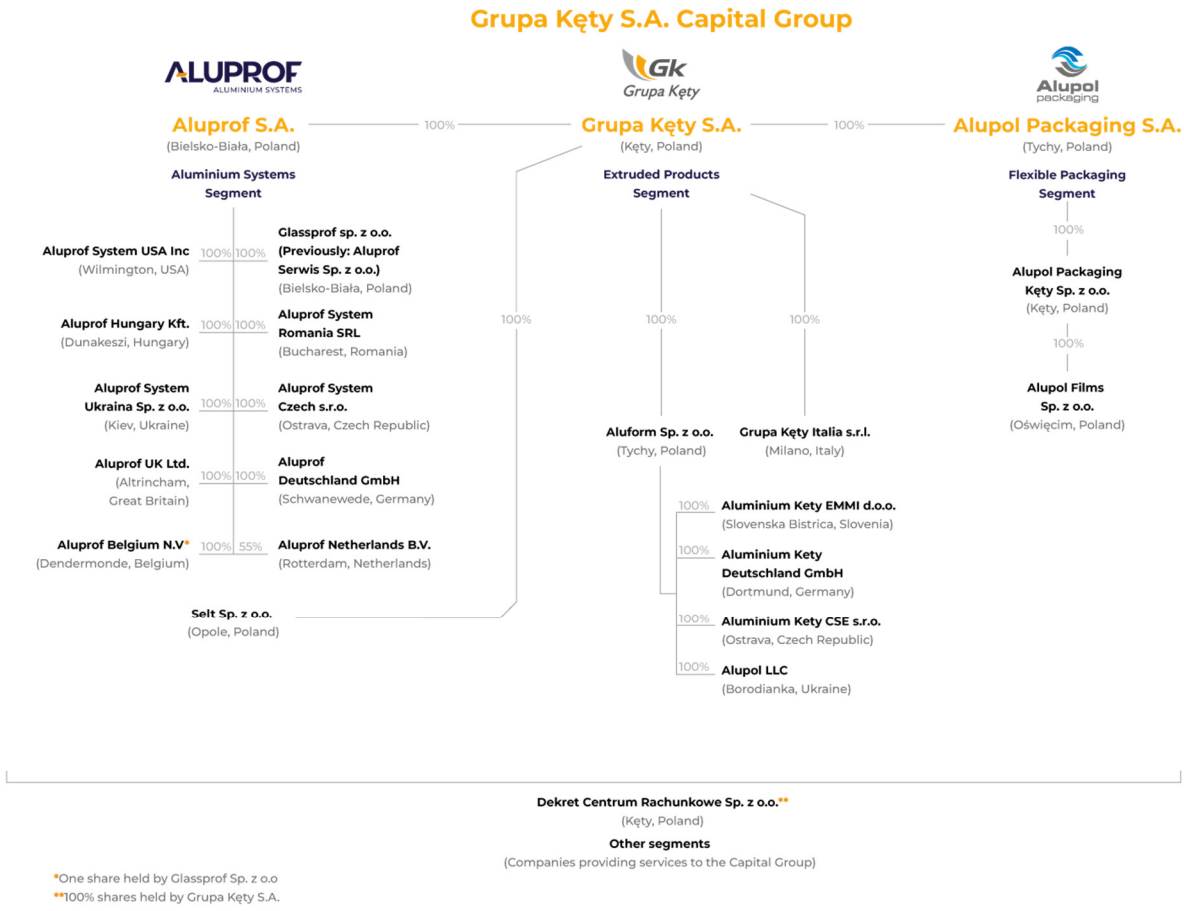
3.3.1 Capital Group organisational Structure

Grupa Kęty S.A. with its registered office in Kęty at ul. Kościuszki 111, 32-650 Kęty, is the parent of the Capital Group of Grupa Kęty S.A. consisting of 23 companies, in which the Issuer holds directly or indirectly 100% share in the share capital and all votes in General Meetings, respectively (except Aluprof Netherlands B.V., in which the Issuer holds indirectly through Aluprof S.A. a 55% share in the share capital and the total number of votes in the General Meeting), that are subject to full consolidation. Grupa Kęty S.A. also holds indirectly, through Aluprof S.A. and Aluprof System USA Inc., 45.5% shares in Aluprof USA LLC with its registered office in New York (associated company, recognised using the equity method), which is now being wound up.

Apart from Dekret Centrum Rachunkowe Sp. z o.o, which provides accounting and human resources services to all Capital Group companies, the other companies run business within three business segments: Extruded Products Segment (EPS), Aluminium Systems Segment (ASS), and Flexible Packaging Segment (FPS). Each Segment has a leading company, the name of which is at the same time the main brand by which the products of the particular segment are recognised. Each Segment has in its structures the services necessary to carry out business in the area of both production and trade. Some of the corporate and coordination functions availed of by all companies of the Capital Group have been concentrated in the form of the Corporate Centre of Grupa Kęty S.A. The central areas comprise: human resources, corporate social responsibility and sustainable development, communication, investor relations, IT, finance, accounting, management and financial reporting, corporate supervision and capital investments, risk and compliance management, and internal audit.

In 2024 Grupa Kęty acquired 100% shares in SELT Sp. z o.o. Since September 2024, the company has been consolidated within the Aluminium Systems Segment. Based on the assets of the company and part of the assets of the Aluminium Systems Segment located in Opole, where production and sales of roller-shutter systems is carried out, there is going to be created the fourth business segment of the Capital Group, i.e. the Sun Protection Systems Segment. Information regarding the acquired company and the transaction concluded is presented in Section 2 hereof.

CHART 5: CAPITAL GROUP ORGANISATIONAL CHART



Source: Company own materials.

TABLE 3: OBJECT OF BASIC ACTIVITIES OF THE CAPITAL GROUP COMPANIES

Company name	Core business
EPS	
Grupa Kęty S.A.	Holding company, production and sales of aluminium profiles
Aluform Sp. z o.o.	Production of aluminium profiles
Grupa Kety Italia SRL	Trade and marketing services
Alupol LLC	Production of aluminium profiles
Aluminium Kety EMMI d.o.o.	Production and working of aluminium profiles
Aluminium Kety Deutschland GmbH	Trade and marketing services
Aluminium Kety CSE s.r.l.	Trade and marketing services
ASS	
Aluprof S.A.	Production and sales of aluminium systems and roller-shutter systems for construction business
Aluprof Hungary Kft.	Trade and marketing services
Aluprof Deutschland GmbH	Trade and marketing services
Aluprof System Romania SRL	Trade and marketing services
Aluprof System Czech s.r.o.	Trade and marketing services
Aluprof UK Ltd.	Trade and marketing services
Aluprof Belgium N.V.	Trade and marketing services
Aluprof System Ukraina LLC	Trade and marketing services
Aluprof Netherlands B.V.	Trade and marketing services
Selt Sp. z o.o.	Production and trade in sun protection systems
Glassprof Sp. z o.o.	Production and trade in fire-rated glass
Aluprof System USA Inc.	Trade and marketing services
FPS	
Alupol Packaging S.A.	Production and trade in plastic packaging
Alupol Packaging Kęty Sp. z o.o.	Production and trade in plastic packaging
Alupol Films Sp. z o.o.	Production and trade in plastic films
'Other' Segment	
Dekret Centrum Rachunkowe Sp. z o.o.	Accounting and bookkeeping services

Neither Grupa Kęty S.A., nor other Capital Group companies have branches within the meaning of the Act on Accounting.

3.3.2 Organisation and management of the Company and the Capital Group

Grupa Kęty S.A. operates on the basis of a notarised deed of 3 March 1992 on the transformation of a state-owned company into a joint stock company, the Articles of Association of the Company dated 3 March 1992, as amended, decisions of the District Court in Bielsko-Biała of 1 April 1992 on entering the Company into the Commercial Register, as amended, the District Court in Kraków of 9 July 2002 on entering the Company into the Register of Entrepreneurs of the National Court Register, as amended, as well as on the basis of the applicable legal regulations, including the Code of Commercial Companies.

The internal organisation of Grupa Kęty S.A. results from the organisational regulations, which define, among other things, the manner of managing the Company affairs as well as performing tasks and competencies at the particular management levels, with the use of internal legal acts indicated in the regulations, e.g. resolutions of the governing bodies of the Company, regulations, internal orders, instructions, procedures and policies. All internal documents related to the operations of the Company may be found on the OrangeBook platform. The particular areas of operation of the Company and the Capital Group are managed by Members of the Management Board, working under the leadership of the President of the Management Board and appointed by the Supervisory Board. The Management Board are assisted in their activities by the Management Board Bureau, whereas the detailed principles of operation are determined in the adopted Management Board By-law.

In 2024 there were not made any major changes in the distribution of responsibility among the particular Management Board Members reflected in the below chart, which was valid on the balance-sheet date.

CHART 6: INTERNAL DISTRIBUTION OF RESPONSIBILITY AMONG MANAGEMENT BOARD MEMBERS

Internal distribution of responsibility for the particular areas of the Company operations among the Management Board Members

Dariusz Mańko	Roman Przybylski	Rafał Warpechowski	Piotr Wysocki	Tomasz Grela
President of the Management Board CEO	Vice President of the Management Board in charge of Investments and Development	Member of the Management Board in charge of Finance	Member of the Management Board in charge of the Extruded Products Segment	Member of the Management Board in charge of the Aluminium Systems Segment
• Directing the Management Board's work • Coordination of the operating segments activities • Sustainable development (ESG) • Human resources (HR) and occupational health and safety (OHS) • Internal audit • Legal service • Dialogue with the stakeholders • Supervision of strategic affairs at the Flexible Products Segment (FPS)	• Supervision of sales strategy implementation and creation of sales strategies in new areas • Creation of development strategies, including through mergers and acquisitions (M&A) projects • Creation and supervision of investment strategy • Cooperation with other operating segments	• Accounting and statutory reporting • Controlling and management reporting • Treasury and insurance affairs • IT • Risk (ERM) and compliance management • Investor relations (IR) • Corporate supervision and capital investments • Supervision of strategic affairs of the Shared Services Centre (accounting and payroll services) and cooperation with other operating segments	• Supervision and implementation of strategic and operational affairs at the Extruded Products Segment (EPS) • Energy policy • Cooperation with other operating segments	• Supervision and implementation of strategic and operational affairs at the Aluminium Systems Segment (ASS) • Cooperation with other operating segments

Source: Company own materials.

On 5 December 2024, the Supervisory Board of the Company received information that President of the Company Management Board Dariusz Mańko does not intend to run for another term at the Management Board. Therefore, on 5 December 2024, the Supervisory Board passed a resolution on appointing the current Vice President of the Management Board, Mr Roman Przybylski, President of the Management Board. The resolution comes into force in 2025, on the day next following the expiry of the term of the Management Board Members of the current term, i.e. post the Annual General Meeting of the Company which is to approve the financial statements of the Company for the year 2024.

The Capital Group applies a management model based on the systems of:

- internal control,
- risk management and compliance (ERM and Compliance),
- internal audit.

The model defines roles and duties within the particular systems, the efficiency of which is supported by management staff supervision, i.e. the Management Board and the Supervisory Board of the Company.

Within the internal control system there were established and designed key organisational and process solutions, which make up the framework of the system operation. The OrangeBook platform, being a repository of the binding regulations, is an element of the internal control system supporting the proper performance of processes. It is a basis for the introduction of specific internal regulations in that regard at the particular organizational levels of process areas. The current monitoring and assessment of the system solutions are carried out, including verification of the Capital Group's procedures and policies compliance at least once a year. In the review process, the integrity of the standards applied by the Capital Group or departures from the standards set out by Grupa Kęty S.A. is confirmed, and also reasons for departure are determined and justified.

Detailed information on the functioning of internal audit, compliance and risk management has been presented in Section 3.4 of the Report.

3.4 Internal audit, compliance and risk management at the organisation

3.4.1 Risk management

Risk management within the Capital Group is implemented based on the adopted policy, which makes it an integral part of all processes and a major element affecting the decisions made. The basic objective of the policy is to implement mechanisms that will enable the earliest possible risk identification, limitation of its probability as well as the potential consequences representing a threat to the goals of the Capital Group.

The risk management process leads to:

- providing complementary expert knowledge in monitoring and prevention of the negative consequences of risk realisation;
- continuous improvement of the risk management process at the Capital Group;
- provision of relevant information to the Management Board and Supervisory Board of Grupa Kęty S.A. on the threats within the organisation and in its environment.

Risk management is implemented at the level of the Capital Group, the operating segments, and the particular companies. The process covers for example:

- determination of the maximum acceptable risk level;
- identification of risk areas and assessment of their influence on business decisions;
- creation, maintenance, and improvement of the processes of risk identification, assessment and monitoring;
- inclusion of risk management in business processes, as well as decision-making processes;
- determination of management priorities and effective use of resources;
- implementation of processes ensuring business continuity in case of extraordinary situations;
- creation of risk management framework within the performed projects;
- assessment of risk related to regulatory environment, and supporting the compliance function in ensuring operations compliant with the binding legal regulations;
- identification and ensuring control over financial risk areas;
- implementation of control mechanisms (blockers), which limit the probability and consequences of risk occurrence.

Responsible for the implementation of the risk management system in compliance with the adopted policy as well as monitoring is the Management Board of Grupa Kęty S.A., supported by the Risk and Compliance Committee. The risk management system is monitored by the Supervisory Board of Grupa Kęty S.A. In 2024, the Risk Management and Compliance Director was responsible for supervision of the proper functioning of the risk management process.

Risk management takes place at three levels:

- the Capital Group (GKK) – refers to strategic and operating risks related to GKK as a whole, and other risks subject to consolidation at GKK level;
- Operating Segment – refers to Segment risks and risk directly related to the respective Segment;
- Company/Location – refers to specific risks applicable to the respective company or location, which do not apply to the whole GKK or a segment.

Identified risk are classified in reference to the risk nature:

- strategic risks are risks of the highest rating which threaten the strategic objectives of the Group;
- operating risks are other risks considered to be important, which do not fulfil the definition of a strategic risk;
- financial risks (market risks) are risks resulting from market factors which are independent of the organisation, such as foreign exchange rates, prices of materials, interest rates, value of taxes, fees, and customs duties;
- project risks are risks related to project performance, for example delays, failures or limited advantages compared to assumptions;
- reputation risks are risks related to the negative assessment by stakeholders; they do not have a direct financial impact on the assumed goals, but may generate such impact indirectly;
- ESG (Environmental, Social and Governance) risks are ones which an organisation may encounter in relation to environmental, social and governance issues.

In 2024, there were held 11 meetings of the Risk and Compliance Committee, in which:

- the risk matrices updated during the annual risk review were discussed and recommended for approval;
- the risks of ESG nature (due to their double materiality) were discussed and recommended for implementation in the risk management process;
- the concept of changes in the risk management procedure were discussed and approved; the changes included a new risk matrix template comprising three time horizons, i.e. short-term (up to 1 year), medium-term (between 1 and 5 years), long-term (over 5 years), description of a scenario assumed for risk assessment, risk materialisation consequences, risk assessment method, and a description of the principles of conduct in case of risk materialisation;
- the Key Risk Indicators (KRIs) were discussed, which serve the monitoring of defined risk materialisation and are reported within the accepted frequency intervals;
- the principles of operation and functionalities of an application enabling the registration of significant risks and opportunities, as well as risks assessment and reporting in the form of the adopted indicators were discussed.

The results of the work and recommendations issued by the Risk and Compliance Committee are each month shared with the Management Board of the Capital Group and regularly discussed at the Supervisory Board meetings.

As a result of the annual risk review carried out in 2024 there was prepared a list of risks that are major to the Capital Group. The applied general risk rating (scale from 1 to 125) is the product of three parameters assessed at the scale of 1 to 5:

- probability,
- financial impact,
- reputation-related impact.

Based on the carried out assessment, risks are rated as low or acceptable (scored at up to 8 points), medium or requiring control (scored at 8 to 24 points), and high or critical (scored at over 24 points).

Blockers intended to keep the risk at acceptable level or reduce the risk are assigned to each type of risk. The effectiveness of the introduced mitigants is assessed with the use of KRIs reported with varied frequency, which reflect the risk level in reference to the assumed critical level.

In 2024, the Risk and Compliance Committee recommended adoption of the risk register containing 40 risks, of which 26 risks major to the Capital Group. Each identified risk has an assigned risk owner.

Below presented are the high and medium rated risks of the Capital Group in 2024, together with the updated risks levels for the short-term (up to 1 year), medium-term (between 1 and 5 years), long-term (over 5 years) time horizons, and identification of a change in the risk rating for short-term perspective compared with the preceding year.

TABLE 4: HIGH AND MEDIUM RATED RISKS OF THE CAPITAL GROUP

No.	Name	Area	Risk rating	Comment
1	Risk of disturbances or breaks in IT infrastructure operation	IT	Short-term: High Medium-term: High Long-term: High	The risk of IT systems failure which may result in downtimes or inability to perform tasks by the business units. The risk rating has **not changed** compared with the preceding year.
2	Risk of effective cyber attacks	IT	Short-term: High Medium-term: High Long-term: High	Rapid growth of cyber threats is related to a growing number of attacks resulting in the risk of IT systems being stopped or destroyed, which may cause downtimes or inability of business units to complete their tasks. The risk rating **grew** compared with the preceding year due to the higher number of security-breaching incidents and cyber attacks on organisation after the outbreak of the armed conflict in Ukraine, as well as external development of technology and cloud solutions.

3	Risk of incidents regarding personal data protection	HR	Short-term: High Medium-term: High Long-term: Medium	Risk of improper personal data securing. The risk rating **grew** compared with the preceding year due to the higher number of security-breaching incidents after the outbreak of the armed conflict in Ukraine.
4	Risk of IT infrastructure inadequacy for strategic goals	IT	Short-term: High Medium-term: High Long-term: High	Risk of IT infrastructure condition being inadequate to the needs and strategy of the Group. The risk rating has **not changed** compared with the preceding year.
5	Risk related to cloud infrastructure utilisation	IT	Short-term: Medium Medium-term: High Long-term: High	Risk related to data leakage, data loss or limited access to cloud-stored data. The risk rating **dropped** compared with the preceding year due to implementation of engineering solutions (including multifactor authentication), high level of availability and security of cloud resources.
6	Risk of profitability loss	Finances	Short-term: Medium Medium-term: High Long-term: High	The risk of profitability loss as a result of financial risks related to instability of financial and commodity markets results from the fact that the Capital Group companies carry out exports, imports, sales and purchases based on variable prices depending on FX rates (denominated transactions). The prices of base materials, including aluminium for the EPS and the ASS, and petrochemicals for the FPS, undergo changes on the world's markets, which is translated into changes in the costs of production and finished products prices. The risk rating **dropped** compared with the preceding year due to inclusion in the risk assessment of financial markets uncertainties, sales levels forecasts within short-term horizon, possibility to adjust hedging instruments to the needs of the organisation, and becoming accustomed to the armed conflict in Ukraine.
7	Risk of ineffective ownership supervision of assets	General corporate	Short-term: Medium Medium-term: Medium Long-term: Medium	Risk of high-value assets loss (liquidation, disposal), necessity to recognise assets impairment. The risk rating **grew** compared with the preceding year, due to the acquisition of SELT Sp. z o.o.
8	Risk of failure in the implementation of an IT system or possession of an unsupported system	IT	Short-term: Medium Medium-term: Medium Long-term: N/A	Risk of failure in the implementation of an ERP class IT system or possession of a system unsupported by the developer. The risk rating has **not changed** compared with the preceding year.
9	Risk of ineffective receivables management policy	Finances	Short-term: Medium Medium-term: Medium Long-term: Medium	Risk of losing receivables of significant value, necessity of recognising provisions as a result of, for example, high sales concentration, faulty customer analysis, insufficient security. The risk rating **dropped** compared with the preceding year due to inclusion of quantitative models in risk assessment, covering for the average share of hedged receivables and unhedged receivables.
10	Risk of non-compliance with the principles of ethics	CSR	Short-term: Medium Medium-term: High Long-term: High	Risk of tarnishing the Company's reputation as one operating in compliance with ethical business principles and, thus, inability to cooperate with companies for which ethical values are major in their operational policy. Consequent possible claims against the Company or tarnished reputation. The risk rating has **not changed** compared with the preceding year.

11	Risk of staff shortages	HR	Short-term: Medium Medium-term: Medium Long-term: High	Risk of appropriate staff shortages which may result in a failure to secure business areas with regard to the performance of strategic and operating goals and/or failure to comply with legal requirements or customers' expectations. The risk rating **dropped** compared with the preceding year due to consideration of hedging and procedures implemented in the preceding years in the risk assessment, including procedures implemented during the pandemics, which considerably limited the negative consequences of staff shortages (fast reaction to the foci of infection, cooperation with temporary employment agencies, remote work, preventive actions, extension of back-up staff).
12	Risk of loss of competitiveness as a result of the economic transition to zero emission	CSR	Short-term: Medium Medium-term: High Long-term: High	Risk of loss of competitiveness as a result of the economic transition to zero emission, i.e. exclusion from the market as a result of failure to offer products with low carbon footprint. **New risk**
13	Risk of the failure to ensure recovery and recycling of packaging	Quality systems	Short-term: Medium Medium-term: Medium Long-term: High	Risk of the failure to ensure recovery and recycling of the marketed/imported packaging or failure to achieve the required recycling levels bringing about a negative impact on the environment, economy or reputation of the organisation. **New risk**
14	Risk of the lack of effective compliance system, including the risk of breaching international sanctions	General corporate	Short-term: Medium Medium-term: High Long-term: High	The risk that the operations of the Company will not comply with the legal regulations results from a failure to abide by legal acts, ordinances, laws or internal standards, policies, codes of conduct, which exposes the Company to paying fees. The risk rating **grew** compared with the preceding year due to risk extension for the risk of breaching sanctions regulations.
15	Risk of inappropriate inventory management policy	Production and quality systems	Short-term: Medium Medium-term: Medium Long-term: Medium	Lack of proper inventory management policy poses a hazard for the continuity of production and timely order completion, consequently leading to negative financial results and loss of customers' trust. The risk rating has **not changed** compared with the preceding year.
16	Risk of non-performance or lack of strategy update in the sustainable development area	CSR	Short-term: Medium Medium-term: High Long-term: High	Risk of damage to the Company's reputation as one operating in compliance with the idea of sustainable development and, thus, inability to cooperate with companies for which the idea is major in their operational policy. Simultaneous risk of legal and financial consequences. The risk rating has **not changed** compared with the preceding year.
17	Risk of non-compliance with tax regulations	Accounting	Short-term: Medium Medium-term: Medium Long-term: Medium	The risk of fines imposed by the Tax Office (PIT, CIT, VAT) or local authorities (e.g. municipal authorities – tax on real estate). The risk rating has **not changed** compared with the preceding year.
18	Risk of credibility loss by the Company due to mandatory exclusion from listings at the Warsaw Stock Exchange	Communication	Short-term: Medium Medium-term: Medium Long-term: Medium	Adoption of a resolution by the Management Board of the Warsaw Stock Exchange to delist the Company shares as a result of violation of the Warsaw Stock Exchange regulations, including disclosure obligations, lack of transactions in the Company shares for a period of three months, undertaking by the Company of activities prohibited by the binding laws, which may result in civil claims against the Company and its managers for acting to the detriment of the Company or shareholders, increased costs of finance as a result of the Company reputation tarnishing, or penalties imposed by the Management Board of the Stock Exchange. The risk rating has **not changed** compared with the preceding year.

19	Risk of malfeasance, understood as actions or omissions in breach of the legal regulations	General corporate	Short-term: Medium Medium-term: Medium Long-term: Medium	Purposeful actions or omissions in breach of the generally binding laws, as a result of which the perpetrator obtains illegal gains, causing losses or failure to attain the assumed results (fraud, theft, misuse, etc.). The risk rating has **not changed** compared with the preceding year.
20	Risk of being unprepared to continuity loss	Production and quality systems	Short-term: Medium Medium-term: Medium Long-term: Medium	Risk of being unprepared for continuity loss resulting in long-term operations suspension, including inability to use a production or warehouse building, lack of resources (e.g. semi-products), shortage of human resources, long-term failures and engineering downtimes. The risk rating has **not changed** compared with the preceding year.
21	Risk of missing effective supply chain	Purchases	Short-term: Medium Medium-term: Medium Long-term: Medium	Risk of discontinuity of supplies resulting in shortages of materials/production goods/sales goods. The risk rating has **not changed** compared with the preceding year.
22	Risk of polluting the environment	Production and quality systems	Short-term: Medium Medium-term: Medium Long-term: Medium	Risk of polluting the environment as a result of the operations carried out, resulting in the plant closure and high administrative penalties imposed on the operations causing water, air or soil pollution with substances or radiation in quantities or in the form which may threaten human life or health, or bring about water, air or soil quality deterioration, or significant damage to fauna or flora. The risk rating **dropped** compared with the preceding year due to fulfilment by Grupa Kęty of the legal requirements with regard to environmental protection, previously recorded environmental incidents and consideration of the actual reputation-related impact felt by companies which pollute the environment.
23	Risk of extraordinary events occurrence	Production and quality systems	Short-term: Medium Medium-term: Medium Long-term: Medium	Risk of operations disturbance or break as a result of losses originating from an extraordinary event (e.g. fire, hurricane, whirlwind, rockburst, building catastrophe, lightning stroke, earthquake, motor vehicle impact, aircraft crash, explosion, meteorite fall), or natural disaster (e.g. drought, heavy snowfall, extreme heat or frost, storm, flood, hail). The risk rating has **not changed** compared with the preceding year.
24	Risk of breaching human rights in the value chain	CSR	Short-term: Medium Medium-term: Medium Long-term: Medium	Risk of breaching human rights in the value chain, specifically with regard to employment and remuneration conditions, freedom of association, work and life balance, equal treatment of women and men, prevention of violence and mobbing at the place of work, child labour, forced labour, and right to privacy. **New risk**
25	Risk of accidents at work	Production and quality systems	Short-term: Medium Medium-term: Medium Long-term: Medium	Risk of accidents at work, health impairment, and occupational diseases. The risk rating **grew** compared to the preceding year due to the extension of the scope of the risk to all accidents at work, contrary to the previous inclusion of only fatal accidents or ones that cause permanent health impairment.
26	Risk of non-attainment of the expected sales	Sales & Marketing	Short-term: Medium Medium-term: Medium Long-term: Medium	The risk that budget assumptions and, in consequence, the result/profit will not be achieved, drop in the number of active customers, threat to strategies and planned projects performance. The risk rating has **not changed** compared with the preceding year.

Details concerning financial risk management are presented in note 32 to the consolidated financial statements of the Capital Group of Grupa Kęty S.A. for the year 2024.

3.4.2 Compliance

One of the main areas of uncertainty in the business environment are changes in law, both domestic and international, particularly in the European Union, which affect the operations of the Capital Group. New regulations may lead to new obligations in relation to contractors and suppliers, and may also result in new or tightened requirements with regard to production, logistics or corporate matters.

In addition to changes of legislative nature, another area of risk in terms of legal compliance is the interpretation of the law, both at the stage of determining interpretation within the proceedings conducted by state authorities, and changing the established lines of interpretation, for example as a result of case law or the issuance of a legal interpretation by an authority, which changes the interpretation practice in the relevant respect. Further, a failure to timely implement EU laws may also lead to difficulties in applying legal regulations.

Moreover, since the Russian aggression against Ukraine extremely important became the international sanctions imposed by Poland, the European Union and other countries on the specific entities and goods categories. The commitment of enterprises to abide by the growingly strict requirements and imposing additional requirements on them in that regard requires continuous building of competence and implementation of new solutions.

Being aware of the existence of risks with regard to law compliance, the Capital Group has taken measures to counteract the risk materialisation and mitigating its possible impact. At the Capital Group, the tasks related to compliance management system are centralised in the Compliance and Risk Management Department (Grupa Kęty Central Area), reporting to the Compliance and Risk Management Director (acting as Compliance Officer). At the segments, the system is supported by the appointed Compliance Coordinators.

One of the key tasks of the Compliance and Risk Management Department is to ensure that the organisation's activities comply with the changing legal environment, which is carried out through four main processes.

1. **Regulatory environment monitoring process**

The process focuses on identifying new legal regulations in Poland and the EU which may have a direct or indirect impact on the operations of the Capital Group. The objective of the process is to comply with the regulations even before their formal coming into force.

Regulatory environment monitoring takes place within daily review of the sources of Polish and EU laws. The Compliance Team identifies legal acts and legislative projects which may affect the Capital Group, carries out their initial analysis and with the use of an application informs the relevant Area Owners at the particular Segments about the potential changes in their scope of responsibility (then a Project Sheet is created in the Regulatory Environment Register). Further, adequate adjustment actions are implemented.

2. **Compliance management process**

The compliance management process is a mechanism for assessing a company's operations compliance with the binding regulations, and in case of non-compliance determination, for taking actions aimed at ensuring compliance at Segment/Capital Group level.

There are three basic stages:

- identification of non-compliance risks and their assessment;
- analysis and response (remedial measures);
- control and communication (reporting).

3. **Irregularities management process**

Within the process there are several levels/channels of reporting for persons identifying breaches of regulations, with one of the channels in place ensuring anonymity of the reporting persons.

Moreover, following the Act on Whistleblowers' Protection, in 2024 all Capital Group companies employing more than 50 people have adopted procedures of internal reporting and possess internal channels for reporting breaches of law available to whistleblowers. The internal reporting procedures provide clear principles of reporting irregularities, taking follow-up actions in relation to breaches and ensuring whistleblowers' protection.

4. Sanctions verification process

The sanctions verification process has been centralised at the Capital Group and is fully coordinated by the Compliance and Risk Management Department. Within the process control mechanisms enabling effective sanctions verification were implemented at the Capital Group, which also regulate the aspects of commercial activities and relations with both suppliers and contractors, ensuring compliance with the binding regulations.

The process comprises verification of contractors with regard to listing in the Polish, EU, US, UK and UN sanctions lists.

Such structured processes and centralisation of the compliance function make it possible to react to the emerging legal changes in advance, enabling the Capital Group to adapt to the new regulations.

Below presented are the selected Polish and European legal regulations that came into force in 2024 and have or may have effect on the operations of the Capital Group.

- **Act of 6 December 2024 on Amendment of the Act on Accounting, the Act on Statutory Auditors, Audit Companies and Public Supervision, and Some Other Acts (Journal of Laws of 2024, item 1863)**, which implements the regulations of the Corporate Sustainability Reporting Directive [CSRD] to the Polish legal order. The Act introduces amendments to the Act on Accounting with regard to ESG and reports on operations.
- **Act of 14 June 2024 on Whistleblowers' Protection (Journal of Laws of 2024, item 928)**, which requires all companies employing over 50 people to introduce special internal reporting procedures.
- **Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence and amending Directive (EU) 2019/1937 and Regulation (EU) 2023/2859 [CSDDD]**, which imposes the duties of due diligence in respecting human rights and environmental issues.
- **Regulation of the Council of Ministers of 18 December 2024 on Polish Classification of Activities [PKD] (Journal of Laws of 2024, item 1936)**, which introduces new classification codes PKD 2025 in place of the previous PKD 2007.
- **Act of 19 November 2024 on Amending the Act on Agricultural Tax, the Act on Local Taxes and Fees, and the Act on Fiscal Fees (Journal of Laws of 2024, item 1757)**, which introduces new definitions of the terms 'structure' and 'building' for the needs of the tax on property.
- **Act of 6 November 2024 on Top-up Taxation of Constituent Entities of Multinational and Domestic Groups (Journal of Laws of 2024, item 1685) ['Pillar II Act']**, which implements regulations regarding minimum 15% global top-up tax.
- **Regulation of the Minister of Finance of 16 August 2024 on Additional Data to be Added to the Books of Account to be Disclosed Under the Corporate Income Tax Act (Journal of Laws of 2024, item 1314) ['JPK_CIT Regulation']**, which determines the scope of additional data which need to be added to the books of account.
- **Act on Amendment of the Act on Electronic Delivery**, which postpones the duty of possessing an e-mail address for electronic delivery and conducting correspondence through e-Doręczenia electronic delivery box.
- **Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation and repealing Regulation (EU) No 995/2010 [EUDR]**, for which the entrance into force in 2024 was postponed and the new requirements related to deforestation are going to be implemented starting from 30 December 2025.

- **Act of 27 November 2024 on Amending the Act on Renewable Energy Sources and Some Other Acts (Journal of Laws of 2024, item 1847)**, which provides for the development of pro-consumer energy sector and adaptation of the Polish regulations to the regulations and guidelines of the European Commission.
- **Further packages of EU sanctions against Russia**, which introduced further restrictions on goods and transactions, and imposed sanctions on further persons and entities.

3.4.3 Internal audit

Grupa Kęty S.A. has an Internal Audit Department within the Central Area, whose objective, authority, accountability and principles of operation are defined by the adopted Internal Audit Rules and which, together with the Global Internal Audit Standards, the Group's Code of Ethics, the definition of internal audit and internal procedures, provide guidelines for the proper functioning of the Department.

The audit activities are managed by the Internal Audit Director, who reports functionally to the Supervisory Board of Grupa Kęty S.A. and administratively to the General Director of Grupa Kęty S.A. The Internal Audit Director has unlimited access to the Supervisory Board (Audit Committee), including the possibility to communicate with it without the participation of the Company management.

The purpose of internal audit is to provide independent, objective assurance and advisory services to add value to the organisation and improve its operations.

As part of its activities, it contributes to the overall stability and sustainable development of the organization by investigating, issuing objective assurance and advising the Supervisory Board/Audit Committee and the Management Board of Grupa Kęty S.A. with regard to operating effectiveness, reliability of reporting, compliance with laws, protection of assets and ethical culture. Independent assessment by internal audit refers to the adequacy and efficiency of the risk management process, corporate governance, internal control system, and compliance supervision.

The scope of internal audit activities and functions within the Capital Group includes, among other things:

- identifying, analysing and assessing significant risks in the specific business areas, processes, systems and projects as part of audit assignments;
- taking action during ongoing audit assignments and, as a result of them, supporting the identification of threats and determination of risk in business processes;
- reviewing and assessing the performance of the particular organisational units and systems in terms of their effectiveness, rationality and compliance with the Capital Group Strategy and internal regulations;
- providing the Management Board and Supervisory Board of Grupa Kęty with reasonable assurance that the achievement of key business objectives in the audited areas is not at risk;
- analysing and evaluating the existing controls in terms of their effectiveness in operating activities and exercising rational supervision;
- providing reasonable assurance as to the effectiveness of the internal control system, risk management, corporate governance, and compliance;
- preparing post-audit recommendations to improve the functioning of systems, risk management processes and controls in the audited areas;
- advising on system solutions and business process improvements;
- planning internal audit activities and reporting them to the governing and supervising bodies;
- cooperation with the supervising body;
- implementation of the above-mentioned activities at Grupa Kęty S.A. and its subsidiaries.

Internal audit operates on the basis of short-term planning in reference to the annual audit plan adopted by the competent authority, as well as on the basis of long-term audit plan drawn up for the period of 5 years, defining the direction of the Department's activities and development.

In 2023, in accordance with the guidelines of 'The Best Practice for GPW Listed Companies 2021' and the International Standards for the Professional Practice of Internal Auditing, an independent external assessment of the internal audit function was carried out.

The general assessment indicated that the Internal Audit Department's activity at Grupa Kęty S.A:

- **'generally conforms'** with the applicable *Standards for the Professional Practice of Internal Auditing* (hereinafter referred to as the '*Standards*') and the *Code of Ethics* issued by the Institute of Internal Auditors (*IIA*), and
- **'generally conforms'** with the recommended capital market practices (in the scope in which they refer to or depend on the internal audit function). The recommenced practices are: '*The Best Practice for GPW Listed Companies 2021*', '*Good Practices for Audit Committees 2021*' and '*Good Practices for Public-interest Entities regarding the principles of appointing, membership and functioning of audit committees*'.

Pursuant to the Quality Assessment Manual for the Internal Audit Activity issued by the Institute of Internal Auditors, the assessment scale comprises three levels: 'generally conforms' (minimum 80% of Standards fulfilled), 'partially conforms' (minimum 50% of Standards fulfilled), and 'does not conform' (less than 50% of Standards fulfilled). An identical scale has been assumed for assessment of conformance with the recommended capital market practices.

3.5 Remuneration of the managing and supervising persons, and information on securities held by them

The method of determining, calculating and paying remuneration to the members of Grupa Kęty S.A. governing and supervising bodies has been regulated in the Remuneration Policy of Grupa Kęty S.A. Management Board and Supervisory Board Members, adopted by resolution of the AGM No. 19/20 dated 20 August 2020, and amended by resolution of the AGM No. 18/2022 dated 25 May 2022, which may be found on the Company's corporate website at: https://grupakety.com/polityki/.

The solutions assumed in the Policy shall contribute to the execution of the business strategy as well as maintaining long-term interest and stability of the Company and the Capital Group, specifically by ensuring:

- full engagement in the fulfilment of functions at the Company;
- incentives to perform the assumed strategy and business plans, with balanced and responsible risk bearing;
- interest in the Capital Group and long-term binding to the Group of high-level specialists;
- the value of remuneration which is adequate to the financial and business results of the Capital Group, including the Company, as well as the level of responsibility;
- attitudes which exclude assumption of excessive risk when fulfilling the functions entrusted within the Company;
- transparency of the remuneration system and lack of discrimination.

Remuneration of the Company Management Board Members, and information on the Company shares held by them

The performance of the function of a Member of the Company Management Board takes place through the conclusion of an employment contract and appointment by resolution of the Company Supervisory Board. Management Board Members may be additionally employed based on an employment contract or appointed to act at the Management Board of the Capital Group companies, including within the managed and supervised Operating Segment.

Fixed remuneration of the Management Board Members is granted based on market analyses, specifically considering such elements as payroll benchmark against other stock-listed companies of similar structure, headcount, financial results or prices quoted at the Warsaw Stock Exchange.

The Remuneration Policy provides as well for granting variable remuneration dependent on the financial results generated by the Company/Capital Group/Operating Segment, performance of individual premium tasks, fulfilment of criteria regarding social interest, contribution to environmental protection and taking actions focused on the prevention of the negative effect of the Company operation. The variable part of the remuneration may not exceed 2.5 times the fixed part of the remuneration received jointly by the Management Board Member from the Company and any of the Capital Group companies under an employment contract or appointment to act at the Management Board of a Capital Group company.

The Management Board Members may also participate in long-term incentive plans (share options) in reference to the Company shares, the performance of which depends on the generation of both adequate financial results by the Capital Group and the rate of change of the Company share prices compared with the quoting of indexes on the Warsaw Stock Exchange.

In certain cases, the Company Supervisory Board may decide to grant a Management Board Member a discretionary award for the relevant year, at the maximum value of their double fixed gross monthly remuneration.

The Remuneration Policy also provides that Management Board Members may receive specific in-kind benefits.

Competition ban agreements are signed with the Members of the Management Board employed by the Company based on an employment contract – on mandatory basis during the term of the employment relationship, without any possibility to terminate the agreement; or either on mandatory basis or depending on the decision of the Supervisory Board also after the termination of the employment relationship. The competition ban after the termination of the employment relationship may be binding for the period of 12 to 15 months, counting from the termination date of the employment relationship with the Company, whereas the monthly instalment of the indemnity is 25% or more of the average monthly remuneration paid out in the last year of the employment contract term, up to 50% of the basic remuneration, however, it may not be lower in any case than 25% of the remuneration obtained by the employee before the employment relationship termination.

In the employment contract signed with Mr Roman Przybylski in 2023 there is a clause providing for severance pay worth six times the basic remuneration in case of the contract termination by the Company within the first 24 months of the contract term. As regards the other Members of the Management Board who acted in the Management Board of Grupa Kęty S.A. in 2024, there were no agreement signed which would provide for any compensation in the case of their resignation or dismissal from their positions for no important reason or where their dismissal would be related to the Company's merger by acquisition, except for the conditions included in the terms of notice or non-competition agreements.

TABLE 5: REMUNERATION OF THE COMPANY MANAGEMENT BOARD MEMBERS IN 2023 AND 2024

PLN '000	Fixed (basic) remuneration*		Variable remuneration**		In-kind benefits***		Total	
	2023	2024	2023	2024	2023	2024	2023	2024
Dariusz Mańko	1,421	**1,421**	3,198	**3,177**	6	**5**	4,625	**4,603**
Roman Przybylski****	-	**899**	-	**-**	-	**17**	-	**916**
Rafał Warpechowski	852	**852**	1,918	**1,905**	6	**6**	2,776	**2,763**
Piotr Wysocki	848	**848**	1,881	**1,895**	7	**7**	2,736	**2,750**
- of which remuneration from other companies of the Capital Group	*12*	***12***	-	**-**	-	**-**	*12*	***12***
Tomasz Grela:	827	**825**	1,566	**2,062**	6	**7**	2,399	**2,894**
- of which remuneration from other companies of the Capital Group	*647*	***645***	*588*	***1,149***	*6*	***7***	*1,241*	***1,801***
						Total	12,536	**13,926**

* Fixed remuneration comprises basic remuneration under employment contract, and remuneration for appointment among the Management Board Members.
** Variable remuneration comprises the annual incentive paid in the respective year in reference to the preceding year.
*** In-kind benefits comprise: Employee Pension Scheme (PPE) premium, health-care premium, subsidised sports card, Employee Capital Plans (PPK) premium, and monetary value of gratuitous benefit on account of using a business car for private purposes.
**** Acting as Vice President of the Management Board since 1 January 2024.

The variable remuneration of the Management Board Members paid out in 2024 (for the year 2023) comprised: as regards the President of the Management Board/General Director and Management Board Member/Financial Director – annual incentive partly depending on the value of fixed remuneration and EBITDA growth rate (profit on operating activities plus depreciation) and net profit growth rate generated by the Capital Group in the respective reporting year compared with the budget assumptions for that year. As regards the Management Board Members supervising the particular operating segments, the variable remuneration depended on both the parameters described above for the Capital Group, and the parameters of the supervised operating segment in equal parts.

A part of the Management Board Members incentive depended on the attainment of personal goals, mainly referring to introducing changes which improve the effectiveness of the Capital Group, supervision of compliance at the Capital Group and the Segments, as well as non-financial objectives with regard to GHG emissions reduction, performance of projects for local communities and reduction of the Total Recordable Incident Rate (TRIR).

Moreover, within 12 months ended 31 December 2024, a provision was established for the potential incentives for the Management Board Members in reference to 2024, to be paid out in 2025, in the total amount of PLN 9,173,000 (PLN 9,412,000 in 2024).

In accordance with the information provided as at the balance-sheet date, the persons managing the Company held 265,888 ordinary bearer shares of Grupa Kęty S.A., of which: Mr Dariusz Mańko – 173,363 shares (no shares directly and 173,363 shares indirectly through closely related entity of Seven Trees Family Foundation), Mr Rafał Warpechowski – 7,000 shares, Mr Piotr Wysocki – 58,873 shares (no shares directly and 58,873 shares indirectly through closely related entity of Wysoccy Family Foundation), Mr Tomasz Grela – 26,652 shares, Mr Roman Przybylski – 0 shares.

In 2024, the Issuer received notifications from the persons managing the Company regarding the Issuer's shares, and specifically:

- taking up by Mr Dariusz Mańko of 9,000 shares under the binding incentive plan, and further transfer of the shares as a donation to a closely related entity, i.e. Seven Trees Family Foundation;
- taking up by Mr Piotr Wysocki of 7,000 shares under the binding incentive plan, and further transfer of the shares as a donation to a closely related entity, i.e. Wysoccy Family Foundation;
- taking up by Mr Rafał Warpechowski of 7,000 shares under the binding incentive plan;
- taking up by Mr Tomasz Grela of 7,000 shares under the binding incentive plan, as well as sale of 2,096 shares on the regulated market.

The Company has been regularly performing incentive plans based on new-issue shares. Information on the current plans may be found in Section 8.5 of this Report.

Within the incentive plan adopted at the Extraordinary General Meeting on 13 December 2023, amending the principles of implementation of the plan which has been initially adopted by the General Meeting on 20 August 2020, the Management Board Members are eligible to acquire 30,000 F series warrants entitling to the take-up of L series ordinary bearer shares, of which: Dariusz Mańko – 9,000 warrants, Rafał Warpechowski – 7,000 warrants, Piotr Wysocki – 7,000 warrants, Tomasz Grela – 7,000 warrants, providing that the conditions specified in the plan rules are fulfilled. The fulfilment will be verified upon the approval of the financial statements for 2024 by the Annual General Meeting.

Under the incentive plan adopted by the Annual General Meeting on 21 June 2023, the Management Board Members held the right to acquire:

- 30,000 A series warrants entitling to the take-up of J series ordinary bearer shares, of which: Dariusz Mańko – 9,000 warrants, Rafał Warpechowski – 7,000 warrants, Piotr Wysocki – 7,000 warrants, and Tomasz Grela – 7,000 warrants, providing that the plan conditions are fulfilled. The fulfilment will be verified upon the approval of financial statements for 2025 by the Annual General Meeting;
- 31,500 B series warrants entitling to the take-up of J series ordinary bearer shares, of which: Dariusz Mańko – 7,000 warrants, Roman Przybylski – 6,500 warrants, Rafał Warpechowski – 6,000 warrants, Piotr Wysocki – 6,000 warrants, and Tomasz Grela – 6,000 warrants, providing that the plan conditions are fulfilled. The fulfilment will be verified upon the approval of financial statements for 2026 by the Annual General Meeting.

In the reporting year, owing to the fulfilment of the conditions specified in the plan rules, the Management Board Members were vested the rights to acquire E series warrants entitling to the take-up of L series ordinary bearer shares in the number identified in the below paragraph.

In the year covered with the Report, the Management Board Members took up:

- 30,000 D series warrants entitling to the take-up of K series ordinary bearer shares, of which: Dariusz Mańko – 9,000 warrants, Rafał Warpechowski – 7,000 warrants, Piotr Wysocki – 7,000 warrants, and Tomasz Grela – 7,000 warrants, and they took up the K series shares in the equivalent numbers;
- 30,000 E series warrants entitling to the take-up of L series ordinary bearer shares, of which: Dariusz Mańko – 9,000 warrants, Rafał Warpechowski – 7,000 warrants, Piotr Wysocki – 7,000 warrants, and Tomasz Grela – 7,000 warrants.

The Management Board Members do not possess shares or interest in the Company subsidiaries or affiliates.

Remuneration of the Company Supervisory Board Members, and information on the Company shares held by them

A Member of the Supervisory Board may receive remuneration from the Company for the fulfilment of function in the supervising body solely in the form of a fixed, flat-rate monthly gross amount. The value of the monthly gross remuneration of a Member of the Supervisory Board is determined in reference to the average monthly remuneration announced by the President of the Central Statistical Office [GUS] for the last month of the quarter preceding the payment of remuneration (hereinafter referred to as the 'Average Monthly Remuneration') and equals, respectively:

- for the Chairman of the Supervisory Board – 3 times the Average Monthly Remuneration;
- for the Deputy Chairman of the Supervisory Board – 2.5 times the Average Monthly Remuneration;
- for the other Supervisory Board Members – 2 times the Average Monthly Remuneration.

Additionally, the Supervisory Board Members receive monthly remuneration on account of the work on the Supervisory Board Committees:

- Chairman of the Audit Committee – monthly gross remuneration of PLN 5,000;
- Chairman of the Nomination and Remuneration Committee – monthly gross remuneration of PLN 1,000;
- Member of the Committee – monthly gross remuneration of PLN 500.

The remuneration of the Supervisory Board Members is granted based on relevant resolutions of the Company General Meeting.

The table below presents the value of remuneration paid to the Company Supervisory Board Members in 2023 and 2024, comprising additional in-kind benefits (Employee Capital Plans [PPK] premiums).

TABLE 6: REMUNERATION OF THE COMPANY SUPERVISORY BOARD MEMBERS IN 2023 AND 2024

PLN '000	2023	2024
Przemysław Rasz	189	266
Piotr Stępniak	284	277
Piotr Kaczmarek	292	283
Wojciech Golak	192	209
Marek Mikuć (since 29/05/2024)	-	121
Grzegorz Piwowar (since 21/11/2024)	-	22
Przemysław Gardocki (from 29/05/2024 to 08/10/2024)	-	74
Paweł Niedziółka (to 29/05/2024)	192	87
Anna Włoszek (to 29/05/2024)	192	87

The Supervisory Board Members of Grupa Kęty S.A. do not hold Grupa Kęty S.A. shares and are not eligible to participate in incentive plans related to the Company shares.

The Supervisory Board Members do not possess shares or interest in the Company subsidiaries or affiliates.

None of the Capital Group companies has commitments related to retirement payments or other payment of similar nature regarding the current or former members of the managing and supervising bodies.

4. CAPITAL GROUP DEVELOPMENT STRATEGY

4.1 Basic assumptions of the Capital Group development strategy

On 16 December 2020, the Management Board of Grupa Kęty S.A., in report No. 65/2020, presented the Development Strategy of Grupa Kęty S.A. Capital Group for the years 2021–2025, which was later updated in report No. 28/2021 of 30 July 2021 (hereinafter referred to as the 'Strategy'). The Strategy is based on four pillars compliant with the Mission, Vision, and Values of the Capital Group:

- growth of r□v□□u□b□yo□d th□growth rat□o□th□mark□t□i□whi□h th□Group op□rat□;
- high op□rati□g profitability;
- p□rforma□□□of d□v□lopm□□t proj□□t;
- environmental and social responsibility.

When working on the Strategy, the main market, environmental and regulatory trends affecting the particular segments of the Capital Group were analysed, the pace of market development estimated and the optimal development scenario in the opinion of the Company Management Board for each of the operating segments determined. The basic conclusion during the work was a confirmation that the Capital Group Segments operate on attractive and prospective markets, whereas the potential generated during the performance of the 2015-2020 Strategy enables further organic development.

Taking into account the above, the Company Management Board assumed operating and financial results as well as, for the first time ever, assigned parameters and presented the commitment in the ESG area (Environmental, Social and Corporate Governance) in the form of sustainable development goals, which comprises the impact on the environment, safety and development of the Company employees, responsibility within the supply chain and engagement in local communities among the key elements of the Strategy performance.

4.2 Development strategy of the particular operating segments

The **Strategy of the Extruded Products Segment** assumes systematic increase of share in the European market through:

- doubling the sales of processed products, i.e. components for the automotive and transport sectors by 2025;
- □l□□tiv□□xpa□□io□o□th□targ□t Europ□a□mark□t□(i□t□□ifi□d □al□□a□d mark□ti□g a□tiviti□□);
- systematic increase of production capacity to the level of about 125,000 tons in 2025, which enables higher flexibility in customer service.

The estimated average annual pace of market development in the period 2021–2025 was determined at the level of the average 2% a year, whereas the Segment plans to generate about 9%. One of the Segment priorities is the maintenance of high level operating profitability with growing revenues, thanks to utilisation of its production capacity and a continuous efficiency improvement process. Assumed has been the generation of over 10% EBITDA growth per employee in the period of the Strategy performance. About 58% of the whole capital expenditure budget of the Segment for the years 2021–2025, amounting to PLN 692 million, will be spent on development projects. The rest of the budget will be spent on current maintenance of infrastructure and production potential.

Owing to high market share in Poland, the sales development of the **Aluminium Systems Segment** within the Strategy horizon is based mainly on:

- for□ig□□al□□i□t□□ifi□atio□;
- extension of the offer for new products, e.g. internal or fire-r□i□ta□t partitio□□tru□tur□;
- i□v□□tm□□t i□a□tiviti□□whi□h □xt□□d th□□hai□of th□□r□at□d valu□;
- extension of the product offer as well as technical and sales support focusing on individual construction business.

The average annual market growth rate was estimated at the average of about 3% a year (by value). It is, however, the ambition of the Segment to generate roughly 9%. The Aluminium Systems Segment has strived to maintain high operating profitability thanks to systematic improvement of operations effectiveness. EBITDA per employee will increase by 6% in the Strategy period. Development investment projects will represent approximately 66% of the PLN 492 million allocated to projects in the Strategy period.

Owing to a series of changes in the market environment, the **Flexible Packaging Segment** has based its Strategy on the existing production potential. Capital expenditures have been optimised to PLN 82 million in the Strategy period. That will ensure maintenance of flexibility as well as efficient utilisation of plant and machinery. Despite the above, considering the adjustment of the base year (2020) due to one-off positive effect of the world's economy lockdown(*), sales goals are equally ambitious as in the other Segments. It has been assumed that the average annual sales growth will be 4.4% in the Strategy period compared with the expected 2% market growth in that period. Over 10% EBITDA growth per employee is assumed for the Strategy period.

(*) The aforesaid one-off positive effect of the lockdown resulted from breaking the supply chains from the Far and Middle East, mainly in the second and third quarters of 2020, which has brought about a significant limitation of imports from those directions, with simultaneous benefit to the European manufacturers, including the FPS. In that period it was possible to generate outstanding results of operation. The effect was estimated as PLN 66 million of sales revenue, PLN 60 million of EBITDA, and PLN 51 million of net profit.

4.3 ESG and sustainable development activities

Apart from the business objectives, the Capital Group has also determined a series of tasks and parameters within the ESG area, which are to be implemented and monitored in the Strategy period. These include:

- reduction by 25%* of the value of greenhouse gas emissions per production unit(1);
- increase to 75% of the share of aluminium scrap in the products made of soft alloys, extruded from low-emission billets;
- growth of the share of the manufactured packaging films and laminates fit for recycling by 5%(2);
- increase by 77% in the number of certified energy-efficient, passive buildings constructed with Aluprof systems(2)**;
- reduction of the Total Recordable Incident Rate (TRIR)(3) to less than 1 in the area of occupational health and safety(2);
- improvement of the status of an attractive employer measured by the reduced year over year staff turnover ratio by 5%;
- performance of 261*** projects for local communities within the 'Together with the Group' voluntary actions and grants programme (2);
- sharing the generated profit with shareholders in accordance with the dividend policy;
- covering qualified suppliers with the provisions of the Suppliers Code of Conduct.

(1) Base year 2016, Scopes 1+2 (direct and indirect emission).
(2) Base year 2020.
(3) Total Recordable Incident Rate is defined as the number of injuries per 100 workers at a respective employer during a one-year period.

* Change in the indicator value from 15%.
** Change in the indicator value from 20%.
*** Change in the indicator value from 150.

4.4 Financial goals planned for the Strategy period

The Company Management Board estimated that as a result of accomplishment of the operating tasks, upon consideration of the investment plan update of 30 July 2021, the consolidated revenue will increase by PLN 1.6 billion by 2025, reaching the level of PLN 5.1 billion, EBITDA will grow by PLN 252 million, to PLN 864 million, and net profit will grow by PLN 129 million, reaching the level of PLN 508 million in 2025.

TABLE 7: FINANCIAL GOALS FOR THE YEAR 2025

Consolidated data (PLN million)	2020 (1) base year	2025F*	Change 2025 / 2020 (1) (%)
Sales	3,467	5,143	+48%
- of which EPS	*1,280*	*2,072*	*+62%*
- of which ASS	*1,605*	*2,286*	*+42%*
- of which FPS	*872*	*1,070*	*+23%*
EBITDA(2)	612	864	+41%
Net profit on operating activities	466	650	+39%
Net profit(3)	379	508	+34%

*Figures post the update of 30 July 2021.

(1) Data adjusted for one-off positive effect of lockdown generated by the FPS in the period from March to October 2020, resulting from lower plastic film imports from Middle and Far East to Europe, in the amount estimated at PLN 66 million of sales revenue, PLN 60 million of EBITDA and EBIT, and PLN 51 million of net profit (calculated based on the effective tax rate for 2020).
(2) EBITDA – operating profit plus depreciation and amortisation.
(3) Net profit attributable to owners of the parent.

Below presented are some selected assumptions, expectations and forecasts made in the financial projections for the Strategy period:

- in the Strategy period the business conditions will not change significantly, specifically as regards legal, tax a□d admi□i□trativ□r□gulatio□;
- no extraordinary one-off events will occur, which could not have been foreseen as at the date of this Strat□gy publi□atio□;
- the situation related to SARS-CoV-2 coronavirus spreading will not significantly affect the operating a□tiviti□□of th□parti□ular □□gm□□t□;
- the dividend paid out will □omply with th□poli□y a□□um□d i□thi□Strat□gy;
- □apital □xp□□ditur□will □omply with th□pla□a□□um□d i□thi□Strat□gy;
- th□Strat□gy do□□□ot i□□lud□a□y major a□qui□itio□or div□□tm□□t pro□□□□□;
- macroeconomic assumptions:
  - average annual GDP growth rate in Poland/in the Euro zone in the Strategy period: ca. 4.9%/6.0% in 2021, and ca. 3.7%/1.6%, respectively, in the years 2022-2025;
  - annual inflation (Poland): 1.5% in 2021 and 2.1% in the years 2022–2025;
  - average aluminium price: 1,900 USD/to□;
  - PLN/USD mean exchange rate: 3.69;
  - PLN/EUR mean exchange rate: 4.35;
  - USD/EUR mean exchange rate: 1.18.

The above financial goals for 2025 have not been audited by a statutory auditor and have been prepared based on a series of assumptions, expectations and forecasts and are, therefore, subject to the risk of uncertainty and may change due to both external and internal factors.

4.5 Debt level, investment plans and their financing

TABLE 8: ASSUMED DEBT LEVEL, CASH FLOWS ON OPERATING AND INVESTING ACTIVITIES, AND VALUE OF DIVIDEND PAID OUT IN THE STRATEGY PERIOD

PLN million	Accumulated data for 2021-2025*
Cash flow from operating activities	2,927
Cash flow from investing activities	-1,321
Dividends paid out	-2,002
	Balance as at the end of 2025
Net debt	919

*Figures post the capital expenditure plan update of 30 July 2021.

The planned accumulated capital expenditure in the Strategy period will amount to PLN 1,321 million, out of which PLN 768 million will be allocated to development projects serving systematic improvement of processes as well as development of new technologies and products in accordance with the operating tasks assumed by the Capital Group Segments. The capital expenditure plan will be financed from own cash flow from operating activities and from bank loans, whereas safe level of financial ratios shall be maintained during the Strategy period.

Considering the planned net debt level at the end of 2025, estimated at PLN 919 million, the financial ratios shall remain at safe level of:

- □□t d□bt to EBITDA x 1.1;
- net debt to equity 48%.

4.6 Dividend policy

The Strategy assumes maintenance of stable dividend policy in the years 2021-2025, in accordance with which 60-100% of consolidated net profit generated in the preceding year shall be paid out to the shareholders. In the Strategy it has been assumed that the average annual payout will amount to 85% of consolidated net profit generated in the preceding year. Moreover, the assumption is that in the years 2021-2025 dividend of about PLN 2.0 billion will be paid out, which means a growth of about PLN 0.8 billion compared to the period of 2016-2020. In reference to one share, the amount is going to be about PLN 200, which will provide the shareholders with the average 7% return on shares (with the price per share of PLN 585).

When preparing the recommendation for the General Meeting with regard to the amount of dividend allocated to payout, the Company Management Board shall consider, among other things, the current and expected financial standing of the Capital Group, the amount of dividends to be received by the Company from its subsidiaries, and the value of the actual capital expenditure to be incurred in the year of the dividend payout.

4.7 Other major elements of the Strategy

The Strategy assumes organic development of the Grupa Kęty S.A. Capital Group Segments at the rate exceeding the estimated growth rates of the particular markets.

Safe financial ratios and the assumed high cash flow from operating activities in the Strategy period will enable to avail of the possible acquisition opportunities in the area related to the basic scope of the Capital Group activities, which is manufacturing of aluminium-based products and systems.

The Strategy included as well the process of identifying interest among the potential investors in acquiring the Flexible Packaging Segment of the Capital Group of Grupa Kęty S.A. The process was carried out in 2021 in liaison with an advisor. On 16 September 2021 the Management Board of the Company informed about its decision on rejecting the received offers for the Segment acquisition and closure of the process.

4.8 Accomplishment of the Strategy main goals

In the opinion of the Management Board of Grupa Kęty S.A., as at the end of 2024, the main goals of the Capital Group Development Strategy for 2021–2025 were accomplished. The individual operating segments had been consistently implementing the sales, operating and financial assumptions adopted in the Strategy, and specifically they had completed their major projects improving production capacity with regard to aluminium processing, despite unstable economic and macroeconomic environment prevailing since the announcement of the Strategy, which was contributed to by the effects of the pandemic (e.g. problems with supply chains), the outbreak of war in Ukraine early in 2022 (e.g. high prices of raw materials and their limited availability), high inflation in Poland and worldwide in the years 2022-2023 and the resulting higher interest rates (e.g. more difficult and expensive access to financing, higher costs of running business) and the slow-down experienced in 2023 and 2024 in the Polish economy and economies of the European markets of key importance to the Capital Group. Skilful use of the said challenges enabled the Group to exceed the expected financial results in the years 2021-2024, respectively. With regard to accomplishment of the financial and operating goals set forth in the binding Strategy, the Management Board of the Company commenced working on a new strategy and formulating operating and financial goals for the subsequent years.

Further, ESG objectives have been defined for the process of improving and adapting the Capital Group to the changing market environment and expectations in terms of environmental, social and governance impact. Information on the status of meeting the targets in the area of ESG and sustainability are presented in Section 9 of this Report – Sustainability Statement.

TABLE 9: ACCOMPLISHMENT OF THE STRATEGY MAIN FINANCIAL GOALS

Consolidated data (PLN million)	Performance in 2024	2025 goals
Sales	5,144	5,143
- of which EPS	*1,912*	*2,072*
- of which ASS	*2,507*	*2,306*
- of which FPS	*1,184*	*1,070*
EBITDA[(1)]	932	864
Net profit on operating activities	721	650
Net profit[(2)]	560	508

(1) EBITDA – operating profit plus depreciation and amortisation
(2) Net profit attributable to owners of the parent

TABLE 10: ACCOMPLISHMENT OF GOALS IN INVESTING ACTIVITIES AND SOURCES OF INVESTMENT FINANCE AS WELL AS DIVIDEND POLICY

PLN million	Balance in 2024, accumulated data for 2021-2024	Goal for 2025, accumulated data for 2021-2025	% accomplished
Cash flow from operating activities	2,958	2,927	101%
Cash flow from investing activities	-1,501	-1,321	114%
Dividends paid out	-2,077	-2,002	104%
	Balance as at the end of 2024	**Balance as at the end of 2025**	
Net debt	1,501	919	not applicable

5. OPERATING ACTIVITIES

5.1 Operating activities of business segments

5.1.1 Extruded Products Segment

Production, sales and major assets of the Segment

The Extruded Products Segment consists of 7 companies, including 5 foreign companies. The companies possess four modern production complexes located in:

- Kęty, where the parent company of the Segment, i.e. Grupa Kęty S.A., is registered, covering a press shop, a foundry, dies and tools production workshop, anodising plant, and advanced aluminium products plant;
- Tychy, where Aluform Sp. z o.o. is registered, covering a press shop;
- Slovenska Bistrica (Slovenia), where Aluminium Kety EMMI d.o.o. is registered, covering aluminium components production plant and anodising plant;
- Borodianka (Ukraine), where Alupol LLC is registered, covering a press shop.

The plants possess the total of 15 modern presses of 1,200 to 4,400 tons, out of which ten are used in manufacturing products from soft alloys, and five for products from hard alloys. The total production capacity of the EPS is now roughly 125,000 tons a year and, apart from the extrusion process which is the main activity of the Segment, comprises surface treatment (anodising), welding and prefabrication (cutting, drilling, CNC machining). The engineering facilities are supplemented with an in-house foundry, consisting of casting lines of the production capacity reaching 50,000 tons a year and adjusted to cast billets with various chemical compositions.

The Extruded Products Segment is not only the largest press shop in Poland but also an established European brand among the manufacturers of high-speciality aluminium products. It has been manufacturing precise components using varied technologies, in accordance with the individual preferences of our customers, frequently with deliveries directly to the assembly lines of our recipients. Grupa Kęty has the Advanced Aluminium Products Plant (ZZPA) within its structures. It is a special department responsible for comprehensive preparation of components and their implementation in serial production. The plant possesses facilities for machining of extruded products, for example CNC machining (drilling, bevelling, threading), cutting, trimming, striking, marking, bending, assembly and arc welding. On the area of 7,000 m^2 there are available dozens of machines and devices to manufacture components of extruded aluminium profiles. New lines and robots have been systematically installed in response to customer needs and engineering development.

100% of the Segment production is made for the specific orders of customers in many sectors, including: construction business, automotive and transport, railway, electrical engineering, defence, household equipment, advertising, and tourism industries. In the construction business, aluminium profiles are used for façades, windows and doors, roller-shutters and other shading products, as well as heating, ventilation and air-conditioning [HVAC] systems. As regards structural applications, aluminium profiles are chosen for parts that contribute to mechanical resistance and stability of buildings, e.g. canopies of industrial halls, station halls and bus stops, sports halls, swimming pool roofs, river bridges, masts, lighting towers. In power engineering aluminium profiles are used in the production of lamps, lighting poles, cable ducts, as well as solar panels and wind power plants. The aluminium profiles manufactured by the Segment are also used in the production of parts for passenger cars, including electric cars, public transport means (buses, trains) and modern transport vehicles (semi-trailers, trailers and truck bodies).

Products are sold both on the domestic market and abroad, mainly in Europe (for example in Germany, Austria, Czech Republic, Italy and the UK) and, to a lesser extent, outside Europe. The Segment customers are served by the Domestic Sales Department and Exports Department of Grupa Kęty S.A., Aluminium Kety EMMI d.o.o. and Alupol LLC, but also through three foreign sales offices located in Milan (Italy), where Grupa Kety Italia s.r.l. is registered, in Ostrava (Czech Republic), where Aluminium Kety CSE s.r.o. is registered, and in Dortmund (Germany), where Aluminium Kety Deutschland GmbH is registered. The Segment has a diversified customers portfolio, with the largest one, consuming nearly 30% of production, being Aluprof S.A. (a subsidiary of Grupa Kęty S.A.), manufacturing aluminium building systems (window and door, façade, as well as roller-shutter and sun protection systems).

In 2024, apart from the Aluminium Systems Segment, none of the customers of the EPS contributed to more than 10% of the Capital Group consolidated sales or 10% of the Segment consolidated sales, and the Segment is not otherwise dependent on one or more customers.

Competitive position

The aluminium processing market in Poland and Europe is highly competitive, which may be partly due to the good prospects of the industry. In Poland, there are 9 press shops with the total of 46 presses and estimated annual production capacity of 420,000 tons, which makes our country one of the leading producers of extruded products in Europe in terms of production capacity. In 2024, the Segment availed of 125,000 tons of production capacity, which puts it on the first place among the domestic press shops and among ten largest profiles manufacturers in Europe. The estimated consumption of aluminium profiles in Europe in 2024 was approximately 2.96 million tons, including 320,000 tons in Poland.

The main European competitors of the EPS include international brands such as Hydro Aluminium, Constellium, Cortizo, Corialis, Exlabesa, HAI Aluminium, and Step-G, as well as domestic manufacturers such as Extral, Aliplast Extrusion, Eurometal, as well as Final owned by the Yawal Group. Recently, there has also been a noticeable expansion into the European market by players from other regions, in particular the Far and Middle East. The companies compete with the European ones mainly by price, and supply relatively simple products, which do not require major processing or complicated logistics.

Materials, supplies, and procurement

The basic materials used in aluminium profiles production include: raw aluminium, aluminium billets and alloying additives such as silicon, magnesium, manganese, copper, zinc, nickel and others. Approximately 30-35% demand for billets is covered by the in-house foundry production. The other part is purchased by the Segment from external suppliers, mainly in Europe. Alloying additives are also purchased from European suppliers. The company pursues a responsible policy of diversifying its materials supply sources.

In 2024, aluminium prices on the LME were highly volatile. In the first half of the year they soared from 2,200 USD/ton to ca. 2,800 USD/ton, whereas in July they dropped to 2,300 USD/ton. Further, the prices grew to 2,700 USD/ton in October, and since then they have been ranging from 2,500 USD/ton to 2,700 USD/ton.

The billet premium reflects the cost of converting pure aluminium into billets, which are used in the Segment's production. In January 2024, the European billet premium amounted 400 USD/ton, and grew to 600 USD/ton in May to remain on that level for several subsequent months. In October, the European billet premium started to decrease in order to reach 570 USD/ton at the end of 2024.

In 2024, the share of none of the suppliers of raw materials, semi-products and materials for the Segment exceeded 10% of the Capital Group's consolidated sales. The share of two suppliers of the Segment (companies which are not related to the Issuer or any company of the Capital Group either by capital or personally) exceeds 10% of the Segment's consolidated sales, whereas in the opinion of the Issuer there is no dependence between the Segment and the suppliers.

Market situation and operations in 2024

In 2024, practically the whole European aluminium industry suffered a recession. In Europe the demand for extruded products was low. According to the data by European Aluminium for 2024, the deliveries of aluminium profiles in Europe reached 2.96 million tons and were by over 200,000 tons smaller than in 2023. Thus, since the peak of the demand for profiles in 2021, the European market shrunk by over 800,000 tons. The sectors of key importance to the European manufacturers (construction, transport, automotive, engineering) experienced bad economic situation. The demand for cars in Europe has dropped by 2 million vehicles in the recent years. Automotive concerns and their related suppliers got into serious trouble. The turbulence on the market of real

property, particularly the housing segment, hindered the construction activity. The press shops customers reduced purchases to stock, and were filing orders mainly to cover their current needs. The drop in new orders limited the press shops production, which with the existing excess of production capacity on the market forced many companies to limit or shorten press working shifts or even brought to machinery downtimes. In 2024, the volumes of press orders in Europe were at historically lowest level. Therefore, fierce competition on the weak market prevailed. Aluminium profiles manufacturers were operating under strong pressure on trade margins.

The forecasts for the Segment are cautious, and chances for an upturn are rather expected late in 2025.

Taking appropriate measures in terms of sales policy, consistent implementation of thoughtful investments combined with the development of new technologies enabled the EPS to achieve solid operating results in the difficult conditions of 2024. This was supported by effective management of the Segment resources, i.e. modern production lines, processing capacity, well organised foreign sales structure, a broad range of products, and diversified customer portfolio. Similarly as in the preceding years, the Segment focused on further geographic diversification of sales while supporting the existing export markets by availing of the potential of foreign trading companies.

In 2024, consolidated income of the Segment reached PLN 1,912 million and was lower by approximately 9% year over year, with 6% growth in sales volume and nearly 11% growth of the average aluminium price denominated in PLN, which reflects the market pressure on margins. The share of the Segment's foreign sales in 2024 remained at 49%.

Research and innovation

The investment and sales activities of the Segment focus on products which require speciality equipment, expert know-how, and compliance with restrictive quality procedures. Such assumed direction supports development and competitive advantage maintenance. A key role in the strategy is played by the in-house Research and Development Centre (CBR), employing professional staff and furnished with modern controls and instrumentation. The CBR is where hundreds of specialised tests are carried out every day to release products for delivery (chemical composition analysis, strength, metallographic and ultrasonic tests, spatial and electrical conductivity measurements). The CBR also collaborates with respected research and development centres in Poland and provides a scientific base for innovative projects carried out by the Segment. In this way, the Segment is steadily expanding its product range, particularly with products used in prestigious high-tech industries. In 2024, the CBR carried out work to support organic growth and efficiency of the Segment production departments, including:

- development of production technology for rods used in the defence industry;
- development of technology enabling considerable reduction of thermal strips on the surface of profiles for the construction business;
- development of new alloys to meet specific requirements of the automotive customers.

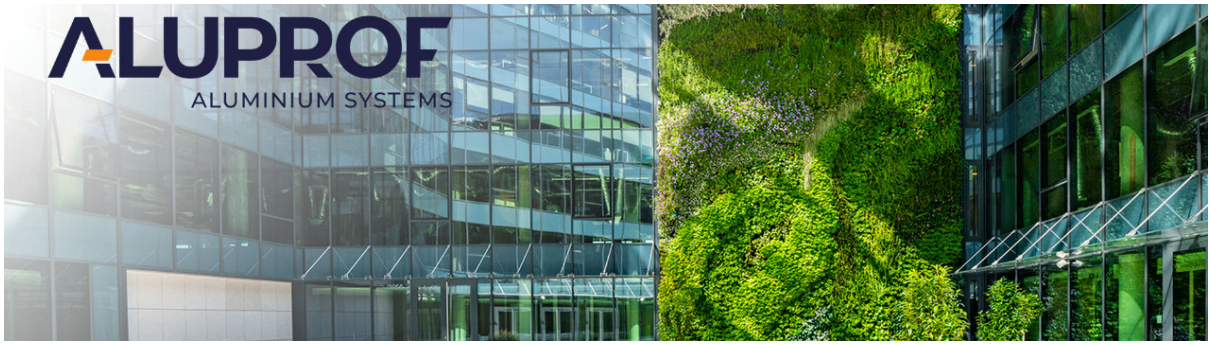
Investments

In order to support and increase the sales of products, the Segment has focused both on the improvement of assets effectiveness, including extended and optimised production capacity utilisation of the possessed machinery and equipment, and has carried out ambitious development projects. Since the beginning of 2024, the Segment concentrated on completing the major investment projects of the 2021-2025 Strategy, i.e. building a new hall and commissioning two extrusion lines with 20 MN and 40 MN presses, which shall contribute to production capacity extension. In March 2024, the second of the presses of 40 MN capacity (being the 15th extrusion line) was successfully commissioned in Kęty and the first billets were extruded. Currently, the press is operating in its full scope. Both new extrusion lines, installed in a hall of nearly 10,000 m^2, were imported from Italy. The new presses are used specifically in the production of profiles for the automotive business (complex aluminium products of special mechanical properties intended for crumple zone control, and bodywork structures). Proper configuration of the new presses (tooling and parameters setup) will also enable profiles extrusion for customers in other sectors, such as construction business or electrical engineering. The investment in new presses contributed to performing the EPS sales plan for 2024 with production capacity increased to roughly 125,000 tons.

In June 2024, the Segment commissioned the newly built warehouse hall essential for the operation of the production hall furnished with the 20 MN and 40 MN presses. At the same time, in compliance with the aid decision, the whole capital expenditure project within the Polish Investment Zone (PSI) was completed, covering the construction of new (production and warehouse) halls and commissioning of new (40 MN and 20 MN) presses at the Company's site in Kęty.

Investments at the Advanced Aluminium Products Plant [ZZPA] have concentrated on the improvement of effectiveness and extension of the area of highly-processed products manufacturing. The production capacity of the plant have been gradually increased by purchasing state-of-the-art equipment improving process effectiveness and enabling costs optimisation with maintenance of high product quality at the same time. Further automation of operating workstations has also continued.

5.1.2 Aluminium Systems Segment



Production, sales and major assets of the Segment

The Aluminium Systems Segment, whose leading company is Aluprof S.A., deals with designing, manufacturing and selling aluminium systems for the construction industry, including: window and door, façade, and internal partition systems, e.g. for shaping of office space, sun protection systems (roller blinds, or external blinds also known as screens), and also roll-up garage and industrial gates. The product offer is complemented with fire-safety solutions for public buildings, based on the fire-rated glass manufactured by the Segment.

The Segment focuses on developing environmentally-friendly and sustainable building solutions, with the use of non-toxic preparations and chromium-less aluminium treatment. Its offer includes a number of modern products which, thanks to their high thermal insulation properties and innovative technical solutions, are used in public buildings which are awarded BREEAM or LEED certificates. The Segment also holds Environmental Product Declarations (EPD) for window and door systems as well as façade systems. The EPD is an independent certificate recognised around the world that testifies to a product's impact on the environment. It is awarded on the basis of Life Cycle Assessment, which should reduce the negative environmental impact of the product.

The production infrastructure consists of six plant complexes equipped with modern and fully automated machines. They are located in Bielsko-Biała, Opole and Rogów Opolski (including the plants of SELT Sp. o.o. acquired in September 2024), Goleszów, Ogrodzona and Złotów. The last of the plants is now being extended to become a distribution centre for the customers in northern Poland. The Segment avails of powder paint shops with highly efficient, fully automated lines. The entire painting process is computer-controlled, which guarantees the process stability and repeatability. The effective supervision of coating parameters has been confirmed with certificates by Qualicoat and Seaside organisations, as well as many powder coatings suppliers.

The Segment products are sold both on the Polish market and on foreign markets, among which the most important ones are the Czech Republic, the UK, Germany, Belgium, Romania, Ukraine, Slovakia, Hungary, and to a lesser extent also the USA, the Netherlands and Vietnam.

Products distribution is made through Aluminium Systems Segment's representation and sales offices as well as distribution centres located in Germany (Aluprof Deutschland GmbH), the United Kingdom (Aluprof UK Ltd.), Belgium (Aluprof Belgium), the Netherlands (Aluprof Netherlands B.V), the Czech Republic (Aluprof System Czech s.r.o.), Romania (Aluprof System Romania s.r.l.), Hungary (Aluprof Hungary Ltd.), Ukraine (Aluprof System Ukraina Sp. z o.o.) and the United States (Aluprof System USA Inc.).

The Segment has approximately 1,900 active customers in Poland and abroad. One of the groups of customers are companies dealing with the manufacturing and fitting of windows, doors and façades for the commercial market, non-residential public facilities, as well as residential buildings, without an extensive sales network. Another group is made up of companies manufacturing windows, doors, as well as sun protection systems, offering finished products for the residential customer market, single-family homes and residences, with sales network in Poland and abroad. A separate group of customers, characterised by considerable fragmentation, are companies engaged exclusively in manufacturing and fitting of sun protection systems, mainly for the individual customer market.

In 2024 no customer of the Segment contributed to more than 10% consolidated sales of the Capital Group, and there is no other dependence on one or more of the Segment's customers. The share of one Segment's customer (a company which is not related to the Issuer or any company of the Capital Group either by capital or personally) exceeds 10% of the Segment's consolidated sales, whereas in the opinion of the Issuer there is no dependence between the Segment and the customer.

Competitive position

Both the Polish and European market of aluminium systems is characterised by relatively high competition, resulting mainly from a large number of companies operating thereon. In Europe the market is dispersed, with no dominating share of either of the companies. The main competitors of the Segment are established global brands, such as Schuco, Wicona, Reynaers, Aliplast, Kawneer, Sapa, or Ponzio, and in the area of aluminium roller shutters manufacturing: Alutech, Alukon, BeClever, BuildingShutter, Heroal, Hosten, and Portos.

In Poland, the ASS holds the leader's position with market share ranging from 40% to 60% depending on the product group.

Materials, supplies, and procurement

Aluminium systems are manufactured from aluminium profiles, which are mainly supplied by the Extruded Products Segment (roughly 85% of supplies). The remaining part of profiles is imported from proven external suppliers, chiefly European ones. A major material used in the process of aluminium systems production is sheet aluminium purchased by the Segment in 95% from foreign suppliers located mainly in Europe and the Middle and Far East. Aluminium systems also include additional components, such as hardware and accessories, some of which are produced within the Segment and approximately 75% of which are sourced from external suppliers in Poland, Europe and Far East.

In 2024, apart from the Extruded Products Segment, the share of none of the suppliers of raw materials, semi-products and materials for the Segment exceeded 10% of the Capital Group's consolidated sales or 10% of the ASS consolidated sales, and the Segment is not otherwise dependent on one or more customers.

Market situation and operations in 2024

Year 2024 was a difficult one for the manufacturers and suppliers of aluminium systems in Poland and Europe. The European sector of aluminium joinery has been striving in unfavourable economic conditions for two years. The downturn in economy which commenced in the second part of 2022 continued, and lower demand was continuously observed. These disturbing data coming from the largest European economies (and basically the German market) added to the lack of improvement in the development of window and door joinery business in 2024.

The aforementioned factors had a negative impact on the construction industry. They have slowed down both the activity in the secondary market related to renovation and replacement of older solutions, which is more important for Western European markets, as well as the implementation of new projects driving the industry in Central and Eastern European markets. This has translated negatively into the production and sales of joinery (windows, doors, façades) and indirectly into aluminium systems for their production. It is estimated that throughout 2024, the European windows market shrunk by roughly 6%, to 86-88 million windows. The drop resulted basically from lower sales for new buildings, particularly in the housing sector. The sales for new buildings decreased to 25-27 million windows, which means 10-15%, whereas sales to the refurbishment market dropped by less than 5% compared with 2023.

In 2024, the Segment focused mainly on expanding its own portfolio, introducing new solutions and attracting new business partners. A number of sales-supporting and marketing initiatives were also undertaken, which included participation in fairs and exhibitions, e.g. Fensterbau in Nuremberg or GlassBuild in the USA. Within the initiated discussion about the future of architecture and construction, Aluprof organised in Warsaw a jubilee 5th edition of the 'Aluprof Systems Building of the Year' competition along with the 'Future Builders' international conference. The event was attended by famous architects from Poland and abroad, as well as key representatives of the construction industry. The events were accompanied by the opening of Aluprof solutions showroom in Warsaw's Wola district.

In 2024, Grupa Kęty S.A. completed the transaction of acquisition of 100% shares in SELT Sp. o.o., the results of which have been consolidated within the Aluminium Systems Segment since September 2024. The information about the transactions and the company of SELT Sp. z o.o. are presented in Sections 2 and 3 of this Report.

According to the Segment, the situation in the construction business will gradually improve in the coming years, which should have a positive impact on the demand for the Segment products, whereas an important factor stimulating that market may be the planned programs for thermal modernization of buildings as part of their renovation. The development of the façade market will depend on the situation in the sector of new commercial buildings, due to the fact that the renovation market is still of little importance to it. Currently, about 95% of façades in Poland are assembled in new buildings, but the importance of the renovation market is forecast to grow in 3-5 years, while the rate of the growth will depend, among other things, on the attractiveness of programs supporting thermal performance improvement in commercial buildings.

Despite the difficult economic environment, the Segment's consolidated revenue reached PLN 2,507 million in 2024 and was higher by 6% y/y. The share of the Segment's foreign sales in 2024 remained at 38%.

Research and innovation

The Aluminium Systems Segment attaches great importance to continuous development and maintenance of the highest level of its products and services, as well as development of revolutionary new products including those made to individual orders. Ever-increasing building standards in terms of energy efficiency, low-emission properties, circularity of solutions and protection of people from the effects of fire and smoke, count among the most important expectations faced by modern architecture and these guide the Segment in its research and development work.

The drive to reduce the costs of buildings maintenance makes improving their energy efficiency particularly important. One of the best ways to achieve it is to design modern joinery solutions that improve the thermal efficiency of buildings. Further, the safety of public buildings occupants and property makes the development of fire protection systems a key factor. The systems have been constantly modernised and upgraded with a focus on improving fire resistance, extending structural strength, and streamlining engineering process to reduce labour intensity of production. An important element affecting the fire safety of buildings are aluminium and glass partitions. They are the ones that, in many cases, must meet the requirements of fire safety regulations regarding the prevention of the spread of fire and enabling safe evacuation of building occupants. Meeting the requirements often involves the use of fire-resistant glass. Therefore, the Segment has expanded its offer and introduced Glassprof brand fire-rated glass in its broad range fire-proof partitions and doors.

Very important in the achievement of the goal has been the Segment's Research and Innovation Centre located in Ogrodzona (CBiI). The Centre operates based on the implemented ISO 17025 management system as well as a certificate issued by the Polish Centre for Accreditation, which confirms the high level of independence, impartiality and competence of personnel. The CBiI possesses, among other things, the largest test chamber in Central and Eastern Europe for testing the physical properties of curtain walls, as well as carrying tests in compliance with the American ASTM and AAMA standards, including seismic and thermal tests. The CBiI also performs mechanical tests of windows and doors as well as fire protection systems. The test furnace is capable of accommodating structures measuring 4.5 x 5 m.

The 2024 research and innovation works covered mainly:

- offering new products and systems, for example:
  - a system of MB-82HS lift and slide patio door fulfilling the requirements of extremely high performance parameters, such as water tightness or wind load resistance, as confirmed by the tests carried out by the Polish Building Technology Institute;
  - a system for manufacturing MB-69V windows and doors as well as MB-50V patio doors, which are ideal for warm climate zones;
  - a system of MB-37 Slide Storm sliding balcony door system created for markets where extensive spans of glazing have to withstand the powerful pressure of hurricane-force winds; the solution mainly fulfils the expectations of US customers and complies with the strict US standards;
  - a system of MB-MM50N façade designed with the requiring Scandinavian market in thought; it is the first straight-cut and screwed-together system of Aluprof, which is characterised with very high thermal parameters, simplified fabrication and segment assembly possibility on the construction site with the use of half-mullions;
  - a system of MB-MT50N SI façade certified by the Passive House Institute;
  - a technologically advanced system of MB-SE65 unitised curtain wall of universal use, characterised with high technical performance and easy prefabrication; it offers a modern approach to creating façades in prestigious buildings;
  - a system of MB-79N WW Window Wall, designed mainly for the USA market, where window-wall façades enjoy great popularity;

- Earthline decorative façade slats for houses and mansions, which introduce a dynamic, three-dimensional effect that brings a unique and modern aesthetics to buildings;
- a system of MB-SKYLINE TYPE S sliding door, which is characterised with fully concealed gap threshold, creating a seamless transition between indoor and outdoor spaces;

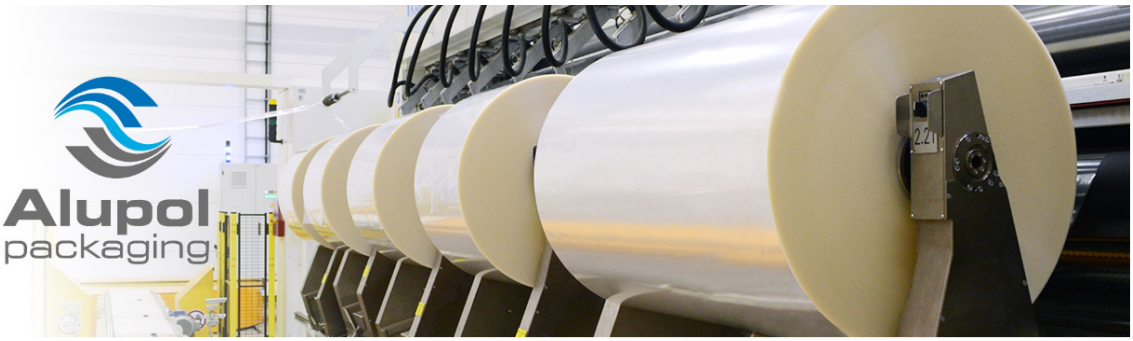
- modernisation and development work for a series of window-and-door systems, to improve their utility characteristics, which includes significant thermal performance and aesthetics;
- production implementation of new curtain wall systems, intended, for example, for prestigious buildings in the Silesian region, the UK and the USA;
- construction and research work on safety-enhancing solutions for bullet-proof, explosion-proof and burglar-proof window and door systems and façade systems.

Investments

The main investment projects of the Segment carried out in 2024 include:

- completion of the aluminium systems production plant extension in Złotów, which will enable increase in the Segment's production capacity of architectural systems by 20-25%. The company obtained a permit for use of the new production and warehouse hall, which houses vertical paint shop No. 4, warehouse space and auxiliary facilities. The assumed parameters for this key project have been achieved;
- opening of showrooms in Bielsko-Biała and Warsaw, where customers may see and test the latest solutions in Aluprof systems.

5.1.3 Flexible Packaging Segment



Production, sales and major assets of the Segment

The Flexible Packaging Segment consists of Alupol Packaging S.A. in Tychy and its subsidiaries, Alupol Packaging Kęty Sp. z o.o. and Alupol Films Sp. z o.o. The Segment is a leader in manufacturing flexible packaging materials in Poland, with the estimated market share of nearly 20%, as well as a recognised packaging manufacturer in Europe. At the same time, the Segment is the largest Polish manufacturer of polypropylene films, with production capacity of 60,000 tons a year, and roughly 4% share in the BOPP films market in Europe.

In 2024, the FPS focused on strengthening its position in both domestic and foreign markets, not only by maintaining and developing cooperation with current partners, but primarily by building new relationships, both with the largest multinational concerns operating in the food industry and suppliers to major retail chains under their private labels. The FPS also directed its activities to develop the product offer based on new market trends and technologies for the production of laminates based on polypropylene and polyethylene films, including those of its own production.

The packaging market has been under intense environmental pressure, focus on cost reduction and food safety, and the related legislative changes. The strive for sustainable development forced the necessity of creating and marketing new forms of laminates, i.e. mono-structures characterised with lower weight and higher material homogeneity. Despite the observed pressure on plastic packaging and attempts to replace it with packaging based on refined paper, the position of the former is not threatened. Plastic-film-based packaging protects the packed food as no other packaging, extending the food shelf-life, which finally prevents food wasting. Additionally, such packaging production requires much less energy. Also the costs of the packaging transport,

and consequently the transport of products packed in them, are incommensurably lower compared with the 'more sustainable packaging', such as jars or tins.

The packaging manufactured by the Alupol Group is intended for the instant food sector mainly, whereas other significant recipients are also the sectors of fresh foods, beverages, confectionery, salty snacks, dairy, pharmaceutical and chemical industries. The main recipients of flexible packaging were international concerns such as: Nestlé, AB Foods, Flora Food (former Upfield), McCormick, Lorenz, Dr. Oetker, Brüggen, Aryzta, Jacobs Douwe Egberts, Orkla Foods, Danone, as well as respected regional companies, which apart from their own brands offer private label products to chain stores. These include, among others: Prymat, Maspex, Tarczyński, Mlekovita, Mlekpol, Foodcare, Serpol Cosmetics, Sokołów, Koral, and Woseba. The main recipients of polypropylene films are mainly European companies in printing, floral, textile, haberdashery or adhesive tape industries, such as Sylvaphane Holland B.V., Delo, CDM, SDR Pack, Perfon BV, Al. Invest, Lietpak, Irplast, Dalpo, and Saba.

In 2024, contractors strongly focused on replacing multi-material packaging based on paper, aluminium and polyester with homogeneous films and laminates, mainly based on polyolefins (BOPP and PE films), which are easy to recycle. The industry continues to struggle with the lack of clear regulations and guidelines defining sustainable packaging. The flexible packaging market continuously remains under strong pressure on margins, mainly on the part of food manufacturers, as well as commercial networks.

The Segment products are distributed both on the Polish market and abroad. Export sales represent 52% consolidated sales of the FPS. The largest export markets are Germany, Netherlands, Hungary, Ukraine, Italy, Czech Republic, Lithuania and Switzerland.

In 2024 no other customer of the Segment contributed to more than 10% consolidated sales of the Capital Group, and there is no other dependence on one or more of the Segment's customers. The share of one Segment's customers (a company which is not related to the Issuer or any company of the Capital Group either by capital or personally) exceeds 10% of the Segment's consolidated sales. Nevertheless, in the opinion of the Issuer there is no dependence between the Segment and the customer.

Competitive position

The Polish market is a place of activity of the largest international packaging manufacturers, such as Amcor, Mondi, Constantia, Huhtamaki, Walki Group, Wipak Coveris, Adapa, or Südpack, as well as many thriving domestic companies, including KB Folie, Supravis Group, Marpol, Ergis, Bogucki Folie, or PDO.

Practically all the above international manufacturers have their production plants in Poland and supply packaging to the current FPS customers, thus being our direct competitors. To a lesser extent, flexible packaging imported from outside Europe may be found on the European market. A large number of players competing with each other as well as oversupply of production capacity in the industry are forcing an increasingly strong competitive struggle. This phenomenon, coupled with the growing trend among the Segment customers requiring specific suppliers of raw materials to be used in the packaging produced for them, has resulted in growing pressure on margins.

In the BOPP films sector, high price pressure was produced not only on the part of Asian manufacturers, but also those who located their production facilities on the European market. In order to win new orders, Alupol Films was forced to compete aggressively primarily with the suppliers from Turkey, Bulgaria, Hungary, Portugal, India and China. The more satisfying are, therefore, the growths generated in 2024, not only with regard to the sales volumes but also the profits generated.

Materials, supplies, and procurement

As regards supplies of raw materials, year 2024 observed high volatility in prices and logistics challenges, resulting from the tense geopolitical and market situation. Despite significant increases in freight prices and unplanned production shutdowns at a number of suppliers, effective diversification efforts have ensured continuity of supplies of all key raw materials. The key raw materials used by the Segment are as follows:

Polyolefins
PE and PP granulates were purchased from global manufactures. Price fluctuations and volume limitations in the first half of the year presented a considerable challenge. Additionally, the aforementioned higher sea fright charges resulted in lower competitiveness of Asian and American companies on the market, which encouraged the European manufactures to raise prices.

Aluminium foil
Year 2024 brought about a major growth in the prices of aluminium foil, mainly due to higher prices at the LME and higher costs of transport as a result of geopolitical turbulence. Deliveries were delayed, which forced higher diversification of the sources of supply in the second half of the year. The process of engaging new suppliers was subject to stricter verification due to the requirements of emissions reporting in the CBAM registry.

Paper
In the first half of 2024, the prices of paper and base material reached record high, unprecedented levels. Only the second part of the year brought slight decreases in prices. Paper availability, particularly craft paper, was limited. Higher demand, resulting mainly from changed packaging trends in Europe, translated into the material shortages on the market.

Plastic films
BOPP and BOPET films purchases were carried out based on stable relations with European and global suppliers. The PET films market stabilised at low levels due to the growing popularity of BOPP and PE films as a real alternative observed in Europe. Diversification of sources, particularly on the Asian markets, contributed to price optimisation and assortment adjustment to the specific requirements of the customers.

In 2024, the share of none of the suppliers of raw materials, semi-finished products and materials exceeded 10% of the Segment's consolidated sales, and there is no dependence on one or more suppliers.

All in all, year 2024 was a requiring one, however, thanks to strategic decisions and flexibility in supplies, the Company managed to cope with the market challenges. Supply sources diversification and intensive cost optimisation resulted in mitigation of risks and maintenance of operational stability.

Market situation and operations in 2024

Despite the difficult economic environment in 2024, the consolidated sales of the Flexible Packaging Segment reached PLN 1,184 million, EBITDA amounted to PLN 240 million, and the share of FPS foreign sales represented 52% of sales.

The result was generated despite unfavourable macroeconomic environment and imprecise regulations applicable to the packaging industry. There are still missing clear regulations and guidelines defining sustainable 'green' packaging. In this legal and economic environment, the FPS has focused primarily on activities compliant with market trends, i.e. improving the laminates produced (thinner layers, reduction of packaging dimensions, more homogeneous material and less printing) so that, despite the modifications made, they guarantee the safety of the products packaged in them. With regard to strong raw materials base (its own BOPP and PE films) in line with market expectations for recyclability, the Alupol Group is one of the leaders in the production of homogeneous packaging that complies with the current environmental trends. Following the investment projects completed in the recent years, the FPS avails of optimal production facilities in reference to customer expectations. The recent investments in plastics processing (manufacturing of polypropylene and polyethylene films, including high-barrier ones) contributed to strengthening the FPS' position on the market and increased sales of the new type of packaging compliant with the current market trends. The production of polypropylene films and sustainable, more homogeneous packaging laminates accounts for nearly 90% of the Segment's sales volume.

As regards the BOPP films market, year 2024 watched continued high supply. The European market was one of the key exports directions for the film manufacturers from India, Turkey and China. Owing to the aggressive price policy of the competitors, Alupol Films margins had to be adjusted to a level ensuring orders attraction. It is the more satisfying that orders were significantly higher than those of the preceding year, and also exceeded the budget assumptions. The commercial activities of Alupol Films were strongly directed towards the key BOPP films markets in Europe. This enabled sales share increase compared with the year 2023 on the Italian, German and Dutch markets (by 29%, 12% and 1%, respectively). Thanks to such actions and intensive engineering development allowing for marketing new products, Alupol Films improved its strong position in Europe.

Research and innovation

The year 2024 was marked by continued efforts on the introduction of environmental solutions in the structure of packaging, geared towards the assumptions of circular economy.

Mono-material packaging based on polyolefins (polyethylene and polypropylene films) were tested and implemented more extensively. In that regard, there were carried out works on the implementation of films produced in the blown-film extrusion process with the use of refining materials to arrive at low seal initial temperature (SIT). This feature is desirable in manufacturing single or double layer polyolefin laminates and helps to achieve the packaging tightness at lower sealing temperatures. This significantly reduces the risk of deformation/damage of the laminate when exposed to high temperatures during the packing process on packaging machines. The work also included the development of packaging based on paper alone, or paper with barrier coatings. The applications developed eliminate aluminium from multilayer structures consisting of paper and polyethylene. There was also tested metallised paper for products such as butter, margarine or stock cubes. In addition, there is a growing demand among customers for packaging on the base of paper from sustainable sources and for fluorine-free paper solutions. In response to the expected regulations banning the use of raw materials that contain per- and polyfluoroalkyl substances (PFAS) which have a harmful effect on health, long-term testing of alternative substitutes free of PFAS (PFAS-free substitutes) has begun. The past year also saw a focus on implementing and improving the technology of vacuum coating of strip-shaped plastics with a layer of aluminium oxide (AlOx). This is another step aimed at eliminating aluminium foil from the structure of packaging, replacing it with a transparent layer of several nanometers, characterized by high barrier properties, allowing better parameter ratings for recycling. Solutions containing AlOx also allow replacing sputtered aluminium coatings in two- and three-layer structures of BOPP film. The development of the technology was carried out primarily in-house and was combined with the sourcing of BOPP raw materials of special characteristics from Alupol Films, which allowed reasonable designing of general production processes, while reducing the environmental impact of our products.

All of the above measures allow to reduce the number of layers in laminates, limit their variety, and replace raw materials impossible to recycle with ones that facilitate the process. In consequence, the packaging manufactured by the Segment come closer to environmental neutrality.

Investments

In 2024, Alupol Packaging Kęty Sp. z o.o. obtained a decision of Krakowski Park Technologiczny Sp. z o.o. [Kraków Engineering Park] on investment project aid in the form of tax allowance (50% of the value of eligible costs), which is issued for 15 years, counting from the issue date, and depends on the fulfilment of specific conditions, of which coverage of at least PLN 30 million qualified costs, headcount increase by 12 FTEs and maintenance of the level by at least 31 December 2030, employment of at least 1 person with certified disability, and belonging to the National Key Cluster during the term of the project operation.

The project comprises conversion of the existing production and warehouse halls as well as purchase of assets, such as flexographic printers, laminating machines and auxiliary equipment.

Other investment projects of the Segment carried in 2024 were of replacement nature in order to maintain the production capacity at unchanged level.

5.2 Significant agreements, transactions and court litigations

5.2.1 Significant agreements and annexes thereto

In 2024, the Issuer and the Capital Group companies entered into the significant agreements presented below.

14 June 2024 – Conclusion of preliminary conditional agreement on the purchase of shares in SELT Sp. z o.o.

The Management Board of Grupa Kęty S.A. informed in the current report No. 25/2024 that on 14 June 2024 it concluded as a buyer, with 2 natural persons (hereinafter jointly referred to as the Sellers), a preliminary sales agreement (hereinafter referred to as the Agreement) with regard to 211,815 shares (hereinafter referred to as the Shares) in SELT Sp. z o.o. with its registered office in Opole, KRS [court ID]: 0000589791 (hereinafter referred to as the Company), representing 100% of the share capital and the total number of votes in the General Meeting of the Company (hereinafter referred to as the Transaction).

In the Agreement, the Parties decided that the sales price of the Company Shares (hereinafter referred to as the Sales Price) was to be equivalent to the value of the Company's enterprise agreed by the Parties, i.e. PLN 420 million, reduced for the value of net debt, understood as the Company's financial indebtedness less cash, as at the balance-sheet date specified in the Agreement.

Based on the estimated value of the net debt of the Company as at 31 May 2024, amounting to PLN 40 million, the net Sales Price would amount to about PLN 380 million.

The estimated value of EBITDA (profit on operating activities plus depreciation) for the year 2023, reflecting the current structure of the Company's assets, in consideration of the effects of synergy post the Transaction, was roughly PLN 42 million.

It was planned that the Transaction would be financed from bank loans and the Issuer's own funds. In the opinion of the Issuer's Management Board, the completion of the Transaction would enable the maintenance of safe financial ratios, and should not have a major effect on the binding dividend policy.

The Transaction closure and transfer of the ownership title to the Shares based on a separate promised sales agreement, which was intended to be signed on or before 25 October 2024, depended on obtaining of an anti-monopoly permit from the Office for Competition and Consumer Protection by 30 September 2024 (hereinafter referred to as the Precondition). Were the precondition not be fulfilled at the date specified, none of the parties would be obliged to close the transaction and the agreement would expire without any contractual liabilities against the counterparty or any third party.

The Agreement also provided for two additional conditions, namely obtaining anti-monopoly permits from the anti-monopoly authorities in the Czech Republic and Austria (hereinafter referred to as Additional Conditions), which would affect the determination of the date when the promised Shares sales agreement could be signed. Were the Additional Agreements not be fulfilled on or before 7 October 2024, the Agreement would expire without any contractual liabilities against the counterparty or any third party.

In the concluded Agreement, the Issuer and the Sellers specifically committed and assured that the Sellers made declarations and assurances regarding their capability to conclude the Agreement, the ownership title to the Shares, the legal and actual status of the Company, the operations run by the Company, as well as actions aimed at protecting the value of the Company in the transition period by the date of the Transaction closure.

SELT Sp. z o.o. is one of the leaders on the Polish market of sun protection systems manufacturing, with revenue of roughly PLN 280 million. It offers external blinds, pergolas, awnings, sunbreakers, and reflex screens, which respond to market demand, including trends related to thermal performance improvement of the existing buildings, passive buildings, energy saving and protection against extreme weather conditions.

In the opinion of the Issuer's Management Board, the take-over of the Company will enable the Issuer to extend the value chain, and the product portfolio of the Group in that promising market area, where the Issuer's presence has not been significant so far. It will also result in a number of synergies, for example in purchasing, sales and customer service areas.

The Company acquisition fits the Strategy of development of the Capital Group of Grupa Kęty S.A. for the years 2021-2025, providing for the possibility of acquiring other entities in the area related to the basic operations of the Issuer.

On 18 July 2024, the Management Board of Grupa Kęty S.A. informed in the current report No. 31/2024 about the consent of the President of the Office for Competition and Consumer Protection (UOKiK) to concentration through the acquisition of control of SELT Sp. z o.o. by Grupa Kęty S.A., and the receipt of information about the absence of necessity to obtain approval for the concentration from the antitrust authority in the Czech Republic, which was indicated in the Agreement as one of two additional conditions. Moreover, on 28 July 2024, the Management Board of Grupa Kęty S.A. informed in the current report No. 35/2024 on receiving from the Issuer's attorney a confirmation that the Austrian Federal Office for Competition Protection and the Federal Ombudsman for Cartels failed to file an application to the Antitrust Court with regard to examination of the intent of concentration by way of control takeover of SELT Sp. z o.o. by the Issuer, which is equivalent to voiding the temporary ban on effecting the concentration and fulfilment of the second additional condition of the preliminary conditional agreement on the purchase of shares in the Company.

28 August 2024 – loan agreement with Powszechna Kasa Oszczędności Bank Polski S.A.

The Management Board of Grupa Kęty S.A. informed in the current report No. 36/2024 that on 28 August 2024 it made a decision on the acceptance of the terms proposed by Powszechna Kasa Oszczędności Bank Polski S.A. with regard to term loan agreement of PLN 350 million as well as signing the agreement.

The Agreement was concluded for the period of 3 years. The loan was paid out in PLN and was allocated to the purchase of 100% of shares in SELT Sp. z o.o., whereas the agreement provides for the possible change of the loan currency to EUR.

2 September 2024 – Conclusion of the committed agreement on the purchase of 100% shares in SELT Sp. z o.o. and closure of transaction

The Management Board of Grupa Kęty S.A. informed in the current report No. 37/2024 that on 2 September 2024 it entered into the promised agreement with two natural persons on the purchase of 211,815 shares in SELT sp. z o.o. (hereinafter referred to as Company), representing 100% of the share capital and the total number of votes in the General Meeting of the Company.

The final sales price of the Company shares amounted to PLN 394.9 million and was fully paid on the date of the Agreement. As soon as the bank accounts of the sellers had been credited, the rights to the shares in the Company were transferred to the Issuer and the transaction was closed. The shares purchase was financed from the Issuer's own funds and a bank loan.

23 October 2024 – amendment of credit limit agreement concluded with Bank POLSKA KASA OPIEKI S.A.

The Management Board of Grupa Kęty S.A. informed in the current report No. 47/2024 that on 23 October 2024 it made a decision on the acceptance of the terms proposed by Bank POLSKA KASA OPIEKI S.A. with regard to amendment of the credit limit agreement concluded with the bank, which was earlier disclosed on 23 October 2023 in the current report No. 24/2023 (hereinafter referred to as the Agreement), and signing an annex to the Agreement together with the other borrowers under that Agreement.

The period of the credit limit availability to all borrowers in the amount of PLN 530 million (amount unchanged) has been extended until 31 October 2025, subject that the period of availability will be automatically extended for further 12 months unless at 30 days before the lapse of the period the Bank or the borrowers' agent issue a statement on their lack of consent to automatic extension of the period of availability.

The period of availability may be automatically extended to not later than 29 October 2027.

22 November 2024 – amendment to the multipurpose credit facility agreement with Powszechna Kasa Oszczędności Bank Polski S.A.

The Management Board of Grupa Kęty S.A. informed in the current report No. 55/2024 that on 22 November 2024 it made a decision on the acceptance of the terms proposed by Powszechna Kasa Oszczędności Bank Polski S.A. (hereinafter referred to as the Bank) as regards amendment of the terms of a multipurpose credit facility agreement concluded with the Bank, about which the Issuer informed in current report No. 28/2023 of 4 December 2023 (hereinafter referred to as the Agreement), and signing an annex to the Agreement together with the other borrowers under that Agreement.

Pursuant to the annex, the maturity date of the credit facility worth PLN 400 million has been postponed to 31 May 2027. Moreover, the Issuer's subsidiary SELT Sp. z o.o. stepped into the agreement as a borrower and a joint and several debtor of the Bank.

9 December 2024 – amendment of the multipurpose credit facility agreement concluded with BNP Paribas Bank Polska S.A.

The Management Board of Grupa Kęty S.A. informed in the current report No. 59/2024 that on 9 December 2024 it made a decision on the acceptance of the terms presented by BNP Paribas Bank Polska S.A. (hereinafter

referred to as the Bank) as regards amendment of the multipurpose credit facility agreement concluded with the Bank, about which the Issuer informed in the current report No. 27/2023 of 4 December 2023 (hereinafter referred to as the Agreement), and signing an annex to the Agreement together with the other borrowers under that Agreement.

Based on the annex, the total amount of the credit facility has been raised by PLN 100 million, to PLN 500 million, and the maturity date has been postponed by 24 months counting from the date of the annex conclusion.

5.2.2 Information on related-party transactions

The monitoring of related-party transactions is carried out, inter alia, on the basis the 'Reporting related-party transactions' procedure adopted by the Capital Group. The procedure provides for the necessity of notifying on a current basis of any intent to enter into a transaction with a related party, if the transaction cannot be carried out on arm's length basis or within the regular activities of the Company. Designated persons are obliged to analyse the notifications, including with regard to the obligation to obtain approval for the transactions conclusion from the competent authority of the company concerned, and the possible necessity of their immediate public disclosure in situations stipulated by the binding legal regulations. The procedure also provides for periodic review of transactions concluded with related parties on arm's length basis within the regular activities by the Supervisory Board. Related-party transactions are also further monitored within the framework of the applicable transfer pricing legislation based on the transfer pricing procedure adopted and binding for the Capital Group.

To the best knowledge of the Company Management Board, in 2024 the Capital Group companies did not enter into any material transactions with related parties on other than arm's length basis.

Information about related-party transactions has been provided in Note 36 of the separate financial statements for the year 2024, and in Note 31 of the consolidated financial statements for the year 2024.

5.2.3 Information on important court litigations

In 2024 Alupol Packaging S.A. and Alupol Packaging Kęty Sp. z o.o. (companies of the Issuer's Capital Group) continued to be a party in customs and tax proceedings with regard to aluminium foil imports from Thailand. The proceedings are held before Pomorski Customs and Fiscal Authority in Gdynia and Śląski Customs and Fiscal Authority in Katowice.

The case refers to the imports of aluminium foil in the years 2021-2022 and questioning by the authorities of the declared origin of the goods. The authorities considered that contrary to the submitted certificates, the imported aluminium foil was supposed to be classified as a product originating in China.

As a result of the proceedings, the Head of the Pomorski Customs and Fiscal Authority in Gdynia and the Head of the Śląski Customs and Fiscal Authority in Katowice issued decisions on imposing on the Companies of the final customs payable, including anti-dumping fee in the amount of PLN 24,282,000, top-up customs duty of PLN 12,931,000 and interest amounting to PLN 11,485,000.

The companies paid the amounts within the statutory time frame.

Moreover, in reply to the decisions issued, the companies filed appeals in which they presented detailed arguments proving the lack of actual and legal grounds for their issue.

The companies are awaiting the case hearing by the second instance authorities. In case the decisions are upheld, the companies plan to file complaints with administrative courts.

Information regarding the said case is also provided in Note 27.1 of the consolidated financial statements for the period from 1 January 2024 to 31 December 2024.

Apart from the aforesaid case, in the period covered with this Report, neither Grupa Kęty S.A. nor its subsidiaries were parties to any proceedings pending at court, competent arbitration tribunal or public administration authority, with regard to liabilities or receivables which would have a major impact on the operations or the financial results generated by the Company or its subsidiaries.

6. FINANCIAL STANDING, GENERATED RESULTS AND FORECASTS

6.1 Principles of preparing annual separate and consolidated financial statements of Grupa Kęty S.A.

The consolidated financial statements of the Capital Group and separate financial statements of Grupa Kęty S.A. were prepared with the use of accounting principles compliant with the applicable International Financial Reporting Standards (IFRS) approved for use by the European Union and binding on 31 December 2024.

The consolidated financial statements of the Capital Group and separate financial statements of Grupa Kęty S.A. present a true and fair view of the assets and the financial standing of the Capital Group and Grupa Kęty S.A. as at 31 December 2024, as well as the result on operations and cash flows for the year ended 31 December 2024.

The consolidated financial statements of the Capital Group and separate financial statements of Grupa Kęty S.A. were prepared assuming that the Capital Group and Grupa Kęty S.A. will continue as a going concern. As at the date of approving the consolidated financial statements of the Capital Group and separate financial statements of Grupa Kęty S.A., there were no circumstances implying that the Capital Group or Grupa Kęty S.A. would not continue as a going concern.

Information on the major principles of preparing the consolidated financial statements of the Capital Group and separate financial statements of Grupa Kęty S.A. is presented in Note 10 of the consolidated financial statements of the Capital Group of Grupa Kęty S.A. and Note 12 of the separate financial statements of Grupa Kęty S.A., respectively.

6.2 Discussion of basic economic and financial values disclosed in the annual consolidated financial statements

Year 2024 was a challenge to the Capital Group due to the difficult market situation, mainly in the construction and transportation industries. The volumes of order for the press plants in Europe were at historically low level, which resulted in strong pressure on trade margins.

In the second half of the year, there was a growth in sales by 2% compared with the first half of the year, mainly thanks to the acquisition of SELT Sp. z o.o. and its inclusion in the Group's consolidation (the acquisition process has been discussed in Section 5.2).

In such volatile environment, the Capital Group of Grupa Kęty S.A. generated sales of PLN 5,144 million, which was lower by 1% y/y, reflecting mainly the pressure on margins and higher volumes y/y. In 2024, the share of foreign sales represented 49% and was by 2 p.p. lower y/y.

The 2024 EBITDA equalled PLN 932 million and was higher by 7% y/y (+ PLN 64 million).

Profit on operating activities in 2024 equalled PLN 721 million and was higher by 5% y/y (+ PLN 34 million).

Upon consideration of financial expenses, mainly on account of interest on loans and tax payables, net profit amounted to PLN 560 million and was higher by 4% y/y (+ PLN 21 million).

TABLE 11: MAIN ITEMS OF THE STATEMENT OF PROFIT OR LOSS (CONSOLIDATED DATA)

Statement of profit or loss Consolidated data (PLN million)	2022	2023	2024	Change 2024/2023 (%)
Sales	5,931	5,219	5,144	-1%
- of which sales in Poland	2,857	2,573	2,621	2%
- of which sales in other countries	3,074	2,646	2,523	-5%
EBITDA*	1,031	868	932	7%
*EBITDA margin***	17.4%	16.6%	18.1%	1.5 p.p.
Net profit on operating activities	865	687	721	5%
*Operating margin****	14.6%	13.2%	14.0%	0.8 p.p.
Net profit attributable to owners of the parent	678	539	560	4%
*Net margin*****	11.4%	10.3%	10.9%	0.6 p.p.

* EBITDA – net operating profit plus depreciation and amortisation
** EBITDA margin – (net profit on operating activities + depreciation)/sales
*** Operating margin – net profit on operating activities/sales
**** Net margin – net profit attributable to owners of the parent/sales

The Capital Group possesses speciality engineering facilities and invests in development, therefore, a major part of assets as at 31 December 2024 are property, plant and equipment, amounting to PLN 2,164 million. As at the balance-sheet date they accounted for 51% of total assets (growth by 18% y/y). Higher value of non-current assets was an effect of the capital expenditure programme carried out, with the main aim for 2024 to extend the production capacity of the Extruded Products Segment and the Aluminium Systems Segment. A major impact was also related to the acquisition of SELT Sp. z o.o. in 2024. More information about the investment projects is provided in Section 6.6 of the Report.

The value of current assets as at 31 December 2024 was PLN 1,648 million and represented roughly 39% of the total assets (growth by 6% y/y). The higher value of current assets y/y resulted basically from higher raw materials prices on the world's markets (13% higher value of inventories y/y).

On the equity/liabilities side, the largest item was equity amounting to PLN 1,937 million, which represented 46% of the total equity/liabilities (growth by 2% y/y).

Current liabilities as at 31 December 2024 represented 25% of total equity/liabilities (drop by 10% y/y), whereas non-current liabilities as at the same day represented 29% of total equity/liabilities (increase by 106% y/y). The increase in non-current loan payables results mainly from the conclusion of a term loan agreement in the amount of PLN 350 million in relation to the acquisition of SELT Sp. z o.o.

The performance of development projects plan and acquisition of shares in SELT Sp. z o.o., alongside stable cash flows on operating activities amounting to PLN 707 million contributed to higher share of (long- and short-term) loans of 36% total equity/liabilities (growth by 59% y/y).

Net debt at the end of 2024 equalled PLN 1,501 million and was higher by 61% compared with the end of the preceding year.

TABLE 12: MAIN ITEMS OF THE BALANCE SHEET (CONSOLIDATED DATA)

Balance sheet Consolidated data (PLN million)	Balance as at 31/12/2022	Share structure (%)	Balance as at 31/12/2023	Share structure (%)	Balance as at 31/12/2024	Share structure (%)	Change 2024/2023 (%)
I. Non-current assets	1,903	49%	2,097	57%	2,573	61%	23%
- of which property, plant and equipment	1,648	42%	1,828	50%	2,164	51%	18%
II. Current assets	1,983	51%	1,558	43%	1,648	39%	6%
- of which inventories	985	25%	745	20%	843	20%	13%
- of which trade and other receivables	852	22%	705	19%	710	17%	1%
- of which cash and cash equivalents	139	4%	89	2%	83	2%	-7%
Total assets	3,886	100%	3,655	100%	4,221	100%	15%
I. Equity	1,942	50%	1,890	52%	1,937	46%	2%
- of which share capital	68	2%	68	2%	68	2%	0%
- of which retained earnings	1,807	47%	1,741	48%	1,761	42%	1%
II. Non-current liabilities	989	25%	596	16%	1,227	29%	106%
- of which loan payables	854	22%	442	12%	1,059	25%	140%
- of which lease liabilities	40	1%	63	2%	66	2%	5%
III. Current liabilities	955	25%	1,169	32%	1,057	25%	-10%
- of which short-term liabilities related to loans	295	8%	509	14%	449	11%	-12%
- of which lease liabilities	6	0%	6	0%	10	0%	67%
- of which trade and other payables	504	13%	530	15%	476	11%	-10%
Total equity/liabilities	3,886	100%	3,655	100%	4,221	100%	15%

Change in return ratios, reflecting the rate of changes in results, is presented in the table below. Return on equity (ROE) grew by 0.4 p.p. y/y and reached the high level of 28.9% at the end of 2024.

TABLE 13: RETURN RATIOS (CONSOLIDATED DATA)

Return ratios (consolidated data)	2022	2023	2024
ROA (return on assets)*	17.4%	14.7%	13.3%
ROE (return on equity)**	34.9%	28.5%	28.9%

* ROA – net profit attributable to owners of the parent/total assets
** ROE – net profit attributable to owners of the parent/equity attributable to owners of the parent

The Management Board positively assesses the financial results for the year 2024, especially considering the difficult market environment. The levels of consolidated profit on operating activities and net profit were slightly lower than the goals of the 2024 budget, but higher than the levels set forth in the Strategy for 2021-2025.

6.3 Discussion of basic economic and financial values disclosed in the annual separate financial statements

For the European manufacturers of extruded products, year 2024 was a challenging one. Despite of that Grupa Kęty S.A. generated sales of PLN 1,781 million in 2024. The result was lower by 8% y/y mainly due to price pressure with the simultaneous increases in the prices of the main material used in production, namely aluminium. The average annual price of aluminium expressed in Polish zloty was higher by roughly 2% y/y.

In 2024, Grupa Kęty S.A. recorded higher sales volume (by 5% y/y), also thanks to higher intra-group sales (to the Aluminium Systems Segment). The share of 2024 foreign sales was 45% (drop by 3 p.p. y/y).

Profit on operating activities grew by 3% y/y – to PLN 624 million. The rate of change in net profit on continuing operations was 5%, which means that the profit amounted to PLN 614 million.

TABLE 14: MAIN ITEMS OF THE STATEMENT OF PROFIT OR LOSS (SEPARATE DATA)

Statement of profit or loss Separate data (PLN million)	2022	2023	2024	Change 2024/2023 (%)
Sales	2,292	1,944	1,781	-8%
- of which sales in Poland	1,200	1,017	972	-4%
- of which sales in other countries	1,092	927	809	-13%
EBITDA*	789	667	694	4%
*EBITDA margin***	34.4%	34.3%	39.0%	4.7 p.p.
Net profit on operating activities	733	607	624	3%
*Operating margin****	32.0%	31.2%	35.0%	3.8 p.p.
Net profit on continuing operations	699	584	614	5%
*Net margin*****	30.5%	30.0%	34.5%	4.5 p.p.

* EBITDA – net operating profit plus depreciation and amortisation
** EBITDA margin – (net profit on operating activities + depreciation) / sales
*** Operating margin – net profit on operating activities / sales
**** Net margin – net profit / sales

Grupa Kęty S.A. is a production and trading enterprise which continuously invests in its engineering development. Therefore, non-current assets represent a significant item of assets amounting to PLN 1,624 million as at 31 December 2024. As at the balance-sheet date they accounted for 76% of total assets (growth by 41% y/y). The highest growth referred to financial non-current assets (by 104% y/y), which covered the result of SELT Sp. z o.o. acquisition in the amount of PLN 395 million. Higher value of property, plant and equipment was mainly the effect of depreciation and the carried out capital expenditure programme.

The value of current assets as at 31 December 2024 amounted to PLN 505 million and was higher by 4% y/y, chiefly due to higher value of inventories, covering the growth in aluminium prices, among other things. Current assets accounted for 24% of total assets (growth by 4% y/y).

On the equity/liabilities side, the largest item was equity amounting to PLN 1,058 million, which represents 50% of the total equity/liabilities (growth by 11% y/y).

High cash flows on investing activities, which in 2024 reached PLN 538 million, and in that number the expenditure on the acquisition of financial assets (shares in SELT Sp. z o.o.), contributed to higher share of loans (both short- and long-term ones) in the balance-sheet structure, to 40% of the total equity/liabilities (growth by 103% y/y).

Net debt at the end of 2024 equalled PLN 859 million, which means an increase by 103% compared with the end of 2023.

TABLE 15: MAIN ITEMS OF THE BALANCE SHEET (SEPARATE DATA)

Balance sheet Separate data (PLN million)	Balance as at 31/12/2022	Share structure (%)	Balance as at 31/12/2023	Share structure (%)	Balance as at 31/12/2024	Share structure (%)	Change 2024/2023 (%)
I. Non-current assets	1,020	63%	1,154	70%	1,624	76%	41%
- of which property, plant and equipment	589	36%	688	42%	718	34%	4%
- of which shares and interests	374	23%	383	23%	780	37%	104%
II. Current assets	603	37%	486	30%	505	24%	4%
- of which inventories	262	16%	182	11%	226	11%	24%
- of which trade and other receivables	338	21%	288	18%	263	12%	-9%
- of which cash and cash equivalents	3	0%	7	0%	9	0%	29%
Total assets	1,624	100%	1,640	100%	2,129	100%	30%
I. Equity	951	59%	953	58%	1,058	50%	11%
- of which share capital	68	4%	68	4%	68	3%	0%
- of which retained earnings	788	49%	768	47%	843	40%	10%
II. Non-current liabilities	347	21%	222	14%	688	32%	210%
- of which loan payables	300	18%	165	10%	626	29%	279%
- of which lease liabilities	4	0%	15	1%	21	1%	40%
III. Current liabilities	326	20%	465	28%	383	18%	-18%
- of which current loan payables	95	6%	251	15%	220	10%	-12%
- of which lease liabilities	0	0%	0	0%	1	0%	N/A
- of which trade and other payables	174	11%	195	12%	144	7%	-26%
Total equity/liabilities	1,624	100%	1,640	100%	2,129	100%	30%

Change in the value of results translates into return ratios, including return on equity (ROE), which despite a reduction by 3.3 p.p. y/y reached the level of 58.0%.

TABLE 16: RETURN RATIOS (SEPARATE DATA)

Return ratios (separate data)	2022	2023	2024
ROA (return on assets)*	43.0%	35.6%	28.8%
ROE (return on equity)**	73.5%	61.3%	58.0%

* ROA – net profit attributable to owners of the parent / total assets
**ROE – net profit / equity attributable to owners of the parent

The Management Board positively assesses the financial results generated in 2024. The level of 2024 profit on operating activities and net profit were higher than the levels set forth in the Strategy for 2021-2025, although they have not reached the 2024 budget goals.

6.4 Financial standing and results of business segments

The tables below present the selected financial figures of the Capital Group operating segments in the years 2024 and 2023, as well as the selected balance-sheet data, as at the ends of the periods.

TABLE 17: SELECTED FINANCIAL FIGURES OF THE OPERATING SEGMENTS IN 2024

2024 (PLN million)	FPS	EPS	ASS	Other	Eliminations*	Total
Statement of profit or loss						
Sales	**1,184**	**1912**	**2,507**	**27**	**-486**	**5,144**
- of which outside the Capital Group	*1,184*	*1,455*	*2,505*	*0*	*0*	*5,144*
- of which to related parties	*0*	*457*	*2*	*27*	*-486*	*0*
Dividends from related companies	0	0	0	556	-556	0
Write-downs of inventories	-2	-6	-7	0	0	-15
Write-downs of property, plant and equipment, and intangible assets	0	3	0	0	0	3
Operating profit (EBIT)	**205**	**124**	**421**	**525**	**-554**	**721**
Depreciation	35	93	80	3	0	211
EBITDA**	**240**	**217**	**501**	**528**	**-554**	**932**
Interest income	5	1	2	1	-6	3
Interest expenses	-17	-20	-30	-13	6	-74
Profit before tax	191	105	393	514	-554	649
Income tax	-38	14	-68	4	0	-88
Net profit	**153**	**119**	**325**	**518**	**-554**	**561**
Balance sheet						
Total assets	**918**	**1,511**	**1,880**	**811**	**-899**	**4,221**
Liabilities	**280**	**674**	**1,014**	**471**	**-155**	**2,284**
Other data						
Expenditures on property, plant and equipment, and intangible assets	**14**	**113**	**79**	**13**	**0**	**219**

TABLE 18: SELECTED FINANCIAL FIGURES OF THE OPERATING SEGMENTS IN 2023

2023 (PLN million)	FPS	EPS	ASS	Other	Eliminations*	Total
Statement of profit or loss						
Sales	**1,206**	**2,108**	**2,373**	**24**	**-492**	**5,219**
- of which outside the Capital Group	*1,206*	*1,641*	*2,372*	*0*	*0*	*5,219*
- of which to related parties	*0*	*467*	*1*	*24*	*-492*	*0*
Dividends from related companies	0	0	0	444	-444	0
Write-downs of inventories	2	2	0	0	0	4
Write-downs of receivables	0	2	1	0	0	3
Write-downs of property, plant and equipment, and intangible assets	0	-1	0	0	0	-1
Operating profit (EBIT)	**157**	**217**	**348**	**418**	**-453**	**687**
Depreciation	34	81	63	3	0	181
EBITDA**	**191**	**298**	**411**	**421**	**-453**	**868**
Interest income	5	0	1	0	-3	3
Interest expenses	-8	-12	-36	-5	3	-58
Profit before tax	149	197	314	415	-453	622
Income tax	-30	-14	-49	9	2	-82
Net profit	**119**	**183**	**265**	**424**	**-451**	**540**

Balance sheet						
Total assets	1,011	1,433	1,378	399	-566	3,655
Liabilities	248	619	952	157	-211	1,765
Other data						
Expenditures on property, plant and equipment, and intangible assets	22	198	144	14	0	378

* The 'Eliminations' item covers the elimination of inter-segment transactions and consolidation adjustments. In the statement of profit or loss it is mainly related to the sale of aluminium profiles by the EPS to the ASS, and elimination of dividends paid among the Capital Group companies. As regards assets and equity/liabilities, the eliminations refer mainly to inter-segment settlements on account of the aforesaid titles. All of the transactions are concluded on arm's length basis.
** EBITDA – net operating profit plus depreciation and amortisation.

In 2024, which was a difficult year on the market, the Capital Group of Grupa Kęty S.A. generated sales revenue of PLN 5,144 million, which was lower by 1% y/y, of which:

- PLN 1,184 million at the Flexible Packaging Segment (drop by 2% y/y), mainly resulting from lower sales prices on the flexible packaging market (simplification of packaging structure) and growth in volumes;
- PLN 1,912 million at the Extruded Products Segment (drop by 9% y/y), mainly resulting from lower sales prices, higher volume, and higher aluminium prices in PLN;
- PLN 2,507 million at the Aluminium Systems Segment (growth by 6% y/y), mainly resulting from consolidation in the Segment income of the sales by SELT Sp. z o.o. starting from September 2024.

The Capital Group of Grupa Kęty S.A. generated EBITDA of PLN 932 million, which was lower by 7% y/y, of which:

- PLN 240 million at the Flexible Packaging Segment (growth by 26% y/y), mainly resulting from higher margins in the area of BOPP films;
- PLN 217 million at the Extruded Products Segment (drop by 27% y/y), owing to lower demand and the resulting pressure on margins;
- PLN 501 million at the Aluminium Systems Segment (growth by 22% y/y), mainly resulting from high sales volume and consolidation in the Segment income of the results of SELT Sp. z o.o. starting from September 2024.

6.5 Financial resources management

General information on financial resources management

The Capital Group has adopted procedures regarding financial resources and financial risk management, which also refers to financial liquidity management and cooperation with banks. The procedures fall within the area of responsibility of the Treasury Director. The aim of the procedures is to currently monitor the liquidity standing of the Capital Group and its particular companies, as well as maintain the adequate level of available resources and secure against the potential liquidity loss by taking preventive actions. The procedures also regulate the principles of cooperation with banks, which covers the process of diversification of the sources of finance and selection of lenders, among other things. Separate procedures are in place for the purpose of financial risk management: foreign exchange rates volatility risk, interest rate risk, price risk, or credit risk.

Liquidity and debt management

The main factor affecting the liquidity standing of Grupa Kęty S.A. and its Capital Group is revenue generated on basic activities and the related cash flows.

TABLE 19: SELECTED DATA FROM THE STATEMENT OF CASH FLOWS

Selected data from the statement of cash flows (PLN million)	2022	2023	2024	Change 2024/2023
Consolidated data				
Net cash from operating activities	734	1148	707	-38%
Net cash from investing activities	(308)	(314)	(662)	-111%
Net cash from financing activities	(392)	(884)	(51)	+94%
Net increase/decrease in cash and cash equivalents	36	(50)	(6)	+88%
Cash and cash equivalents at the beginning of the period	104	139	89	-36%
Cash and cash equivalents at the end of the period	139	89	83	-7%
Separate data				
Net cash from operating activities	688	751	646	-14%
Net cash from investing activities	(130)	(145)	(540)	-272%
Net cash from financing activities	(561)	(602)	(106)	-82%
Net increase/decrease in cash and cash equivalents	(3)	4	2	-50%
Cash and cash equivalents at the beginning of the period	6	3	7	+133%
Cash and cash equivalents at the end of the period	3	7	9	+29%

TABLE 20: LIQUIDITY RATIOS

Liquidity ratios	2022	2023	2024
Consolidated data			
Current liquidity ratio*	2.1	1.3	1.6
Quick liquidity ratio*	1.0	0.7	0.8
Separate data			
Current liquidity ratio*	1.8	1.0	1.6
Quick liquidity ratio*	1.0	0.7	0.8

* Current liquidity ratio – current assets / short-term liabilities
** Quick liquidity ratio – (current assets - inventories) / short-term liabilities

Managing liquidity, Grupa Kęty S.A. and other Capital Group companies may avail of external sources of finance and the available financial products, and specifically bank loans within the set limits. Upon the selection of a bank to cooperate with, the Capital Group companies verify their financial rating, history of cooperation, as well as the offered terms and conditions, including costs, taking into account safety and high standard of the service provided, as well as the requirements regarding security and financial covenants.

Financing the operating activities of the Capital Group companies in the form of bank loans is based on an umbrella facility, i.e. financing of two or more companies of the Capital Group within one loan agreement, with limit shared among the participating companies in the form of sub-limits granted to each of them. The participating companies are jointly and severally liable for their liabilities up to the amount specified in the agreement. Owing to the fact that the total of maximum sub-limits available to the particular borrowers under the umbrella facility is higher than the maximum total limit granted to all of the borrowers jointly within one agreement, it is possible to manage liquidity at the level of many companies, by adjusting the current levels of funds availability to the liquidity standing of the particular companies. An element of liquidity management at the Capital Group is also the agreement on cooperation with regard to mutual finance, signed by the Group companies, under which the companies with financial surpluses grant loans to companies availing of working capital facilities, which enables optimal use of cash at the level of the Capital Group.

Information on the loan agreements and annexes to loan agreements signed by Grupa Kęty S.A. and the other companies of the Capital Group in 2024 is presented in Section 5.2.1 of this Report. No loan agreement signed by Grupa Kęty S.A. or a company of the Capital Group was terminated in 2024. There was no threat to timely repayment of liabilities to financial institutions, either.

As at 31 December 2024, the total indebtedness on account of loans amounts to PLN 1,508 million. With regard to the loan agreements concluded, the borrowers are obliged to maintain the net debt / EBITDA ratio at the level of less than 3.5. Depending on the borrower, the ratio is calculated either based on the consolidated financial results of Grupa Kęty S.A., the consolidated financial results of Aluprof S.A., the consolidated financial results of Alupol Packaging S.A., or the separate data of Aluminium Kęty EMMI d.o.o. (bilateral agreement), respectively.

TABLE 21: LIST OF LONG-TERM BANK LOANS

Lender	Loan currency	Security	Interest rate	31/12/2024 (PLN million)
BNP PARIBAS	PLN/EUR/USD	Joint and several liability of the following companies: Grupa Kęty S.A., Alupol Packaging S.A., Aluprof S.A., Alupol Packaging Kęty Sp. z o.o., Alupol Films Sp. z o.o., plus blank promissory notes and promissory note declarations of the aforementioned companies. The total value of joint and several liability does not exceed the actual debt level plus the costs of loan, renewable credit facility, the maximum debt level is PLN 500 million.	WIBOR 1M + margin EURIBOR 1M + margin SOFR 1M + margin	339
PKO BP	PLN/EUR/USD	Joint and several liability of the following companies: Grupa Kęty S.A., Alupol Packaging S.A., Aluprof S.A., Alupol Packaging Kęty Sp. z o.o., SELT Sp. z o.o., plus blank promissory notes and promissory note declarations. The total value of joint and several liability does not exceed the actual debt level plus the costs of loan, renewable credit facility, the maximum debt level is PLN 400 million.	WIBOR 3M + margin EURIBOR 1M + margin SOFR O/N + margin	168
PKO BP	PLN	Security bond by Aluprof S.A. subsidiary capped at 150% of the loan, i.e. PLN 525 million, as well as declarations of the borrower and the company granting the security bond on submission to enforcement in the form of a notarised deed, pursuant to Article 777 of the Civil Code. The loan is being repaid, and the current debt level is the highest possible.	WIBOR 3M + margin	286
PEKAO	PLN	Joint and several liability of Aluprof S.A. and Glassprof Sp. z o.o., mortgage on the real properties of Aluprof S.A., as well as pledge on property, plant and equipment of Aluprof S.A., up to the maximum amount of PLN 225 million. The total value of joint and several liability does not exceed the actual debt level plus the costs of loan – the loan is being repaid, and the current debt level is the highest possible.	WIBOR 3M or 6M + margin EURIBOR 3M or 6M + margin	100
Unicredit	EUR	Blank promissory notes and promissory notes declarations. Pledge on real property, comfort letter by Aluform Sp. z o.o. – the loan is being repaid, and the current debt level is the highest possible.	Fixed interest rate	15
ING Bank Polska	PLN, EUR	Registered pledge on fixed assets (capped at the security amount of PLN 240 million) and assignment of rights under insurance policy, contractual mortgage (capped at PLN 240 million) and assignment of rights under insurance policy. Joint and several liability of Aluform Sp. z o.o. and Grupa Kęty S.A., declaration of the borrower on submission to enforcement in the form of a notarised deed, pursuant to Article 777 of the Civil Code. The loan is being repaid, and the current debt level is the highest possible.	WIBOR 3M or 6M + margin EURIBOR 3M or 6M + margin	151

TABLE 22: LIST OF SHORT-TERM BANK LOANS

Lender	Loan currency	Security	Interest rate	31/12/2024 (PLN million)
PKO BP	PLN	Short-term part of long-term loan. Security bond by Aluprof S.A. subsidiary capped at 150% of the loan, i.e. PLN 525 million, as well as declarations of the borrower and the company granting the security bond on submission to enforcement in the form of a notarised deed, pursuant to Article 777 of the Civil Code. The loan is being repaid, and the current debt level is the highest possible.	WIBOR 3M + margin	51
ING Polska	PLN/EUR	Short-term part of long-term loan. Registered pledge on fixed assets (capped at the security amount of PLN 240 million) and assignment of rights under insurance policy, contractual mortgage (capped at PLN 240 million) and assignment of rights under insurance policy. Joint and several liability of Aluform Sp. z o.o. and Grupa Kęty S.A., declaration of the borrower on submission to enforcement in the form of a notarised deed, pursuant to Article 777 of the Civil Code. The loan is being repaid, and the current debt level is the highest possible.	WIBOR 3M or 6M + margin EURIBOR 3M or 6M + margin	29
ING Polska	PLN/EUR	Joint and several liability of Grupa Kęty S.A. and Aluprof S.A. The total value of joint and several liability does not exceed the actual debt level plus the costs of loan, renewable credit facility, maximum debt level: PLN 65 million.	WIBOR 1M + margin EURIBOR 1M + margin	32
PEKAO	PLN/EUR/ USD/GBP	Joint and several liability of the following companies: Grupa Kęty S.A., Alupol Packaging S.A., Aluprof S.A., Aluform Sp. z o.o., Alupol Packaging Kęty Sp. z o.o., Alupol Films Sp. z o.o. and Aluminium Kęty EMMI d.o.o., Glassprof Sp. z o.o., Aluprof System UK LTD, blank promissory notes and promissory note declarations of the aforementioned companies. The total value of joint and several liability does not exceed the actual debt level plus the costs of loan, renewable credit facility, maximum debt level: PLN 530 million.	WIBOR 1M + margin EURIBOR 1M + margin SOFR 1M + margin SONIA 1M + margin	308
Unicredit	EUR	Short-term part of long-term loan. Blank promissory notes and promissory notes declarations. Pledge on real property of Aluminium Kety EMMI Slovenia. Comfort letter by Aluform Sp. z o.o. – the loan is being repaid, and the current debt level is the highest possible.	Fixed interest rate	4
PEKAO	PLN	Short-term part of long-term loan. Joint and several liability of Aluprof S.A. and Glassprof Sp. z o.o. Mortgage on real properties of Aluprof S.A. and pledge on property, plant and equipment of Aluprof S.A. capped at PLN 225 million. The total value of joint and several liability does not exceed the actual debt level plus the costs of loan – the loan is being repaid, and the current debt level is the highest possible.	WIBOR 3M or 6M + margin EURIBOR 3M or 6M + margin	25

TABLE 23: TERM STRUCTURE OF LOANS

Maturity date	Balance as at 31/12/2022 (PLN million)	Balance as at 31/12/2023 (PLN million)	Balance as at 31/12/2024 (PLN million)
Short-term	295	509	449
Between 1 and 2 years	645	258	604
Between 2 and 5 years	136	137	423
Over 5 years	72	47	32
Total	**1,149**	**951**	**1,508**

Apart from bank loans, Grupa Kęty S.A. and other Capital Group companies also avail of other bank products, e.g. leases. The total value of leases does not have a significant effect on the financial liquidity of either the Capital Group or its particular companies.

The Capital Group companies granted loans to each other in accordance with the signed agreement on cooperation with regard to mutual finance, the list of which as at 31 December 2024 is presented in the table below. The companies did not borrow money from companies from outside of the Capital Group or issue any bonds.

TABLE 24: BORROWINGS BETWEEN THE COMPANIES OF THE CAPITAL GROUP AS AT 31 DECEMBER 2024

Lender	Borrower	Borrowing amount (PLN '000)	Currency	Maturity date	Interest rate
Alupol Packaging S.A.	Alupol Films Sp. z o.o.	55	PLN	31/01/2025	WIBOR 3M + margin
Alupol Packaging S.A.	Alupol Packaging Kęty Sp. z o.o.	73	PLN	31/01/2025	WIBOR 3M + margin
Aluform Sp. z o.o.	Grupa Kęty S.A.	26	PLN	31/01/2025	WIBOR 3M + margin
Dekret CR Sp. z o.o.	Aluprof S.A.	2	PLN	28/02/2025	WIBOR 3M + margin
Aluprof Belgium N.V	Aluprof S.A.	6	EUR	30/06/2025	EURIBOR 3M + margin
Aluprof UK Ltd.	Aluprof S.A.	3	GBP	30/06/2025	SONIA 3M + margin
Aluprof UK Ltd.	Aluprof S.A.	1	EUR	30/06/2025	EURIBOR 3M + margin
Aluprof UK Ltd.	Aluprof S.A.	2	GBP	30/06/2025	SONIA 3M + margin
Aluprof System Czech s.r.o.	Aluprof S.A.	2	EUR	31/03/2025	EURIBOR 3M + margin
Aluprof Hungary Kft.	Aluprof S.A.	1	EUR	30/04/2025	EURIBOR 3M + margin
Aluprof UK Ltd.	Aluprof S.A.	2	GBP	30/06/2025	SONIA 3M + margin

The Management Board has been monitoring the liquidity and debt level on a current basis, and in the event of a major deterioration of the ratios, it shall react adequately to the reasons and consequences of the existing situation. In order to limit the possible risk of lack of liquidity, the Capital Group companies also undertake a series of actions limiting the risk level. These include, among other things:

- development and current analysing of the performance of short-term and long-term financial plans;
- analysis and adjustment of the level of expenditure to the ability to cover it;
- current monitoring of the level of the particular components of current assets, and particularly inventories and receivables;
- maintenance of liquidity buffer within the available credit limits;
- transfer of some of the risk related to lack of payment for the goods sold, by way of taking out insurance policies;
- use of legal security measures with regard to payment of receivables by selected customers.

TABLE 25: DEBT RATIOS

Debt ratios	2022	2023	2024
Consolidated data			
Debt / equity ratio*	1.0	0.9	1.2
Net debt / EBITDA**	1.0	1.1	1.6
Separate data			
Debt / equity ratio*	0.7	0.7	1.0
Net debt / EBITDA**	0.5	0.6	1.2

* Debt/equity ratio – (short-term liabilities + long-term liabilities) / equity attributable to owners of the parent
** Net debt/EBITDA – (total loan payables and right-of-use assets - cash) / (profit on operating activities + depreciation)

Uncommitted cash held by Grupa Kęty S.A. and other Capital Group companies is kept in bank accounts and used for the purpose of internal borrowing among the Capital Group companies as provided for in the signed agreement on cooperation with regard to mutual finance, or invested in bank deposits, in consideration of concentration limits for each of the banks, and assessment of their financial condition, which requires the bank to have a short-term rating for investment deposits. Increase in the value of net debt / EBITDA ratio resulted mainly from higher net debt on account of the acquisition of SELT Sp. z o.o. (PLN 395 million).

Off-balance-sheet liabilities

Neither Grupa Kęty S.A. nor any other Capital Group company grant security bonds or guarantees to entities from outside the Capital Group, and they do not obtain security bonds or guarantees from such entities, either (except for contract performance bonds). There are three types of off-balance-sheet liabilities at the Capital Group, i.e. construction contracts performance bonds granted to the ASS companies, security bonds for bank loans repayment granted within the Capital Group when taking out bank loans, off-balance-sheet liabilities under joint and several liability on account of umbrella facilities.

TABLE 26: SECURITY BONDS GRANTED WITHIN THE CAPITAL GROUP

Security bonds granted in the value exceeding PLN 1 million, as at 31 December 2024				
Type and value of off-balance-sheet liability	**Company issuing the guarantee/security bond**	**Beneficiary**	**Value (PLN million)**	**Maturity date**
Security bond for liabilities of Grupa Kęty S.A. under a loan agreement concluded with Bank PKO BP.	Aluprof S.A.	Bank PKO BP SA	525	27/08/2030

The off-balance-sheet liabilities resulting from joint and several liability under the concluded loan agreements have been described in the 'Security' column of Tables 21 and 22.

In addition, joint and several liability applies to the following agreements:

Grupa Kęty S.A., Aluprof S.A. and Aluform Sp. z o.o. entered into an agreement with Bank PEKAO S.A. with regard to a guarantee facility up to the total amount of PLN 50 million. The companies are jointly and severally liable for the liabilities under the agreement. As at 31 December 2024, the value of guarantees issued under the agreement to Grupa Kęty S.A. amounted to roughly PLN 1 million, and to Aluprof S.A. – around PLN 3 million. All guarantees of Grupa Kęty S.A. were issued in 2024, whereas the guarantees of Aluprof S.A. before 2024. The guarantees granted under the agreement either expire on or before 4 May 2025 or are unlimited in time.

Grupa Kęty S.A. and Aluprof S.A. entered into an agreement with Bank BNP Paribas regarding a guarantee limit to the total amount of PLN 20 million. The companies are jointly and severally liable for the liabilities under the agreement. As at 31 December 2024, the value of guarantees issued under the agreement solely to the order of Aluprof S.A. amounted to approximately PLN 4 million. All guarantees were issued in 2024. The guarantees issued under the agreement expire on or before 30 June 2030.

Within the credit limit facility signed together with Grupa Kęty S.A. with ING Bank (see herein above in the Table entitled 'List of short-term bank loans'), Aluprof S.A. granted a guarantee for the total amount of around PLN 5 million (whereas in 2024, the value of guarantees issued was lower than PLN 1 million). The guarantees expire on or before 31 August 2028.

Alupol Packaging S.A., Alupol Packaging Kęty Sp. z o.o., and Alupol Films Sp. z o.o. entered into an agreement with Bank PEKAO S.A. with regard to a guarantee facility capped at PLN 35 million. The companies are jointly and severally liable for the liabilities under the agreement. As at 31 December 2024, the value of guarantees issued under the agreement to Alupol Packaging S.A. amounted to PLN 1 million, and to Alupol Packaging KĘTY Sp. z o.o. – PLN 3 million. All guarantees were issued before 2024. The guarantees refer to customs liabilities and have been issued without a time limit.

Euler Hermes granted insurance performance bonds to the order of Aluprof S.A. in the total amount of less than PLN 1 million as at the end of 2024 (all of them issued before 2024). The guarantees issued under the agreement expire on or before 12 July 2027.

Unicredit Bank Slovenija D.D. granted a performance bond of approximately PLN 7 million to the order of AK Emmi d.o.o. The bonds expire on 28 February 2025 and are related to securing a subsidy in the period of fulfilling the conditions described in Note 33 of the consolidated financial statements.

Apart from the above ones, neither Grupa Kęty S.A. nor the other Capital Group companies granted any security bonds or guarantees to other entities in 2024 (including also to related entities).

Off-balance-sheet receivables

- Guarantee to the order of SAT (Surface Aluminium Technologies company) was issued by Credit Suisse AG to Aluprof S.A. in order to secure the possible faults and defects for the amount of roughly PLN 1 million, and by Crédit Agricole to the order of Trasko Invest Sp. z o.o. for the amount of about PLN 2 million.
- Guarantee to the order of Adamietz was issued by Crédit Agricole to SELT Sp. z o.o. as a contract performance bond for the amount of less than PLN 1 million, and by ING Bank Śląski to the order of Zeman HDF Sp. z o.o. for the amount of about PLN 1 million.
- Other guarantees issued and received secure the receivables and liabilities included in the balance sheet.

Financial instruments used to hedge financial risk

Grupa Kęty S.A. and other Capital Group companies apply uniform principles of financial risk hedging set out in the adopted procedures and including:

- FX risk hedging principles;
- price risk hedging principles;
- interest rate hedging principles.

The above procedures comprise natural hedging actions, as well as application of term and derivative financial instruments.

With the use of financial instruments, the Capital Group secures the following cash flows:

- related to the exports of products;
- related to sales denominated in foreign currencies;
- related to import of materials and to investments;
- related to purchases denominated in foreign currencies.

In the first place, the applied financial instruments are to secure the risk related to foreign exchange rates volatility, and the risk related to changes in the price of the basic material, i.e. primary aluminium.

In 2024, the Company did not apply financial instruments to secure interest rate risk. During the reporting year, the Company availed of fixed interest rate loans, amounting to roughly 2% of the average net debt.

Financial instruments have been presented in more detail in Note 37 of the consolidated financial statements for the year 2024.

6.6 Investments in property, plant and equipment, and capital expenditure

General information on investments

Investment projects have been drivers of engineering development and a source of competitive advantage. Investments are planned within a several-year horizon of a strategy, which are further verified every year for the possible market changes. Decisions on the performance of major projects are made based on detailed analysis of each task, in consideration of their economic effectiveness (rate and period of return) as well as risk level, and are preceded with assessment and recommendation by the Investment Committee operating within the Central Area.

The investment projects carried out by the Capital Group under the 2021-2025 Strategy are mainly focused on the Capital Group organic development. They comprise specifically improvement of production capacity by construction and extension of production facilities and warehouses, as well as furnishing the halls with state-of-the-art machinery. All that occurs in response to the growing customer requirements, changing legal regulations, as well as care for the natural environment and staff safety. Adequate funds are also allocated to maintenance of the existing production capacity, by replacement, modernisation, or improvement of effectiveness (replacement projects). Within the period of the Strategy up to the year 2024, the capital expenditure of the Capital Group amounted to roughly PLN 1.5 billion (the amount covers for the money allocated to the acquisition of shares in SELT Sp. z o.o., which has not been set forth in the Strategy).

Investment projects in 2024

The 2024 Capital Group expenditure on property, plant and equipment as well as intangible assets equalled PLN 219 million, compared with PLN 378 million in 2023.

Within the EPS, capital expenditure amounted to PLN 113 million and comprised mainly the construction of a production complex consisting of a new logistics hall and a 4 MN press with tooling, development of aluminium components manufacturing at the plant in Kęty, as well as production tools (dies).

The value of expenditure on property, plant and equipment as well as intangible assets incurred by the ASS in 2024 amounted to PLN 79 million, and covered mainly the furnishing of the new plant in Złotów and replacement projects.

Expenditure on property, plant and equipment as well as intangible assets at the FPS equalled PLN 14 million and covered mainly replacement projects.

The 2024 expenditure on property, plant and equipment as well as intangible assets by Grupa Kęty S.A. amounted to PLN 110 million, compared with PLN 170 million in 2023. Reduction of the expenditure y/y results mainly from the completion of the investment projects aimed at production capacity extension planned for the Strategy period at the EPS. Apart from the projects related to the Extruded Products Segment, tasks were also performed within the Central Area, mainly in relation to the development of IT systems and infrastructure.

The description of the major investment projects carried out in 2024 by the particular Segments may be found in Section 5.1 'Operating activities at the business segments'.

As regards capital investments, in 2024 Grupa Kęty S.A. acquired 100% shares in SELT Sp. z o.o. for the total amount of PLN 395 million.

Assessment of the viability of the investment projects planned

The 2021-2025 Strategy of the Capital Group assumes capital expenditure of PLN 1.3 billion, out of which PLN 329 million is planned for 2025. The projects will be financed from the Company own funds and from bank loans. Considering the current financial standing of the Capital Group, safe debt and liquidity ratios, as well as the bank finance acquired in 2024, as at the date of this report the Management Board of the Company does not expect any problems with financing the planned investment projects.

6.7 Financial forecasts

On 17 December 2024, the Management Board of Grupa Kęty S.A. disclosed in public a forecast of the selected consolidated financial and operating results of the Issuer's Capital Group for the year 2025. The full text of the forecast is available in the current report No. 63/2024.

TABLE 27: FORECAST OF SELECTED FINANCIAL AND OPERATING RESULTS FOR THE YEAR 2025

Consolidated data (PLN million)	2024	2025F	Change (%) F2025 to 2024
Sales	5,144	5,612	9%
EBITDA*	932	990	6%
Net profit on operating activities	721	744	3%
Net profit attributable to owners of the parent	560	541	-3%

* EBITDA – operating profit plus depreciation and amortisation

Based on the assets of the Aluminium Systems Segment located in Opole, where production and sales of roller-shutter systems is carried out and the assets of SELT Sp. z o.o. acquired in September 2024 there is being created a separate area of operations with the aim of separating the Segment of Sun Protection Systems.

The Management Board of Grupa Kęty S.A. expects a gradual improvement in the economic situation in Poland and on the European markets, which are the focus for the activities of the Issuer's Capital Group. The assumption is based, among other things, on:

- the expected GDP increases in most of the European countries;
- continued decreases in interest rates implemented by the European Central Bank, as well as the commencement of a cycle of interest rates reduction in Poland;

- continued trends increasing the demand for aluminium products in construction (higher energy efficiency of buildings, including thermal performance improvement);
- continued support in carrying out investment projects in Poland, with the use of financing under the National Reconstruction Plan.

In effect, the Management Board of the Issuer assumes 9% growth in consolidated sales.

In the production and organisational area, the Capital Group companies will strive in 2025 for increasing productivity and cost effectiveness, through further processes automation, among other things. The total operating costs expected in 2025 will grow pro rata to the expected sales growth, and will reach PLN 4,869 million (+9% y/y).

As forecast for 2025, the consolidated EBITDA will amount to PLN 990 million and consolidated net profit attributable to owners of the parent will equal PLN 541 million.

The estimated consolidated net profit for 2025 will be lower by 3% y/y and will reach PLN 541 million.

The capital expenditure forecast for 2025 will equal PLN 329 million, and net debt will reach roughly PLN 1,540 million.

Non-financial objectives have also been set for 2025, in the area related to sustainable development, including:

- reduction of greenhouse gas emissions by 25% compared to the base year 2016;
- 75% share of aluminium scrap in low-emission LOW CARBON KETY billets;
- increase by 5% in the share of the manufactured packaging films and laminates fit for recycling compared to the base year 2020;
- increase by 77% in the number of Aluprof-systems-constructed buildings with environmentally-friendly certificates compared to the base year 2020;
- performance of 261 social projects within the 'Together with the Group' programme;
- improvement of occupational health and safety by bringing the Total Recordable Incident Rate (TRIR) below 1.0;
- reduction of the staff turnover rate by 9.3% compared with 2024.

6.8 Clarification of differences between the financial result disclosed in the report and previously published forecasts

The generated financial results for 2024 were slightly lower than those disclosed in the annual forecast in the current report No. 33/2023 of 19 December 2023, nevertheless, the deviation from any of the items of the selected financial figures did not exceed 10%. Failure to attain the forecast results in 2024 resulted mainly from the continuing bad economic situation both in Poland and on the European markets of key importance to the Capital Group, including specifically in the construction and automotive industries essential for the Capital Group.

TABLE 28: COMPARISON OF FINANCIAL FIGURES DISCLOSED IN THE FORECAST WITH THE ACTUAL RESULTS OF 2024

(PLN million)	2024 forecast	2024 results	Difference (%)
Sales	5,269	5,144	-2.4%
EBITDA*	945	932	-1.4%
Net profit on operating activities	742	721	-2.8%
Net profit attributable to owners of the parent	567	560	-1.2%

* EBITDA – net operating profit plus depreciation and amortisation

6.9 Information on agreements with the audit firm

Pursuant to the binding legal regulations, Grupa Kęty S.A. and the other Capital Group companies have their financial statements reviewed and audited by an audit firm. Moreover, the companies also avail of other services provided by the firm.

A firm authorised to audit the financial statements is selected by the Supervisory Board of Grupa Kęty S.A. on the basis of a recommendation of the Supervisory Board Audit Committee.

When selecting a firm authorised to audit the financial statements, the Supervisory Board of Grupa Kęty S.A. follows the adopted policy of Grupa Kęty S.A. with regard to the selection of and cooperation with an audit firm responsible for carrying the audit of statutory financial statements, and the procedure of Grupa Kęty S.A. of selecting an audit firm authorised to audit statutory financial statements.

The principles of providing additional non-audit services by the audit firm are determined by the policy of additional assignments for an audit form.

The policies and procedures related to the selection of and cooperation with audit firms are available on the Issuer's corporate website at www.grupakety.com/polityki/.

On 8 September 2022, the Company Supervisory Board, acting pursuant to § 14.2.11 of the Company Articles of Association, selected Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Sp. k. with its registered office in Warsaw (licence No. 130) (hereinafter referred to as the Auditor) as the audit firm authorised to audit the financial statements of the Company and consolidated financial statements of the Company Capital Group in the years 2023-2025, as well as to review the interim condensed separate and consolidated financial statements of the Company for the periods of 6 months ending 30 June in the years 2023-2025, respectively. The audit firm selection complied with the recommendation of the Company Audit Committee. The agreement with the Auditor was signed by the Management Board of Grupa Kęty S.A. on 23 November 2022 and was amended by Annex 1 of 8 March 2023 (mainly the changes referred to in the paragraph below), Annex 2 of 16 September 2024 (changed auditor's fee on account of extension of the scope of service), and Annex 3 of 29 November 2024 (change of fee with regard to consolidation of SELT Sp. z o.o.). The auditor was also appointed to audit the separate financial statements of the selected subsidiaries of Grupa Kęty S.A.

On 8 September 2022, the Company Audit Committee consented to the Auditor's audit of the Report on the Remuneration of the Management Board and Supervisory Board Members of Grupa Kęty S.A. for the years 2022-2025, in compliance with the Act on Public Offering. The performance of the service was included in the agreement with the Auditor concluded on 23 November 2022 by way of conclusion on 8 March 2023 of Annex 1 to the agreement.

On 30 January 2024, the Company Audit Committee consented to the provision of non-audit services by Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością Sp. k. with its registered office in Warsaw, with regard to attestation of Sustainable Reporting for the years 2024 and 2025. The performance of the services was included in the agreement with the Auditor concluded on 11 February 2025.

Before entering into the aforesaid agreements, Grupa Kęty S.A. availed of the Auditor's financial statements audit services, assurance services (review of semi-annual financial statements), audit of the report on remuneration of the Company governing bodies, as well as other services (open training) in the preceding reporting years (2016-2021).

TABLE 29: AUDITOR'S REMUNERATION

Title	2023 (PLN '000)	2024 (PLN '000)
Remuneration for the audit of separate financial statements	110	123
Remuneration for the audit of consolidated financial statements	143	268
Remuneration for the audit of financial statements of subsidiaries	380	520
Remuneration for semi-annual statements reviews	120	134
Remuneration for ESG report attestation	0	306
Remuneration for the audit of report on remuneration	36	40
Total	**789**	**1,391**

7. FACTORS AND EVENTS AFFECTING THE OPERATIONS AND FINANCIAL RESULTS OF THE COMPANY AND THE CAPITAL GROUP

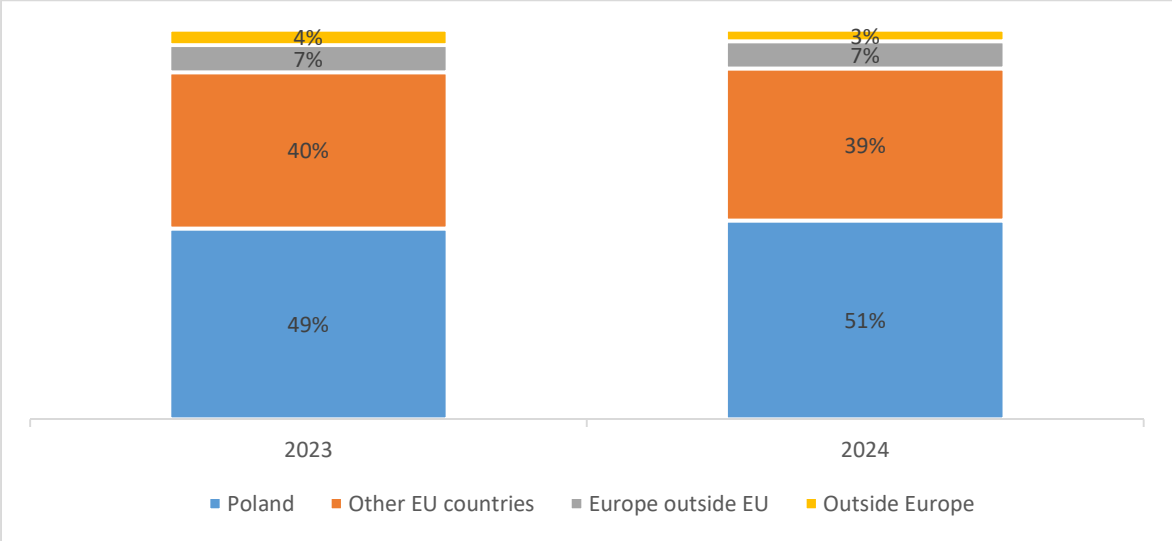
7.1 External factors

MARKET ECONOMIC CONDITIONS

The Capital Group is exposed to trends fluctuations occurring both in the Polish economy, which is the recipient of roughly 51% of the sales, and in the economies of other European countries, responsible for about 46% of consolidated sales. The remaining 3% of sales are generated on markets outside Europe, mainly in the USA. Sales are diversified and come from a great number of customers, whereas the share of none of them exceeds 10% of consolidated sales.

In 2024, sales dropped by 1% y/y by value, mainly due to bad economic situation and lower demand on major European markets (particularly in the second half of the year). In that context, positive are the sales in Poland, which grew by 2% y/y, whereas in the other European countries sales dropped by 4% y/y, and by roughly 14% y/y outside Europe. This resulted in higher share of domestic sales, namely 51% of consolidated sales.

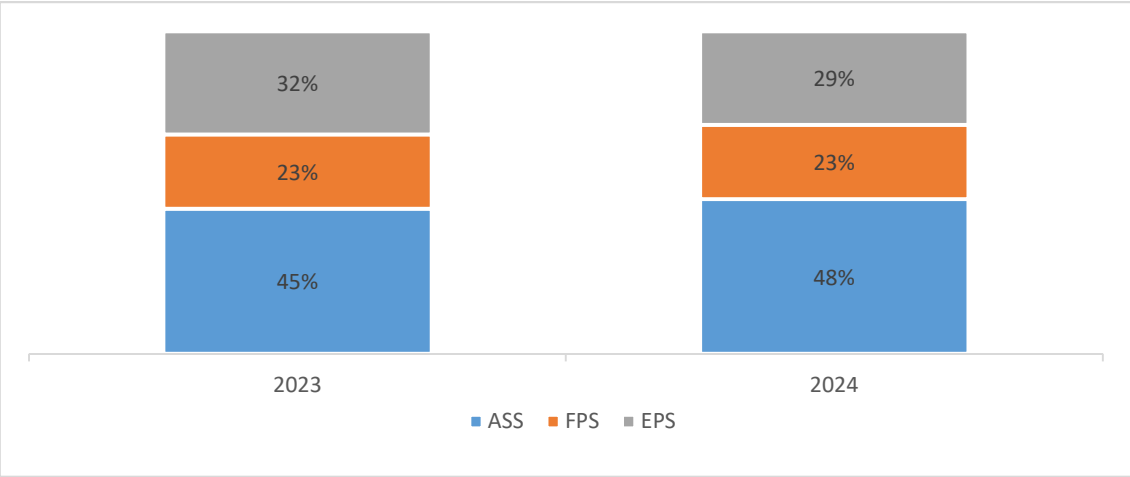
CHART 7: SALES BY TERRITORIES



Source: Company own materials.

Analysing the product sales structure to third-party customers (outside of the Capital Group), a significant 48% share of the Aluminium Systems Segment may be observed (façade systems, door-and-window systems, as well as external aluminium roller shutters). The sales of the Segment are realised mainly in the construction industry, which observed 3 p.p. growth in total sales of the Capital Group to external customers. In 2024, owing to weaker economic situation on the European markets, the share of the Extruded Products Segment in the sales of the whole Capital Group dropped by 3 p.p. y/y, whereas the share of the Flexible Packaging Segment remained unchanged. The Aluminium Systems Segment directs its products mainly to recipients in the construction industry. The Extruded Products Segment manufactures aluminium profiles, pipes and bars for customers in many sectors, however, the leading share belongs to the construction, transport and automotive industries. The Flexible Packaging Segment offers its products mainly to the food sector (plastic laminates and films, either printed or not printed). Therefore, all factors affecting the economic situation in the construction industry (availability of loans, level of investments), the automotive and transport industries (number of vehicles sold, share of aluminium elements in the vehicles) as well as the food sector (consumption and type of packaging applied by food manufacturers) have a significant effect on the sales of the Capital Group.

CHART 8: SALES BY PRODUCTS



Source: Company own materials.

RAW MATERIALS AVAILABILITY

The basic raw materials used by the Capital Group include primary aluminium, aluminium scrap as well as semi-finished products based on aluminium (sheet aluminium and aluminium foil and tape as well as billets made of aluminium and its alloys). In aggregate, they account for about 50% of all raw materials and production materials. In the production of flexible packaging, the Group also uses various types of films and plastics granulates (polyethylene, polypropylene), printing paper, paints, adhesives and binders, which jointly represent 20% of all purchased materials. The list of basic materials is supplemented with accessories for the production of aluminium systems, with 10% share. The main suppliers of raw materials and production materials are European companies, including those located in Poland (ca. 30%) and in other European countries (61%). Purchases made outside Europe represent roughly 9% of all purchased raw materials and production materials. In order to maintain high production quality, the purchasing policy is based on cooperation with selected suppliers who guarantee an adequate level of deliveries as well as simultaneous diversification (which ensures competitiveness and security). The value of purchases from the individual suppliers does not exceed 10% of consolidated purchase of raw materials and production materials.

In 2024, despite market turbulence related to the war in Ukraine and resignation from cooperation with suppliers in Russia and Belarus, the companies of the Capital Group did not suffer any major problems in basic materials supplies.

CUSTOMS POLICY

On 12 October 2020, the European Commission imposed penal customs duties ranging from 30% to 48% on extruded products imported to Europe from China. The customs duties have been binding since April 2021 for the period of 5 years, which may have a potentially positive effect on the level of orders to be received by the European manufacturers, including the Extruded Products Segment of Grupa Kęty S.A.

The customs policy of the specific countries in relation to the products offered by the Capital Group or its customers may affect sales indirectly. Further, the possible customs duties imposed by the European Commission on raw materials and semi-products acquired by the Capital Group companies outside of the European Union may have a negative impact on costs.

EXCHANGE RATES

As estimated, in the period covered with this Report, the sales value of the Capital Group companies denominated in EUR and GBP exceeded the costs incurred in these currencies. The surplus levels in 2024 are estimated as ca. EUR 108 million and GBP 24 million. As regards USD, costs in the year exceeded sales by roughly USD 33 million. Consequently, changes in the PLN exchange rates to EUR, GBP and USD affect the results generated. This refers both to the profitability of exports and competitiveness on the domestic market compared with imported products. The companies of the Capital Group take measures to mitigate FX risk by entering into currency forward transactions, transferring risk to the customer by application of price formulas covering for foreign exchange rates fluctuations, or maintaining a part of their debt in foreign currencies.

COMPETITORS

The Capital Group Segments operate mainly on the European market, competing both with local companies in the respective countries, and corporations operating on global or European scale. Moreover, products from the Far and Middle East are sold on the European markets. Despite the fact that those companies mostly supply relatively simple products, which do not require major processing or complicated and precise logistics, their price offer affects the prices on the markets where the products are sold.

Further, the activities of the competitors (price policies, investments in new production capacity, introduction of new innovative products, introduction of new high-efficiency technologies, access to cheaper raw materials, etc.) may affect the competitive position on the market and, thus, the sales and financial results generated by the Capital Group companies.

ACCESS TO AND COSTS OF EXTERNAL SOURCES OF FINANCE

The companies of the Capital Group implement investment programmes and extend their scale of operations in accordance with the assumed strategy, also availing of external finance. It means that restrictions in access to third-party finance may have a significant impact on further development opportunities and dividend paid by Grupa Kęty S.A. The interest rates related to external debt affect the value of finance costs and, thus, the generated net results.

In 2024, the main banks financing the current activities and investment projects of the Capital Group were: Bank BNP Paribas S.A., PKO BP S.A., Bank Pekao S.A., and ING Bank Śląski S.A. In 2024, there were signed annexes extending the financing of the Capital Group with PKO BP S.A. and Bank Pekao S.A., and further an investment loan agreement was concluded with regard to the acquisition of shares in SELT Sp. z o.o.

NECESSITY TO ADJUST THE POLISH ECONOMY TO THE ASSUMPTIONS OF THE EU POLICY REGARDING CLIMATE CHANGE

On 28 November 2018, the European Commission presented a long-term strategic vision of a well prospering, modern, competitive and climate neutral economy by the year 2050. Therefore, Poland, as one of the member states, should implement actions to follow the vision. The actions may be related to some additional investments at the Capital Group, or incurring additional costs. Detailed information on Grupa Kęty activities with regard to climate change prevention as well as the parameters planned for 2024 and achieved in that year may be found in Section 9 – 'Sustainability Statement'.

CHANGES IN LAW

The Capital Group is obliged to abide by a large and continuously growing number of legal regulations, including those related to personal data protection, environmental protection, waste management, corruption prevention, money laundering prevention, and many others, which results in higher costs related to the monitoring of the areas and higher risk of sanctions in the event of possible breaches. In 2024, apart from the case referred to in Section 5.2.3 hereof, there were no penalties imposed on the Capital Group companies that could have a major impact on the companies' activities or their financial results.

7.2 External factors and key non-material resources which affect development and competitive position

INVESTMENTS IN NEW TECHNOLOGIES DEVELOPMENT

The operation of the Group on a highly competitive market calls for constant meeting of the requirements imposed by competitors and customers. The Capital Group invests in the development of technologies, introduction of new products, potential increase, as well as distribution and sales network expansion. The gradual performance of strategic plans, assuming development in all key areas, guarantees the maintenance of high competitive level. Detailed information regarding investment and R&D activities of the Capital Group in 2024 may be found in Section 6.6 of this Report entitled 'Investments in property, plant and equipment, and capital expenditure' as well as in Section 5.1 hereof – 'Operating activities at the business segments – Research and investment projects'.

KNOWLEDGE AND EXPERIENCE OF THE EMPLOYEES

Business success depends on the effective work of the whole team, including management staff and their ability to retain and motivate well-qualified employees. The loss of qualified and experienced staff may bring a significant adverse impact on the operations of the organisation. Therefore, the Capital Group has been continuously adjusting the personnel policy to market changes in order to attract and maintain adequate staff. Detailed information regarding the HR policy, staff development, headcount and employment structure in 2024 may be found in Section 9 hereof – 'Sustainability Statement'.

OPERATING EFFECTIVENESS

High operating profitability, translating into stable and high cash flows on operating activities, guarantees ongoing development of the Capital Group. Improvement of production and sales processes as well as cost effectiveness contributes to high efficiency of operations and the achieved economic results.

CUSTOMER RELATIONS

The activities of the Extruded Products Segment and the Flexible Packaging Segments are based in 100% on specific orders. For that purpose, in order to ensure repeatability of orders, customer relations play a crucial role, enabling proper identification of their needs. At the Aluminium Systems Segment the customer portfolio is extended for entities directly participating in the value chain (e.g. architects, general contractors). In 2024, the Capital Group cooperated directly with roughly 4,500 customers on over 60 markets, as well as hundreds of architects and general contractors. The quality of the relations results in the possibility to maintain long-term cooperation, which finally translates into the value of turnover with the respective customers.

BRAND AND REPUTATION OF THE COMPANY

The Capital Group operates based on three major brands:

- Grupa Kęty at the Extruded Products Segment – the brand is recognized for its presence on the Stock Exchange, among other things, as well as for its high ratings among customers in the most demanding industries, including automotive;
- Aluprof at the Aluminium Systems Segment – the most renowned brand in the sector of architectural aluminium and sun protection systems in Poland, and one of the leading and established brands in Europe in the sector of architectural systems suppliers. In 2024, by decision of the Sector Analyses Centre, Aluprof brand was honoured for the 16th time with the title of the 'Market Leader in Joinery' within the Polish segment of aluminium systems and roller-shutters;
- Alupol at the Flexible Packaging Segment – the brand and reputation of the company is recognised on the European market of packaging materials, enjoying great customer confidence.

7.3 Events of exceptional nature which significantly affected the operations and the financial statements in 2024

Apart from the events described in this report, there were no other major events of exceptional nature in 2024.

7.4 Post-balance-sheet events

There have been no major post-balance-sheet events that would affect the operations of the Capital Group.

8. GRUPA KĘTY S.A. ON THE CAPITAL MARKET

8.1 Shares and shareholders

The shares of the Company have been quoted at Warsaw Stock Exchange since 16 January 1996, under the ISINPLKETY000011 code, in the sector of non-ferrous metals metallurgy. Since 4 August 2022 the shares of the Company are quoted within the WIG20 and WIG20TR indexes, and also belong to the indexes of WIGdiv and MSCI Poland IMI 25/50. As at 31 December 2024, there were the total of 9,735,146 shares of Grupa Kęty S.A. issued, of the nominal value of PLN 2.50 each.

The Company does not have a strategic investor in the sector. The main shareholders are Open Pension Funds [OFE], holding jointly over 50% of votes in the General Meeting.

A list of the Company shareholders with over 5% share in the Company equity and in the total number of votes at the AGM as at the end of 2023 and 2024, respectively, is presented in the table below.

TABLE 30: LIST OF THE COMPANY MAJOR SHAREHOLDERS

	Number of shares as at 31 December 2023	Percentage of share capital and total number of votes	Number of shares as at 31 December 2024	Percentage of share capital and total number of votes
Nationale-Nederlanden OFE	1,504,853*	15.59%	1,508,352**	15.49%
Allianz Polska OFE	1,626,277*	16.85%	1,464,264***	15.04%
OFE PZU ZŁOTA JESIEŃ	860,515*	8.92%	862,772**	8.86%
Generali OFE	784,074*	8.12%	786,131**	8.08%
Vienna OFE	627,891*	6.51%	575,887**	5.92%
Other	4,246,542	44.00%	4,537,740	46.61%
Total	**9,650,152**	**100%**	**9,735,146**	**100.00%**

* Data presented based on OFE reports regarding the annual assets structure as at 31 December 2023.
** Data presented based on OFE reports regarding the annual assets structure as at 31 December 2024.
*** Data presented based on the notification by Powszechne Towarzystwo Emerytalne Allianz Polska S.A. of 8 January 2025.

As at 31 December 2024 the persons managing Grupa Kęty S.A. and their related companies held 265,888 ordinary bearer shares of Grupa Kęty S.A., which represents 2.73% of shares and votes in the General Meeting.

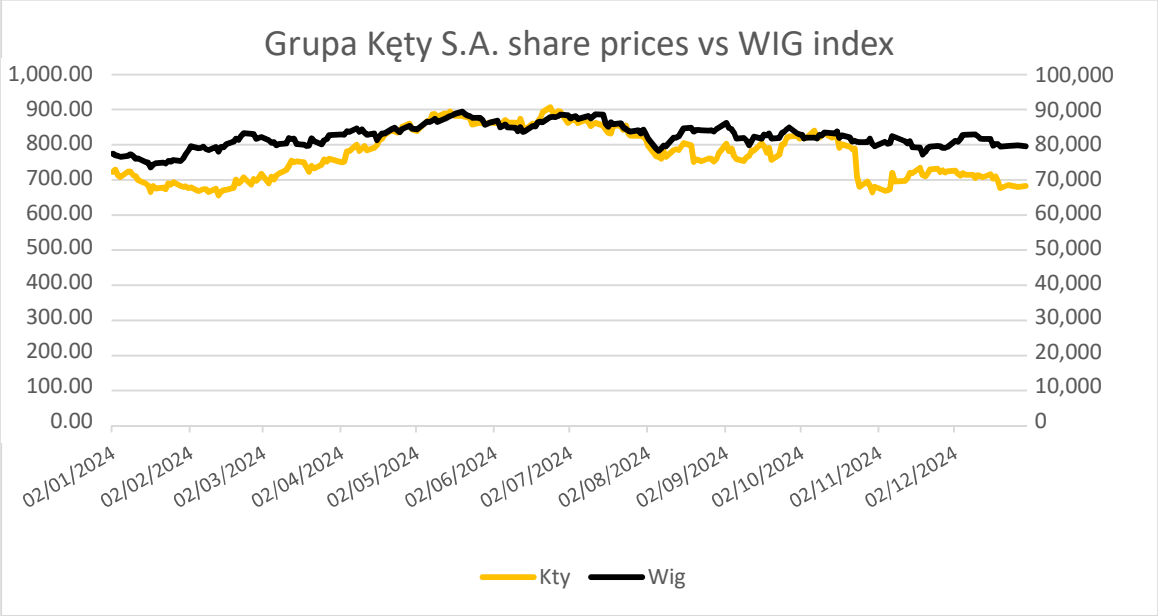
To the best knowledge of the Company Management Board, in 2024 and by the date of preparing this Report, there were concluded no agreements that would result in future changes in the proportions of the shares held by the existing shareholders, except for those resulting from the employee incentive plans presented in Section 8.5 of this Report.

8.2 Share quotations at the Warsaw Stock Exchange

By mid-February 2024, the prices of Grupa Kęty shares observed a downtrend, reaching the annual minimum on 13 February at PLN 655.0, whereas afterwards the trend reversed and the prices of shares soared, reaching the annual maximum on 24 June at PLN 906.5. Subsequently, the share prices dropped, reaching the level of PLN 682.5 at the last stock session of the year. On average, the prices of Grupa Kęty shares in 2024 were lower by roughly 6% y/y and amounted to PLN 682.5. The broad WIG market index rose by about 3% in that period.

The average value of turnover per session in 2024 was PLN 14.1 million, compared with PLN 14.2 million in 2023, whereas the average turnover volume was 18,184 shares, compared with 22,897 in 2023.

CHART 9: GRUPA KĘTY SHARE PRICES VS WIG INDEX IN THE PERIOD FROM 2 JANUARY 2024 TO 31 DECEMBER 2024



Source: Company own materials.

In 2024, Grupa Kęty paid dividend of PLN 55.40 per share, resulting in 7.3% dividend yield in reference to the price as at the date of determining the right to dividend. Lower share price in 2024 resulted in a decrease in market capitalisation of the Company to PLN 6,644 million as at 31 December 2024. The lower closing price at the end of the year, with higher consolidated net profit attributable to owners of the parent and slightly higher consolidated equity attributable to owners of the parent, resulted in a drop in the price to earnings ratio and price to book value ratio, which at the end of 2024 equalled 11.8 and 3.4, respectively. Increase by 5% y/y in the consolidated net profit attributable to owners of the parent, with slightly higher number of shares, resulted in an increase in the earnings per share ratio, which amounted to PLN 58.04 at the end of 2024.

TABLE 31: CAPITAL MARKET RATIOS OF THE COMPANY

Grupa Kęty	31/12/2022	31/12/2023	31/12/2024
Price to Earnings (P/E)*	5.94	13.3	11.9
Price to Book Value (P/BV)**	2.1	3.8	3.4
Dividend Yield (DY)***	9.4%	9.3%	7.3%
Dividend Per Share (DPS)	PLN 52.37	PLN 62.50	PLN 55.40
Earnings Per Share (EPS) ****	PLN 70.26	55.85	57.52
Market Capitalisation of the Company	PLN 4,024,113,384.00	PLN 7,189,363,240.00	PLN 6,644,237,145.00

* The Company's market capitalisation at the end of the year divided by net profit attributable to owners of the parent.
** The Company's market capitalisation at the end of the year divided by consolidated equity attributable to owners of the parent.
*** The ratio of dividend per one share in the respective year to the closing price as at the date of determining the right to dividend.
**** The ratio of consolidated net profit attributable to owners of the parent to the number of shares as at the balance-sheet date.

In 2024, the Issuer did not apply to rating agencies for assigning a rating to itself or its securities. To the best knowledge of the Issuer, neither the Issuer nor its securities were given ratings by any of the three leading rating agencies (S&P, Moody's, Fitch Ratings).

8.3 Communication with the market and the environment

The open information policy, ensuring equal access to information without any preferences to any stakeholder groups, forms basis for the corporate governance at Grupa Kęty S.A. Many times in its history, the Company has been honoured and awarded for its efforts in this area, which is managed by the Investor Relations Director. The Company has been continuously adapting to the changing expectations and requirements of its stakeholders and the environment in terms of the manner and form of communication, taking care to maintain security and bearing in mind its status of a public company. The following means of communication are used as an example:

- current and interim reports;
- face-to-face individual and group meetings;
- electronic tools (corporate website, profiles in social media, online broadcasts of corporate events).

Along with communicating the planned dates of interim reports publication, Grupa Kęty S.A. also announces and posts on its website the calendar of the most important corporate events scheduled for a given year. The Company regularly discloses the financial result forecast for a given year and the estimated financial figures for a given quarter, together with information on the most important events affecting its operations and financial results. The Capital Group development directions and long-term financial goals as well as ESG goals are presented in the disclosed development strategies of the Capital Group. In 2022 the Company commenced to disclose annual integrated reports.

Following the end of each quarter and each time a major event occurs, the Company organises conferences for stakeholders where the Management Board discusses the disclosed financial results, presents additional information and answers questions that arise. The conferences are broadcast online and archived on the corporate website. With regard to the growing interest in the Company among foreign investors, in particular following the Company shares inclusion in the WIG20 index in 2022, the Company provides simultaneous translation of the organised conferences into English.

Further, occasional tours of the Capital Group plants are organised for various stakeholder groups. During such events, the production process is presented and background information on the Capital Group operations and history is provided. In 2024 there were organised Investor Days during which analysts and managers visited the plants located in Kęty, Oświęcim and Bielsko-Biała and could meet face to face the Members of the Issuer's Management Board.

The Issuer's representatives, including the Management Board Members, also meet the stakeholders during various conferences organised in Poland and abroad, as well as in online meetings. In 2024, they were guests at the Wall Street Conference organised by the Individual Investors Society as well as conferences dedicated to institutional investors in Warsaw and London, and some online conferences organised by the domestic brokers for their clients.

Information about the Company and its prospects is available in reports and recommendations published by selected brokerage houses. The list of analysts who regularly publish reports about the Company is available on the corporate website at: www.grupakety.com/relacje-inwestorskie/grupa-kety-na-gpw/analitycy/.

Information regarding the Company and the Capital Group may also be obtained through direct contact with the appointed persons, as indicated on the Company's corporate website: https://grupakety.com/kontakt/dane-kontaktowe/.

8.4 Information regarding dividends

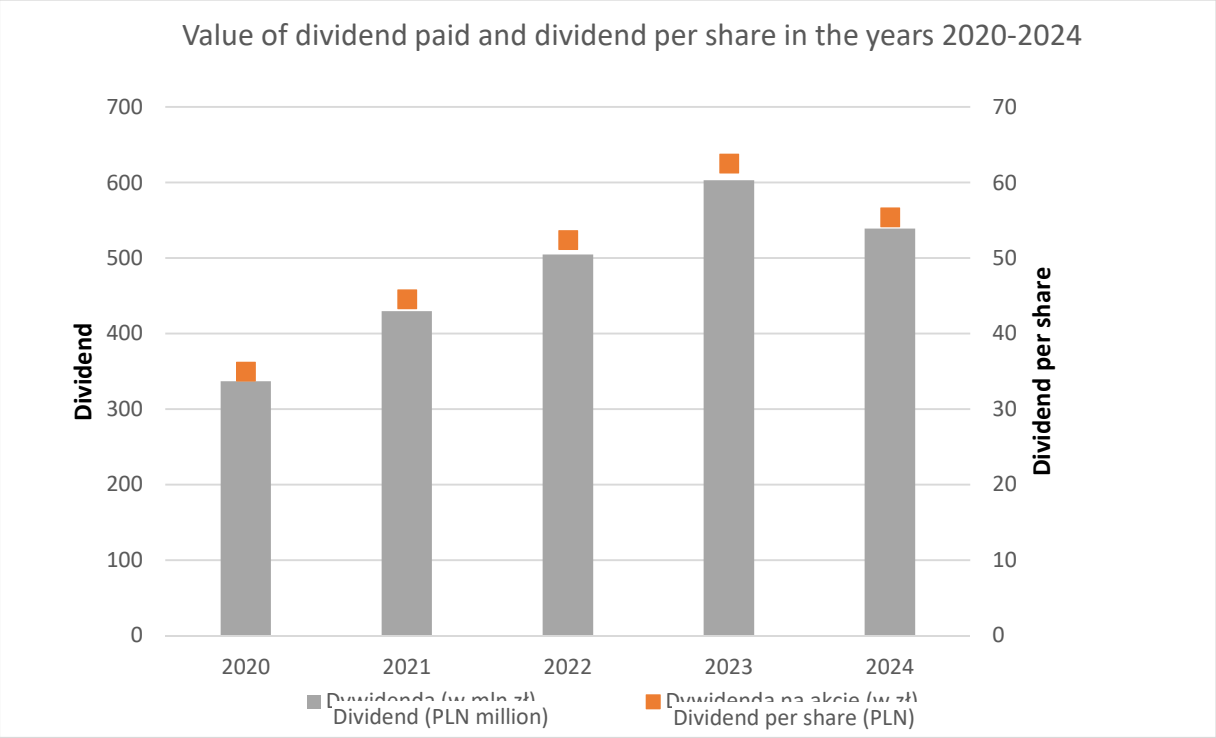
Dividend policy is an element of the development strategy of the Capital Group announced for a relevant period. The current dividend policy is described in Section 4 of this Report.

Starting from 2001, Grupa Kęty S.A. has been systematically paying out dividend (except in 2009, when dividend was not paid for 2008 owing to the worldwide financial crisis). In 2024, PLN 539 dividend for 2024 was paid (drop by approximately 11% compared with the preceding year), i.e. PLN 55.40 per share, which represented approximately 100% of consolidated net profit attributable to owners of the parent. The dividend record day was 21 August 2024, whereas the dividend payment date was set for 4 September 2024 (the amount of PLN 184 million, i.e. PLN 18.89 per share) and 6 November 2024 (the amount PLN 355 million, i.e. PLN 36.51 per share).

By the date of preparing this report, the Management Board of Grupa Kęty S.A. had not passed a resolution on recommending to the General Meeting the distribution of the net profit generated by the Company in 2024, or dividend payment. The final decision regarding the dividend payment is made each year by the Annual General Meeting.

In the period of the last five years, the value of dividend paid out per share grew by over 58%, from PLN 34.99 in 2020 to PLN 55.40 in 2024, whereas the total value of profit paid out in the form of dividends in the years 2020-2024 amounted to over PLN 2.4 billion.

CHART 10: VALUE OF DIVIDEND PAID OUT PER SHARE IN THE YEARS 2020-2024



Source: Company own materials.

8.5 Information on the Employee Share Plan control system

Currently, two incentive plans for the Capital Group employees are pending at Grupa Kęty S.A. in order to achieve an above-standard increase in the Company value through growing economic results and strengthening the Company shares value, which are controlled by the Company Supervisory Board. The plans are addressed to the Company Management Board Members and key managerial staff of the Company as well as the other companies of the Capital Group (hereinafter referred to as 'Eligible Persons'). The Eligible Persons are designated by the Company Management Board following consultations with the Company Supervisory Board, with the exclusion of the Eligible Persons being Members of the Management Board, who are designated by the Supervisory Board. Options are assigned to the Eligible Persons by the Supervisory Board, which following the fulfilment of specific conditions enable the acquisition of subscription warrants comprising the right to take up new-issue shares of the Company as part of the conditional increase of the share capital. Apart from three years' employment at the Capital Group companies since the date of adopting the plan, the criteria to be met in order to have the options assigned include the achievement of the Company shares price change ratio within three years that exceeds the WIG index value change ratio in the same period, and achievement of the EBITDA growth rate and net profit in the three years' period set out in the relevant AGM resolution.

The Supervisory Board, acting on the basis of authorisation of the General Meeting, adopted the rules comprising the specific principles, procedures, dates as well as terms and conditions of the plans, in accordance with the principles set out in the relevant AGM resolutions.

The first incentive plan has been carried out based on Resolution No. 3/23 of the Extraordinary General Meeting of Grupa Kęty S.A. dated 13 December 2023, replacing Resolution No. 27/20 of the Annual General Meeting of Grupa Kęty S.A. dated 20 August 2020, and applies to the years 2020-2028. The maximum number of shares offered within the plan may not exceed 270,000. The plan is divided in 3 equal tranches, each of them representing 1/3 of the total number of shares offered under the plan and the equivalent number of subscription warrants of D, E, and F series. The exercise of the first and second tranche options (D and E series warrants) took place on 1 February 2024 and 1 October 2024, respectively, whereas the third tranche will be exercised in October 2025. In compliance with the plan rules, the eligibility to exercise the option to take up shares ends for the particular tranches at dates falling in the years of 2027 to 2028.

The second incentive plan is carried out based on Resolution No. 19/23 of the Annual General Meeting of Grupa Kęty S.A. dated 21 June 2023, and applies to the years 2023-2030. The maximum number of shares offered within the plan may not exceed 291,000. The plan is divided in 3 equal tranches, each of them representing one third of the total number of shares offered under the plan and the equivalent number of subscription warrants of A, B and C series. The Options will be granted in three equal tranches at the specified dates falling in the years 2023 to 2025. The exercise of the right to take up shares will take place at the specific dates within the years 2026-2028, with the perspective to end in the years 2028-2030, respectively, for the particular tranches.

Detailed information regarding incentive plans, including the criteria for options eligibility have been provided in Note 23 of the consolidated financial statements as well as on the Company's corporate website: https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/programy-motywacyjne-2/.

No other company of the Capital Group has implemented incentive plans for their employees based on shares or interests.

8.6 Description of the securities issue proceeds allocation

Neither the Issuer, nor the other companies of the Capital Group have availed of finance by way of securities issue within the last 5 years. Grupa Kęty S.A. has pending incentive plans referred to in Section 8.5 of the Report, based on subscription warrants comprising the right to take up new-issue shares of Grupa Kęty S.A. issued as part of contingent capital, and such obtained relatively low-value financial means are assigned to the current operations of the Company.

8.7 Information on shares repurchase

Neither Grupa Kęty S.A. nor other Capital Group companies repurchased any of their own shares in the period covered with the Report and within the last 5 years. Grupa Kęty S.A. and other Capital Group companies do not hold their own shares. In the period covered with this Report, the Capital Group companies did not acquire or take up Grupa Kęty S.A. shares.

9. SUSTAINABILITY STATEMENT

9.1 General basis for preparation of the sustainability statement - BP-1

[BP-1_01] [BP-1_02] [BP-1_03] You are welcome to read the first Sustainability Statement compliant with the European Sustainability Reporting Standards (ESRS)[1] (hereinafter referred to as (the 'Statement'), prepared in consolidated form for the Capital Group of Grupa Kęty S.A. for the period from 1 January 2024 to 31 December 2024. It forms part of the Report of the Management Board of Grupa Kęty S.A. on the operations of the Company and the Capital Group in 2024.[2]

The Statement covers the companies within the organisational structure of the Capital Group of Grupa Kęty S.A., including SELT Sp. z o.o. acquired in September 2024 and consolidated within the Group. The reporting scope complies with the consolidated financial statements for the period from 1 January 2024 to 31 December 2024.

The organisational structure of the Capital Group of Grupa Kęty S.A. as at 31 December 2024 has been presented in Section 3.3 of the Report of the Management Board of Grupa Kęty S.A. on the operations of the Company and the Capital Group in 2024 – *CHART 5: CAPITAL GROUP ORGANISATIONAL CHART*.

[BP-1_04] The Statement refers to the value chain identified in the process of double materiality analysis, including own operations, upstream and downstream operations and supporting activities. The assessment of impacts, risks and opportunities has been carried out in reference to the whole value chain. The described scope refers also to policies, actions, targets and disclosed metrics, although it needs to be taken into account that not all of them cover with their scope or to equal extent the aforesaid value chain levels. Details related to policies affecting the relations with entities within the value chain are described in the parts devoted to the specific subject-matter standards.

[BP-1_05] [BP-1_06] The Company has not used the option to omit information corresponding to intellectual property, know-how or results of innovation.[3]

9.2 Disclosures in relation to specific circumstances – BP-2

[BP-2_01] [BP-2_02] The Capital Group applies short-, medium- and long-term time horizons compliant with the ESRS standard, defining:

- as short-term the period of up to 12 months,
- as mid-term the period between 1 and 5 years,
- as long-term the period longer than mentioned above.

[BP-2_14] [BP-2_10] [BP-2_15] [BP-2_13] [BP-2_12] [BP-2_11] [IRO-1_15] [SBM-3_11] [S2.MDR-A_01-12] With regard to the fact that the presented Sustainability Statement has been prepared for the first time in compliance with the ESRS guidelines, changes in preparation or presentation of sustainability information or reporting errors in prior periods may not be disclosed.

[BP-2_16] [BP-2_17] [BP-2_20] The organisation does not disclose information stemming from other legislation, nor avails of the possibility of incorporation by reference. An exception from this rule are the references in the particular Sections of the Report of the Management Board of Grupa Kęty S.A. on the operations of the Company and the Capital Group in 2024, of which this Statement is an integral part. Cross-cutting disclosures, which are to be disclosed with regard to the list of material topics, have been described together with references to cross-cutting disclosure under ESRS 2.

[1] Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (EU OJ L 2772, 22.12.2023, as amended), Annex I.

[2] In compliance with the Act of 6 December 2024 on Amendment of the Act on Accounting, the Act on Statutory Auditors, Audit Companies and Public Supervision, and Some Other Acts, which among other acts amends the Act of 29 September 1994 on Accounting (consolidated text in Journal of Laws of 2023, item 120, as amended). The Act implements, among other things, Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting (EU OJ L 322, 16.12.2022, p. 15).

[3] Neither did it avail of the exemption from disclosure of impending developments or matters in the course of negotiation, as provided for in articles 19a(3) and 29a(3) of Directive 2013/34/EU.

[BP-2_03] [BP-2_04] [BP-2_05] [BP-2_06] In upstream and downstream value chain estimation no indirect metrics were used. ***[BP-2_07] [BP-2_08] [BP-2_09]*** When identifying the particular disclosures, there was no need to apply quantitative metrics or monetary amounts that are subject to a high level of measurement uncertainty**.** ***[BP-2_21] [BP-2_22] [BP-2_23] [BP-2_24] [BP-2_25] [BP-2_26] [BP-2_27]*** In the first year of reporting, the option of omitting the selected datapoints has been availed of. ***[SBM-3_08]*** There is no risk of a major correction of the carrying amounts of assets and liabilities disclosed in the related financial statements in the next following annual reporting period.

[BP-2_16] In the Statement there are disclosed data compliant with the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

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

Composition of the governing bodies

[GOV-1_01] [GOV-1_02] [GOV-1_03] [GOV-1_04] [GOV-1_05] [GOV-1_08] In 2024, the Capital Group was managed and supervised by the governing bodies of the parent company, i.e. Grupa Kęty S.A.

In 2024 the Management Board of Grupa Kęty S.A. consisted of:

- Dariusz Mańko – President of the Management Board
- Roman Przybylski – Vice President of the Management Board
- Rafał Warpechowski – Member of the Management Board
- Mr Piotr Wysocki – Member of the Management Board
- Tomasz Grela – Member of the Management Board

The Supervisory Board consisted of (as at the end of 2024):

- Przemysław Rasz – Chairman of the Supervisory Board (independent member)
- Piotr Stępniak – Deputy Chairman of the Supervisory Board (independent member)
- Wojciech Golak – Member of the Supervisory Board (independent member)
- Piotr Kaczmarek – Member of the Supervisory Board (independent member)
- Marek Mikuć – Member of the Supervisory Board (independent member)
- Grzegorz Piwowar – Member of the Supervisory Board (independent member)

The composition of the Supervisory Board had been changing throughout the year, which has been described in detail in the Report of the Management Board of Grupa KĘTY S.A. on the operations of the Company and the Capital Group in 2024, Section 10: *Corporate Governance Statement*. ***[GOV-1_02] [GOV-1_07]*** That part describes also the experience and competences of the Management and Supervisory Board Members. The relevant information is also posted on the Issuer's website at https://grupakety.com/o-grupie-kety/o-nas/organy-spolki/.

No representatives of the employees sat at the managing and supervisory bodies of Grupa Kęty S.A. in 2024. ***[GOV-1_05] [GOV-1_06]*** There were no women among the Management Board and Supervisory Board Members.

Oversight of sustainability matters

[GOV-1_09] [GOV-1_10] [GOV-1_11] [GOV-1_12] [GOV-1_13] [GOV-1_14] [GOV-1_15] [GOV-1_17] The Management Board prepares a strategy and submits it to the Supervisory Board for opinion, and is further responsible for the strategy performance. The Supervisory Board continuously oversees the activities of the Company in all areas of its operations, including the performance of the business strategy as well as ESG strategy. The Chairman of the Supervisory Board does not hold any managerial positions at Grupa Kęty S.A. or any of the Capital Group companies. The Supervisory Board has established two committees – Audit Committee, and Nomination and Remuneration Committee. The Audit Committee oversees sustainability matters.

[GOV-1_15] [GOV-1_16] [GOV-1_17] Sustainable development management at the Capital Group of Grupa Kęty S.A. is overseen by the Management Board, of whom the person directly accountable is the President of the Management Board. The structures subordinated to the President of the Management Board comprise the CSR Department with the CSR Director. The CSR Director coordinates and develops processes in the area of the organisation's impact on the society and the environment, as well ethics, and is also responsible for preparing policies in these areas. The main objective of the CSR Department is to set out the direction of activities focused on sustainable development of the Capital Group companies, raise awareness of corporate social responsibility and ESG among employees, and take actions outside the Capital Group. The responsibility of the CSR Director include but are not limited to:

- aligning the organisation with market trends and requirements in the ESG area;
- initiating and coordinating activities in sustainability-related areas;
- coordination of the work of the Steering Committee for Sustainable Development and Corporate Social Responsibility (the 'Committee').

The membership, role and tasks of the Committee are defined in the Corporate Social Responsibility Procedure. The Committee members are: the Management Board of Grupa Kęty S.A., CEOs of the operating segments; CEO of CR Dekret, Business Ethics Ombudsman, and CSR Director.

The CSR Director, together with the Managers of the Central Area who are responsible for ESG-related matters (including: Director for Quality and Environmental Protection, HR Director, IR Director, Compliance and Risk Management Director, Management Board Bureau Director) elaborate the strategic projects and policies in sustainability areas for the Committee meetings, which are further submitted to the Management Board for opinion and approval.

Strategic topics are implemented into policies and procedures. The policies are signed-off by all Members of the Company Management Board, and post the approval by the President of the Management Board they are published on the in-house OrangeBook Platform, i.e. a system for managing strategic processes. OrangeBook is a collection of procedures, policies, instructions, recommendations, and orders, representing the most important guidelines and assumptions for the strategic and operational management of the Capital Group. A detailed list of the binding policies and procedures is provided in Section *G1 – Reports*, and the process is further described in Section 3.3.2 *Organisation and management of the Company and the Capital Group* of the Report of the Management Board of Grupa Kęty S.A. on the operations of the Company and the Capital Group in 2024. The policies governing the Company approach to ESG areas include but are not limited to: the Code of Ethics, the Climate Policy, the Respect for Human Rights Policy, the Code of Conduct for the Suppliers of the Grupa Kęty S.A. Capital Group, and the Occupational Health and Safety Policy. They are treated as foundations for the supervision of due diligence processes.

9.4 Information provided to the Management Board and Supervisory Board and sustainability matters addressed by the Boards – GOV-2

[GOV-2_01, GOV-2_02, GOV-2_03] The CSR Director is responsible for convening the meetings of the Steering Committee for Sustainable Development and Corporate Social Responsibility and possibly appointing its new members (in reference to the Committee's meeting schedule, new participants are invited to act as temporary members). The Committee meetings are held at least once a year. The Committee's main role is to oversee the activities in social and environmental areas, and to care for the Company sustainable development, in reference to the adopted Mission, Vision and Values, as well as the ESG strategy. In 2024, sustainability matters, including new regulatory requirements and the conduct and results of the double materiality analysis, were the subject of three Committee meetings (which discussed, among other things, the results of the previous year's strategy, the draft double materiality analysis, the results of the dialogue with stakeholders as part of the due diligence process, the assumptions of ESG strategy in the S, G and E areas within transition to climate change mitigation efforts for the years 2025-2029, as well as the issues related to managing the supply chain due diligence process). In addition, ESG topics were the subject of seven meetings of the Management Board.

Also at the meetings of the Audit Committee of the Supervisory Board held on 22 April and 18 October there were discussed legal requirements related to sustainability which apply to the Capital Group. Further, in the meeting of the Audit Committee on 5 December, Ernst & Young Audyt Polska made a presentation on the status of attestation of Grupa Kęty S.A. Sustainability Statement for the year ended 31 December 2024.

The Management Board and the Supervisory Board possess all competences necessary to manage the organisation, including the identified material impacts, risks and opportunities with regard to sustainability. At the same time, engagement in the work of the Committees enables conscious consideration of the impact of sustainability matters on the business activities and strategy of the Capital Group. What is more, starting from 2025 the Capital Group plans to implement additional elements in that scope, namely regular training courses in ESG for members of managing and supervisory bodies or *Sustainability Flash* – a monthly newsletter with most important information in the ESG area (introduced in November 2024).

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

[GOV-3_01] [GOV-3_02] [GOV-3_03] [GOV-3_04] [GOV-3_05] [GOV-3_06] The principles of remuneration of the Members of Management and Supervisory Boards are stipulated in the Remuneration Policy of the Management Board and Supervisory Board Members of Grupa Kęty S.A. (adopted on 20 August 2020 by Resolution No. 19/20 of the Annual General Meeting of Grupa Kęty S.A., and amended by the AGM Resolution No. 18/2022 of 25 May 2022) which is available on the Issuer's corporate website https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/polityka-wynagrodzen/. The remuneration of the Management Board Members consists of fixed and variable components, as well as in-kind benefits. The variable part of annual remuneration depends, among other things, on the performance of non-financial goals with regard to GHG emissions reduction, performance of projects for local communities and reduction of the Total Recordable Incident Rate (TRIR). The weight of ESG goals represented 10% of the maximum value of annual incentives of the respective Management Board Members.

9.6 Statement on due diligence – GOV-4

TABLE 32: STATEMENT ON DUE DILIGENCE

Basic elements of the due diligence process	Mapping of the datapoints in the Statement where the process element has been described
Inclusion of due diligence in the corporate governance, strategy and business model	GOV-1 Oversight of sustainability matters GOV-2 Information provided to administrative, management and supervisory bodies SBM-3 Material impacts, risks and opportunities
Cooperation with stakeholders impacted by the Capital Group at all key stages of the due diligence process	SBM-2 Dialogue with stakeholders for the purpose of double materiality analysis GOV-2 Information provided to administrative, management and supervisory bodies IRO-1 Double materiality analysis process MDR-P Description of S1, S2, G1 policies
Identification and assessment of adverse impacts	SBM-2 Dialogue with stakeholders for the purpose of double materiality analysis SBM-3 Material impacts, risks and opportunities IRO-1 Description of the process to identify and assess material impacts, risks and opportunities
Undertaking actions in order to mitigate the identified adverse impacts	E1-3 Actions and resources in relation to climate change policies E2-2 Actions and resources related to pollution E3-2 Actions and resources related to water and marine resources E5-2 Actions and resources related to resource use and circular economy S1-4 Taking action on material impacts on own workforce, and effectiveness of those actions S2-2 Processes for engaging with value chain workers about impacts
Monitoring of the effectiveness of the engagement and sharing the relevant information in that scope	SBM-2 Dialogue with stakeholders for the purpose of double materiality analysis

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

[IRO-1_11] [IRO-1_12]

ESG risk management

[GOV-5_01] [GOV-5_02] [GOV-5_04] [GOV-5_05] ESG risk management at the Capital Group has been included within the general risk management system. The purpose of the system is mainly to provide the Management Board and the Supervisory Board of Grupa Kęty S.A. proper information regarding threats within and outside of the organisation.

The system has been designed based on the guidelines provided in the international ISO 31000:2018 standard ('Risk Management – Guidelines'). The system operation is based on a policy, in accordance with which risk management, including ESG risk, forms an integral part of all processes and translates into the decisions made. In addition, risk management activities are shaped by internal regulations such as: resolution on the appointment of the Risk and Compliance Committee, By-law of the Risk and Compliance Committee, Compliance Management Policy, Risk Management System Procedure.

Risk management approach and description of the risk assessment procedure have been disclosed in detail in Section 3.4 *Internal audit, compliance and risk management at the organisation* of the Report of the Management Board of Grupa Kęty S.A. on the operations of the Company and the Capital Group in 2024.

Description of the identified material ESG risks

[GOV-5_03] [S1.SBM-3_05] [S1.SBM-3_06] Below presented is a list of identified material risks in the area of sustainability, with ratings for short-term (up to 1 year), medium-term (between 1 and 5 years), and long-term (over 5 years) time horizons, and identification of a change in the risk rating for short-term horizon compared with the preceding year.

TABLE 33: MATERIAL ESG RISKS

<table>
<tr><th colspan="4">1. Risk of loss of competitiveness as a result of the economic transition to zero emission</th></tr>
<tr><th rowspan="4">Area:
CSR</th><th>Time horizon</th><th>Risk rating</th><th rowspan="4">New risk</th></tr>
<tr><td>Short-term</td><td>Medium</td></tr>
<tr><td>Medium-term</td><td>High</td></tr>
<tr><td>Long-term</td><td>High</td></tr>
<tr><td colspan="4">The risk of loss of competitiveness as a result of the economic transition to zero emission is a consolidation of the following risks identified during the process of double materiality assessment:
• dropping out of the supply chain as a result of changes in customers behaviour, in case of non-adjustment to transition into low-emission model (market transition risk);
• the need to use post-consumer recycled raw materials (plastics) to manufacture food contact products (to reduce environmentally hazardous waste);
• the need to replace products and services used in the supply chain with low-carbon options (technology transition risk);
• loss of competitiveness, including exclusion from the market due to offering products of high carbon footprint;
• need to implement low-carbon technologies in own operations (technology transition risk), e.g., hydrogen for high-temperature heating of auxiliary processes, electrification of high-temperature heat for auxiliary processes.</td></tr>
<tr><td colspan="4">Scenario adopted for risk assessment
The risk was measured in consideration of the current legal regulations. In case of non-adjustment, there is a risk of exclusion from the market as a result of failure to offer products with low carbon footprint.</td></tr>
<tr><td colspan="4">Place of risk origination within the value chain:
• Upstream value chain – contractors
• Own operations</td></tr>
<tr><td colspan="4">Risk-mitigating strategy (measures):</td></tr>
<tr><td colspan="4">• Strategy for the years 2021-2025
• Monitoring of the business environment and adjustment to market expectations
• Monitoring of greenhouse gas emissions for Scopes 1, 2, and 3
• Green energy guarantees of origin
• Modern plant and machinery
• Energy efficiency improvement
• Capital expenditure plan</td></tr>
</table>

2. Risk of breaching human rights in the value chain			
Area: CSR	**Time horizon**	**Risk rating**	**New risk**
	Short-term	Medium	
	Medium-term	Medium	
	Long-term	Medium	
Risk of breaching human rights in the value chain, specifically with regard to employment and remuneration conditions, freedom of association, work and life balance, equal treatment of women and men, prevention of violence and mobbing at the place of work, child labour, forced labour, and right to privacy. The risk is a consolidation of the following risks identified during the process of double materiality assessment: • failure to verify suppliers with regard to child labour, forced labour, compliance with health and safety regulations; • risk of supply chain stability through incidents in the supply chain (e.g. non-compliance with regulations, human rights violations, increased logistics costs related to carbon footprint, etc.) as a result of working with suppliers from high-risk (human rights) countries; • risk of incidents in the value chain as a result of failure to verify compliance with the Code of Conduct for the Suppliers of the Capital Group, including in indirect relationships; • risk of incidents regarding personal data protection.			
Scenario adopted for risk assessment In the medium- and longer-term time horizon, higher standards at companies in the EU and the exertion of a greater positive impact on non-EU companies as a result of the implementation of the principles of the CSRD have been taken into account in the risk measurement. In addition, increased migration of people and, therefore, increasing risk of hiring immigrants with higher risks in the area of human rights compliance, were taken into account.			
Place of risk origination within the value chain: • Upstream value chain – contractors, suppliers' employees			
Risk-mitigating strategy (measures):			
• Dialogue with suppliers • Code of Conduct for the Suppliers of the Capital Group • List of approved (qualified) suppliers • Suppliers' assessment (annual/quarterly) • Raising human rights awareness in the value chain			

3. Risk of non-compliance with the principles of ethics, resulting in non-ethical culture at the organisation and claims on account of breaching the Code of Ethics			
Area: CSR	**Time horizon**	**Risk rating**	**Risk level change:**
	Short-term	Medium	Without change
	Medium-term	High	
	Long-term	High	
Risk of tarnishing the Company's reputation as one operating in compliance with ethical business principles, which may result in losing the opportunity to cooperate with companies for which ethical values are important.			
Scenario adopted for risk assessment Analysis of employee ethics surveys, historical data and guidelines of the new Act on Whistleblowers' Protection.			
Risk-mitigating strategy (measures):			
• Training • Communication of ethical issues in the Intranet, the corporate newsletter, on information boards at production departments, information on dedicated screen displays • CSR Policy • Respect for Human Rights Policy • Code of Ethics • Committee for Sustainable Development and Corporate Social Responsibility • Compliance system			

Description of approach applied to assess opportunities

As a result of the double materiality analysis, opportunities relating to ESG matters were identified in 2024. They were included in the list of opportunities of the Capital Group and measured. The measurement covered the overall rating of the opportunity (scale from 1 to 25), which is the product of two parameters: probability and financial impact, valued on a scale of 1-5. Based on such measurement, the opportunities are classified as low, that is, immaterial (scored at up to 8 points), medium (scored at 8 to 15 points), and high (scored at over 15 points). The opportunities assessment process was supported by the representatives of the Group's operating segments and, thus, at the level of Grupa Kęty S.A. the highest values of opportunities presented by the particular segments were assumed.

Description of the identified material ESG opportunities

Below presented is a list of material opportunities in the area of sustainability identified in 2024 within the double materiality process, together with the updated rating of the opportunity for short-term (up to 1 year), medium-term (between 1 and 5 years), and long-term (over 5 years) time horizon.

TABLE 34: MATERIAL ESG OPPORTUNITIES

1. Opportunity of higher demand for aluminium products with low carbon footprint			
Area:	**Time horizon**	**Opportunity rating**	**Opportunity level change:**
Sales	Short-term	Low	**New opportunity**
	Medium-term	Medium	
	Long-term	High	
Increased demand for aluminium products that reduce the carbon footprint of buildings and vehicles, resulting in increased offerings and production capacity for these products (change in customer behaviour)			
Place within value chain: • Own operations • Downstream			
Reasons for origination: • Legal and environmental regulations (energy performance of buildings, passive and low-emission buildings, CO_2 emissions) • Promotion of utility and aesthetic characteristics of aluminium • Development of sustainable construction • Development of building technologies			

2. Opportunity to use recycled aluminium in operations			
Area:	**Time horizon**	**Opportunity rating**	**Opportunity level change:**
Production and quality systems	Short-term	Low	**New opportunity**
	Medium-term	Medium	
	Long-term	High	
Basing operations on recycled aluminium resulting in less energy and resource consumption and consequently reducing costs for environmental emissions			
Place within value chain: • Own operations • Downstream			
Reasons for origination: • Legal and environmental regulations (energy performance of buildings, passive and low-emission buildings, CO_2 emissions) • Promotion of utility and aesthetic characteristics of aluminium • Development of sustainable construction • Development of building technologies			

3. Opportunity to design recyclable products			
Area:	**Time horizon**	**Opportunity rating**	**Opportunity level change:**
Production and quality systems	Short-term	Low	**New opportunity**
	Medium-term	Medium	
	Long-term	High	
Designing recyclable products can translate into new customers due to improved reputation			
Place within value chain: • Own operations • Downstream			
Reasons for origination: • Legal and environmental regulations (energy performance of buildings, passive and low-emission buildings, CO_2 emissions) • Technology development • Recycled materials segregation • Easy reusability			

4. Opportunity of higher competitiveness compared with entities which do not adapt their operations to EU climate requirements			
Area:	**Time horizon**	**Opportunity rating**	**Opportunity level change:**
Sales	Short-term	Low	**New opportunity**
	Medium-term	Medium	
	Long-term	High	
Higher competitiveness compared with entities which do not adapt their operations to EU climate policy requirements, by way of following climate policy and monitoring the competitive environment			
Place within value chain: • Own operations • Downstream			
Reasons for origination: • Necessity to adapt to legal and environmental regulations • Increased trust among contractors • Strengthening of operational efficiency and competitiveness improvement • Attracting investors			

9.8 Strategy, business model and value chain – SBM-1

Material activities, resources and relationships in own operations

[SBM-1_25] [SBM-1_28] The operations of the Capital Group of Grupa Kęty S.A. are based mainly in Poland. The registered office of the Group is the city of Kęty in Małopolskie Province. The Capital Group has also plants and offices located in Oświęcim, Tychy, Bielsko-Biała, Opole, Rogów Opolski, Goleszów and Złotów in Poland, as well as abroad in Slovenia (Slovenska Bistrica) and Ukraine (Borodianka), which has been described in Section 3.1 *CHART 3. PRODUCTION PLANTS AND RESEARCH CENTRES OF THE CAPITAL GROUP* of the Report of the Management Board of Grupa Kęty S.A. on the operations of the Company and the Capital Group in 2024. Sales offices outside of Poland are located in Belgium (Dendermonde), Romania (Bucharest), Czech Republic (Ostrava), Netherlands (Rotterdam), UK (Altrincham), Ukraine (Kiev), USA (Wilmington), Germany (Dortmund, Schwanewede), Italy (Milan), and Hungary (Dunakeszi). The operations of individual companies are significantly influenced by the laws of the European Union and by the national legal systems of the individual member states in which the Capital Group has plants or offices. To a much lesser extent, the Group's operations are affected by non-EU systems. ***[S1.SBM-3_07] [S1.SBM-3_08] [S1.SBM-3_09] [S1.SBM-3_08]*** The Capital Group operates in areas without the risk of forced labour or child labour. ***[S1.SBM-3_10]*** The Capital Group has not identified any information on own operations where there would be a significant risk of forced or compulsory labour.

In September 2024 there was acquired the company of SELT Sp. z o.o. which avails of modern plants located in Opole and Rogów Opolski. The company deals with manufacturing of sun protection systems for the construction industry. In the reporting year, the company was consolidated within the Aluminium Systems Segment.

In 2024, the Capital Group of Grupa Kęty S.A. run business within three operating segments described in Section 5.1 *Operating activities at the business segments* of the Report of the Management Board of Grupa Kęty S.A. on the operations of the Company and the Capital Group in 2024, namely:

- the Extruded Products Segment (EPS)
- the Aluminium Systems Segment (ASS)
- the Flexible Packaging Segment (FPS)

Basic products divided into operating segments, customers and sales market are presented in Table 35.

The Capital Group processes materials in the following key processes: primary aluminium and scrap aluminium melting, billets casting, profiles extrusion from aluminium and aluminium-alloy billets, mechanical machining, welding, anodising, powder coating, manufacturing of plastic films, printing, laminating, metallisation, cutting, assembly and picking-up of architectural systems elements and sun protection products for the construction industry.

Apart from manufacturing processes, the Capital Group companies carry out activities related to products research and development, introduction of new technologies, and optimisation of the existing technologies. These include, among other things, analyses of the chemical composition of materials, strength tests, metallographic tests, spatial measurements, ultrasonic tests, electrical conductivity measurements, specific tests for the automotive industry and the implementation of new packaging categories.

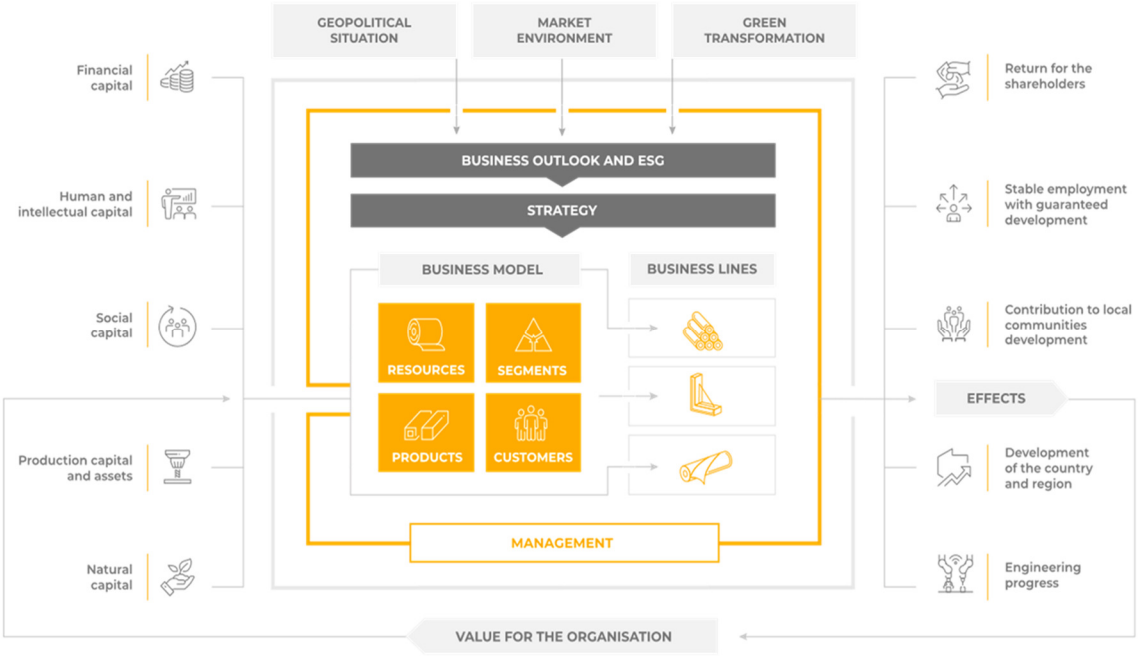
Waste management activities consist primarily in transferring as much waste as possible to entities which specialise in recycling. Virtually 100% of the aluminium waste generated in production processes is remelted within in-house operations (at the Foundry Plant) in order to obtain full-value semi-product for further processing.

Finished products are packaged and stored in order to prepare them for distribution.

The Capital Group avails of transportation services (with a clear dominance of road transport) distributing products in most cases directly to customers.

[SBM-1_05] The Capital Group does not offer any products whose sale would be forbidden on any markets. ***[SBM-1_08] [SBM-1_09] [SBM-1_10] [SBM-1_11] [SBM-1_12] [SBM-1_13] [SBM-1_14] [SBM-1_15] [SBM-1_16] [SBM-1_17] [SBM-1_18] [SBM-1_19] [SBM-1_20]*** The Capital Group does not gain profits on the sale of fossil fuels, gas, weapons, chemicals or tobacco.

CHART 11: ***[SBM-1_23] [SBM-1_26] [SBM-1_27]*** **CAPITAL GROUP VALUE CREATION MODEL**



Material activities, resources and relationships within upstream value chain

[SBM-1_28] In its production processes, the Capital Group uses a variety of resources, materials and finished products supplied by a network of thousands of suppliers located at many levels of the supply chain. Shaping its impact on the environment, the Capital Group works with domestic suppliers (value share of 30%), but due to the nature of the industry, a significant portion of suppliers are located abroad. 61% in other European countries, 9% on other continents.

In addition to Poland, business relations bind the Capital Group to the following (major) countries:

- Aluminium Systems Segment: Germany, Spain, Norway, Belgium, China
- Extruded Products Segment: Slovenia, Sweden, France, Netherlands, United Arab Emirates
- Flexible Packaging Segment: South Korea, Belgium, Germany, Greece, India

The primary natural resource on which the Capital Group's operations are based is bauxite, a sedimentary rock that is a mixture of minerals containing various concentrations of hydrated aluminium oxides. Its mining and subsequent refining with cryolite produces aluminium, which the Capital Group obtains in the form of: primary aluminium, sheets, alloys, scrap, billets, foil and other semi-products and finished materials.

Apart from aluminium profiles obtained mainly from the Extruded Products Segment, accessories and semi-products such as hardware, gaskets and glass for the production processes at the Aluminium Systems Segment are sourced from suppliers. A great deal of components used are made of steel.

The Flexible Packaging Segment uses various types of plastic films and granulates (polyethylene, polypropylene). The Flexible Packaging Segment sources major categories of materials, such as printing, universal and greaseproof papers, paints, adhesives and binders, from the segment suppliers.

The Capital Group withdraws water and uses it primarily in the chemical and thermal processing of aluminium. These processes include painting, anodizing, rinsing and cooling. The sources of water are water supply networks (about 30% of withdrawal) and own intakes (about 70% of withdrawal).

The energy used mainly in production processes comes from the combustion of natural gas from the national transmission networks. Processed fossil fuels are a raw material used in the production of granulates for the Flexible Packaging Segment.

The Capital Group also sources various substances, chemical compounds and elements that are used, primarily, in the production of extruded products (acids, bases, technical gases, alloying elements).

Material activities, resources and relationships within downstream value chain

[SBM-1_28] Among the entities within the value chain whose operations are not directly related to the business model of the Capital Group but are important for the operation of the Capital Group are companies whose employees provide services in the scope listed in supporting activities of Table 36 *Capital Group value chain*.

TABLE 35: *[SBM-1_01] [SBM-1_02]* BASIC PRODUCTS DISAGGREGATED INTO OPERATING SEGMENTS, CUSTOMERS AND SALES MARKETS

Segment	Company	Products	Key customer categories – industries	Key sales markets	Sustainability related goals of the Group
Extruded Products Segment (EPS)	Grupa Kęty S.A. Aluform Sp. z o.o. Grupa Kęty Italia Alupol LLC (Ukraine) Aluminium Kety CSE (Czech Republic) Aluminium Kety Deutschland (Germany) Aluminium Kety EMMI (Slovenia)	Production and sales of: • aluminium profiles • aluminium components	Construction, automotive, transport (including electric vehicles), railway, electrical engineering, household equipment, advertising, tourism	Poland, Germany, Czech Republic, Austria, Italy, UK, Slovenia, Ukraine, France, Hungary	• Recovery of aluminium and increasing the share of recycled materials • GHG emissions reduction • Implementation of the 'circular economy' principles • Support of green economy sectors, such as electromibility
Aluminium Systems Segment (ASS)	Aluprof S.A. SELT Sp. z o.o. Aluprof System USA Glassprof Sp. z o.o. Aluprof Hungary Aluprof System Romania Aluprof System Ukraina Aluprof System Czech Aluprof UK Aluprof Deutschland Aluprof Belgium Aluprof Netherlands	Production and sales of: • aluminium façade systems • window and door systems • internal structure systems • external aluminium roller shutters and roll-up gates • pergolas, external blinds, awnings, reflex screens, and sunbreakers	Construction	Poland, UK, Czech Republic, Romania, Germany, Belgium, Netherlands, Slovakia, Hungary	• Providing energy-efficient building solutions for aluminium windows, doors, façades, roller shutters and gates (passive, energy-efficient renovation solutions with certificates of the Passive House Institute [PHI] in Darmstad, Cradle-to-Cradle environmental certificates, and Environmental Product Declarations [EPDs]). • Building systems designed to last for many years and, at the end of their life cycle, to return to the economy thanks to aluminium and other components recycling
Flexible Packaging Segment (FPS)	Alupol Packaging S.A. Alupol Packaging Kęty Sp. z o.o. Alupol Films Sp. z o.o.	Production and sales of: • printed flexible packaging • BOPP films	Food concentrates, confectionery, fats, dairy, meat, cold meats, pharmaceuticals, chemicals	Poland, Netherlands, Germany, Hungary, Ukraine, Czech Republic, Italy, Switzerland	• Growth in the share of manufactured films and laminates fit for recycling • Further increase of equipment and facilities energy efficiency

In 2024, the Group recorded slight changes in customer groups and markets served, which resulted mainly from the acquisition of SELT Sp. z o.o.

[SBM-1_21] In December 2020, the Management Board of Grupa Kęty S.A. presented the Development Strategy of Grupa Kęty S.A. Capital Group for the years 2021–2025, which was later updated in July 2021, as described in details in Section 4 *Capital Group development strategy* of the Report of the Management Board of Grupa Kęty S.A. on the operations of the Company and the Capital Group.

TABLE 36: ***[SBM-1_25] [SBM-1_28]*** **CAPITAL GROUP VALUE CHAIN**

Upstream value chain		
Non-renewable natural resources (mineral resources): 1) energy-related: crude oil, natural gas 2) metallic: light metal ores: bauxites (raw materials for aluminium production), non-ferrous metal ores: alloying elements (including zinc, copper) 3) chemical: crude oil, natural gas (raw materials for the production of plastics, oils, lubricants), sulphur (raw material for the production of sulphuric acid, rubber), rock salt (raw material for the production of hydrochloric acid), potassium salt (raw material for the production of potassium nitrate), among others 4) rock raw materials used in the production of glass (quartz sand), binding materials such as cement, lime, among others Renewable raw materials: water, wood	**Basic materials used in manufacturing processes:** **EPS:** 1) aluminium billets of aluminium and aluminium alloys 2) alloy aluminium 3) alloy components 4) aluminium scrap **ASS:** 1) aluminium 2) plastic interlayers (PA) 3) plastic granulates (PCV) 4) steel 5) EPDM rubber 6) glass 7) powder coatings **FPS:** 1) plastic granulates (PP, PE, PA, EVOH, etc.) 2) aluminium foil, paper, plastic films (OPP, PET, PE, PA, etc.) 3) paints, lacquers, adhesives, solvents and waxes	**Auxiliary materials, substances and chemical mixtures** 1) substances and mixtures used in the processes of mechanical, thermal and chemical processing of aluminium products 2) substances and mixtures used in powder coating processes of aluminium products 3) substances and mixtures used in processes of galvanic treatment of printing cylinders and photopolymer plates 4) substances and mixtures used in fire-rated glass production 5) substances and mixtures used in neutralization and treatment of wastewater 6) technical gases 7) oils and lubricants 8) packaging materials
Own operations		
EPS: 1) extrusion of aluminium profiles (from aluminium alloys) including engineering operations: heat treatment, supersaturation, cutting, straightening, drawing, bevelling, marking 2) production of extrusion dies and tools, as well as their service (repair, reconditioning) and storage 3) melting and casting of aluminium with alloying additives to produce extrusion billets 4) machining of aluminium profiles to produce components – CNC (drilling, milling), cutting, deburring, punching, marking, bending, assembly, rinsing 5) welding to manufacture aluminium components and structures 6) surface treatment of aluminium profiles – anodizing and additional processes (sandblasting, satin-finishing, brushing, grinding, mechanical polishing and electropolishing) 7) sales office management 8) research and development activities in the areas of new products and technologies research and certification	**ASS:** 1) development activities in the area of aluminium systems for the construction industry (window and door systems, façade systems, internal partition systems, sunshade systems, roller garage and industrial gate systems) 2) production of components for ALUPROF brand aluminium systems: - production of composite aluminium profiles with plastic interlayer - production of curved aluminium profiles - powder coating - production of aluminium profiles with polyurethane foam - production of aluminium components (accessories) - production of steel components (accessories) - production of PVC plastic profiles - production of PVC plastic components (accessories) 3) manufacture of fire-rated glass 4) production of building products: aluminium windows, doors and façades 5) research activities in the field of physical and mechanical properties of ALUPROF brand systems in a test chamber and fire protection properties of fire protection systems in a test furnace 6) production of solar control systems for individual customers including pergolas, façade blinds, awnings, among others 7) warehousing and logistics operations related to products and goods	**FPS:** 1) manufacturing of (transparent, white and metallized) BOPP films 2) production of printing cylinders 3) storage of polypropylene granulates 4) production of polyethylene and polypropylene films by blowing 5) rotogravure printing 6) flexographic printing 7) polyurethane lamination 8) extrusion lamination 9) metallization of plastic films 10) film and laminate cutting 11) production of ice cream cone wrappers 12) storage of finished products (films and laminates) 13) storage of raw materials for the production of films and laminates 14) washing of printing cylinders 15) milling and regranulation process 16) research and development activities in the areas of new products and technologies 17) research and certification

<table>
<tr><td></td><td>8) sales office management
9) research and development activities in the areas of new products and technologies
10) research and certification</td><td></td></tr>
<tr><td colspan="3">Downstream value chain</td></tr>
<tr><td>EPS:
Customers in the construction and interior furnishing industry (more than 40%), transportation and automotive (more than 20%), home appliances, electrical engineering and machinery, sports and recreation, and others</td><td>ASS:
Customers in the construction industry (100%)</td><td>FPS:
Customers in food production industry (over 50%), BOPP films (nearly 40%)</td></tr>
<tr><td colspan="3">Supporting activities</td></tr>
<tr><td colspan="3">IT services
Security and cleaning services
Insurance
Consulting and training services
Legal services</td></tr>
</table>

9.9 Interests and views of stakeholders – SBM-2

[SBM-2_06] [SBM-2_07] [SBM-2_08] [SBM-2_12] Interest and views of key stakeholders affect the operations of the Capital Group. The organisation collects the opinions, suggestions and comments from the stakeholders. The collected data is analysed, which enables identification of major areas requiring change as well as trends in the expectations and needs. ***[SBM-2_12]*** The results of the analysis are presented to the Management Board, the managing staff and the teams responsible for making decisions and form basis for determining priorities for organisational activities and projects.

An example of the impact of the views of stakeholders on the activities and the current business model of the organisation is the demand for products based on recycled materials at the Extruded Products Segments and Aluminium Systems Segments, as well as the necessity of taking into account the impact of products on the environment by way of the possibility of their recycling at the Flexible Packaging Segment.

[SBM-2_09] The issues identified in the dialogue organised within the double materiality analysis carried out in 2024 did not result into a change in the strategy or business model of the Capital Group. ***[SBM-2_10]*** Some of them, such as climate change, circular economy, employee safety, were already addressed in the current strategy, some of them confirmed the trends monitored by the Group, and others will be gradually included in the updates of policies and internal regulations as well as the new strategy, ***[SBM-2_11]*** which will have a potentially positive impact on the relationships with stakeholders.

[SBM-2_01] [SBM-2_02] [SBM-2_03]

Creating the assumptions of double materiality analysis, the Capital Group assured that the representatives of stakeholders, i.e. the representatives of groups impacted by the operations of the Capital Group companies, were invited in the dialogue process. The activities for the purpose of ensuring the complete coverage of stakeholders consisted of several steps. The starting point was a list of stakeholders identified in the preceding reporting process, which was verified and supplemented by the organisation. At another step, at the value chain identification workshop, interested parties covering various groups of stakeholders were determined. The list of stakeholders and users of sustainability statements is presented in the below table.

TABLE 37: STAKEHOLDERS LIST

Stakeholders impacted by the company	Users of sustainability statements
Blue-collar workers	Regulators – Polish and foreign legislators
Office workers	Stock exchange
Labour unions	Labour unions
Employment agencies	Analysts
Suppliers	Investors/shareholders
Customers	Insurers
Business partners (sellers, commercial advisers, architects)	Business partners (sellers, commercial advisers, architects)
Value chain employees – suppliers' employees	Banks
Local communities in the areas of production plants	Authorities, e.g. Social Security Institution (ZUS)
Non-government organisations	Non-government organisations
Natural environment	Mass media
Competitors	Competitors
Sector organisations	Local government units
Universities and scientific organisations	

Key:

Stakeholders of both groups – interested parties and users of sustainability statements

[SBM-2_03] [SBM-2_04] [SBM-2_05] [IRO-1_05] [SBM-2_06] [SBM-2_07]

Dialogue with stakeholders for the purpose of double materiality analysis

To better understand the organization's impacts, opportunities and risks, a dialogue with internal and external stakeholders was conducted as part of the due diligence process. Surveys were used, supplemented by interviews with selected stakeholder representatives.

The questions in the surveys were both closed and open-ended and addressed the areas of sustainability identified in the ESRS. They addressed issues identified in the international UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Human rights covered primarily by the catalogue of the Universal Declaration of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work were taken into account. Surveys were sent to internal and external stakeholders, both in Poland and abroad. They were conducted electronically between April 10 and 17, 2024. The surveys were fully anonymous, and the collected responses were analysed collectively. Based on the results of the surveys and interviews, both negative and positive impacts of the organisation were identified, as well as the associated risks and opportunities.

In order to get deeper insight into the issues identified during the survey, interviews were conducted with selected stakeholder representatives. Among them a representative of the labour union, a representative of the local community in Bielsko-Biała, and one of the key customers of the Aluminium Systems Segment.

During the analysis, special attention was paid to the inclusion of environmentally relevant topics. In addition to representatives of organisations dealing with environmental issues, an external expert also participated in the process. A workshop was held on the impact of the Group's operations on climate and biodiversity. There were also taken into account numerous external sources of information, studies and research, and questions about negative environmental impacts were asked during the dialogue with stakeholders.

A human rights due diligence workshop was also held with representatives of various employee groups, during which the negative impacts identified during the dialogue were discussed.

[SBM-2_04] [SBM-2_05] [SBM-2_06]

Employees

Both blue-collar and white-collar workers are of key importance at the Capital Group, therefore, the organisation cares for a regular dialogue with them. The channels of communication and engagement of employees include:

- Interanet and 'Aluway' newsletter, which periodically, at least once a month, describes the current activities of the Capital Group companies in the social and environmental area;
- notice boards/displays serving the daily contacts with production staff;
- regular meetings with management staff;
- management staff meetings with production teams;

- newsletter to inform about new procedures or changes in procedures;
- engagement of employees of Grupa Kęty companies in the dialogue processes as part of double materiality analysis (surveys, interviews, workshops, meetings). The dialogue is a process that will be repeated annually.

Labour unions

- Grupa Kęty S.A. has its Corporate Collective Bargaining Agreement, which applies to all employees of the Company, i.e. 100% of its workforce. The agreement is a form of cooperation between the employer and trade unions, which represent the employees' interests. Within the Capital Group there are six trade union organisations, whereas some of them represent the interests of the employees at several different companies.
- Dialogue with labour unions is conducted on a regular basis (minimum once a quarter in each segment) and on a permanent basis (additional ad hoc meetings if urgent issues need to be discussed). Labour unions are informed on important issues, including planned changes, activities and initiatives. Their representatives are always included in projects that require their presence and stand. The Capital Group co-finances dedicated training courses for the social side.

Customers

A specific category of stakeholders are the Capital Group's customers. Their needs and expectations affect business model and strategy, specifically as regards the offered products and services. Channels of communication with the customers include:

- regular contact with Sales Departments;
- websites and social networking sites dedicated to operating segments;
- training courses and events;
- dedicated Youtube channel.

Local communities and non-government organisations

- Grupa Kęty S.A. actively supports and engages in local communities, through the 'Together with the Group' social programme.
- Grupa Kęty S.A. is a creator and founder of the 'Grupa Kęty for the Children of the Podbeskidzie Region' Foundation, which focuses on preventing social exclusion by way of supporting children and youths from children's homes in the Podbeskidzie region. A complete description may be found at the website: dziecipodbeskidzia.pl.

Value chain suppliers and employees

- Regular contact with Sales Departments
- Websites and social networking sites dedicated to operating segments
- Order filing platforms

9.10 Material impacts, risks and opportunities and their interaction with strategy and business model – SBM-3

[SBM-3_01] Running business in production sector, the Capital Group identifies impact on:

- climate change due to GHG emissions and emissions reduction in connection with the business model and the strategy adopted;
- environmental pollution through the generation of waste in production processes;
- water and marine resources, mainly by disrupting the natural water cycle in the ecosystem;
- biodiversity and ecosystems upstream the value chain;
- resource utilisation and circular economy through the use of recycled raw materials;
- own employees and those in the value chain, including with regard to the possibility of reporting irregularities, as well as occupational health and safety;
- ethical business, especially with regard to cooperation with suppliers.

No significant impacts were identified in the areas of consumers, end users or affected communities.

[S1.SBM-3_11] ***[S1.SBM-3_12]*** In analysing opportunities and risks, the organisation referred to all of its employees, considering special characteristics such as gender or the type of work provided (white-collar and blue-collar workers). ***[S1.SBM-3_06]*** Significant impacts on the company's own employees which might result from transition plans were not identified. ***[SBM-3_10]*** No analysis of the strategy and business model resilience with regard to the ability to cope with material impacts and risks, or taking advantage of material opportunities was carried out, with the exception of climate risks and opportunities, which has been described in Section E1.

[SBM-3_12] The Capital Group does not report any additional topics except for the ones considered in ESRS Application Requirements 1–16.

Material impacts identified in the double materiality process

Within the double materiality analysis there were identified the total of 21 impacts, of which 10 potentially negative, 1 potentially positive, 7 actually negative, and 3 actually positive ones. The tables below present material impacts with time horizons and place within the value chain. Ongoing means that the impact was identified in short-, medium-, and long-term time horizons.

TABLE 38: ***[SBM-3_04]*** **MATERIAL IMPACT – ENVIRONMENTAL AREA**

ESRS topic	Material impact description	Impact type	Time horizon	Place within value chain
Climate change	Climate change impact by GHG emissions	Actually negative	Ongoing	The whole value chain
	Intermediate consumption of natural resources in the form of fossil fuels by consuming energy for production purposes	Actually negative	Ongoing	The whole value chain
Pollution	Environmental impact by way of producing waste which is further processed in various manners with the use of energy and contributes to additional pollution	Actually negative	Ongoing	The whole value chain
	Potential pollution of living organisms and marine resources through the production of flexible packaging, from which the waste originating downstream the value chain may end up in seas and oceans	Potentially negative	Ongoing	Downstream
	Potential impact on the amount of aluminium waste not recycled through lack of control over end-of-life products	Potentially negative	Ongoing	Downstream
	Potentially harmful effects on living organisms and the environment through possible contact with substances of particular concern used in production processes	Potentially negative	Ongoing	Own operations
	Potentially harmful effects on living organisms and the environment through possible contact with potentially hazardous substances used in production processes	Potentially negative	Ongoing	Own operations
Water and marine resources	Depletion of water resources and disruption of the natural water cycle in the ecosystem through the use of water in the value chain, particularly in primary aluminium production	Potentially negative	Ongoing	Upstream, own operations
Biodiversity and ecosystems	Contamination due to management and storage of red mud (bauxite residue) from alumina refining in the value chain	Potentially negative	Ongoing	Higher level
Resource use and circular economy	Energy consumption and environmental degradation reduction as well as conservation of natural resources by recovering aluminium used in manufacturing	Actually positive	Ongoing	Own operations
	Waste reduction and contribution to resource conservation by sending inorganic waste for recycling	Actually positive	Ongoing	Own operations

TABLE 39: *[SBM-3_04] [S1.SBM-3_041]* MATERIAL IMPACTS – SOCIAL AREA

ESRS topic	Impact description	ESRS topic	Time horizon	Place within value chain
Own workforce	Failure to ensure equal pay	Actually negative	Short-term	Own operations
	Mobbing (behaviour related to psychological violence and harassment)	Actually negative	Short-term	Own operations
	Maintenance of pay gap between men and women	Actually negative	Short-term	Own operations
	Gaps in abiding by health and safety procedures or use of protective measures when working with hazardous substances, among other things	Actually negative	Short-term	Own operations
	Work schedules that negatively affect health, as well as lack of breaks during work performed due to very high expectations and standards	Potentially negative	Short-term	Own operations

TABLE 40: MATERIAL IMPACTS – GOVERNANCE AREA

ESRS topic	Material impact description	Impact type	Time horizon	Place within value chain
Business conduct	Failure to verify suppliers with regard to child labour	Potentially negative	Ongoing	Higher level
	Failure to verify suppliers with regard to providing proper work conditions	Potentially negative	Ongoing	Higher level
	Failure to verify suppliers with regard to forced labour	Potentially negative	Ongoing	Higher level
	Impact on law compliance, including human rights, through appropriate procedures for responding to violations and irregularities, including by providing various reporting channels	Actually positive	Short-term	The whole value chain
	Training employees in preventing corruption, legal liability and documents binding at the Capital Group	Potentially positive	Short-term	The whole value chain

Material opportunities and risks identified in the double materiality process

[SBM-3_01] [IRO-1_02] [SBM-3_05] Within the double materiality analysis there were identified 3 material risks and 4 opportunities. They are described in detail in Section *GOV-5 – Risk management and internal controls over sustainability reporting*.

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

[IRO-1_01] [IRO-1_02] [IRO-1_05] Relevant sustainability topics were identified by the Capital Group in 2024 in the process of double materiality. The analysis took into account key internal documents, ongoing and planned activities, the organization's practices, its business model and strategy, as well as legal regulations, competitor activities, industry challenges and other sources indicating potential topics worth considering.

As a starting point for further analysis, the Capital Group analysed its value chain with the support of the representatives of the organization's key departments. The resources and activities mapped within the value chain were extended to include their related key stakeholder relationships. Value chain description is provided in Section *SBM-1 – Strategy, business model and value chain*.

Analysed was a complete list of sustainability matters covered with ESRS requirements, i.e. climate change, biodiversity and ecosystems, water, pollution, circular economy, business conduct, human rights impacts along the value chain, own workforce, employees within the value chain, affected communities, consumers, and end users.

The process of identifying and assessing material impacts, risks and opportunities involved representatives from all major business areas of the Capital Group and key subsidiaries, reflecting the division into operating segments, i.e. EPS, ASS, and FPS. The working team consisted of the management staff in charge of the areas of ESG/CSR strategy, environmental protection, risk, compliance, human resources, sales, purchasing, and operating departments. External experts from the areas of environmental protection, social impact and non-financial reporting supported the Capital Group in conducting the materiality assessment.

For the Capital Group, an important step in identifying negative impacts was the dialogue with stakeholders carried out as part of the due diligence process. Details of the process are described in Section *Dialogue with stakeholders for the purpose of double materiality analysis*.

There were organised many meetings, and among them of key importance were workshops devoted to value chain, climate and biodiversity, and due diligence process, in which negative impact on the environment and human rights were carefully analysed. Engaged in the work were the representatives of the organisation and external experts.

Two designated members of the Management Board participated in working meetings which supported the process of double materiality analysis, whereas all Members of the Management Board reviewed the results of the dialogue with regard to human rights and environmental due diligence and the complete double materiality analysis, and subsequently approved the entire process.

[IRO-1_08] The organization analysed the possible origination of situations in which impacts, opportunities and risks related to one sustainability matter could have a material impact or result in material risks in sustainability matters. For example, failure to verify suppliers with regard to child labour or ensuring proper work conditions may result in a risk of human rights violations in the value chain.

[SBM-3_03] The double materiality analysis will be summarized by the Capital Group with regard to the identified gaps (e.g. in policies, procedures and management of selected material sustainability topics) by the end of Q.3, 2025. ***[IRO-1_13]*** Another double materiality analysis is planned as well as elaboration of action plans in specific areas related to the identified material issues. The CSR Director will coordinate and monitor the process, while the results will be reported to the Management Board by the Steering Committee for Sustainable Development and Corporate Social Responsibility, which is also going to advise the Management Board in the aforesaid issues.

Approach to identifying impacts, opportunities and risks in the social area

[IRO-1_02] [IRO-1_03] IRO-1_04] [IRO-1_14] The Group has assumed that potentially increased risks of negative impacts resulting from operations may be focused in specific countries identified within the value chain. To identify negative impacts, there were used various tools enabling analysis of specific cultural, regulatory and legal conditions (e.g. countryrisk.io or riskfilter.org). Priority was also given to potential impacts, risks and opportunities associated with the sector within which the Capital Group operates. The WageIndicator.org tool was used to identify impacts on working conditions and the local community.

Approach to identifying impacts, opportunities and risks in the environmental area

[IRO-1_02] [IRO-1_03] IRO-1_04] [IRO-1_14] [E1.IRO-1_01] The Group is aware of its potential impact on climate change, biodiversity and ecosystems by analysing the risks and opportunities associated with these areas. Accordingly, the climate scenario of high emission was analysed in reference to 'Climate Change 2021: The Physical Science Basis' of the Intergovernmental Panel on Climate Change, as well as the Net Zero Emissions by 2050 Scenario of the International Energy Agency. The analysis was carried in reference to the current operations in line with the TCFD 'Guidance on Scenario Analysis for Non-Financial Companies'. Impacts, risks and opportunities in the area of biodiversity and ecosystems were analysed in line with the 'Guidance on the identification and assessment of nature related issues: The LEAP approach' by TNFD. A number of additional tools and information sources were used in the analysis, for example, the IUCN Red List of Threatened Species, Global Forest Watch, CICES (Ecosystem Services), Climate Watch, Ecoregions, Resource Watch and ENCORE. The impact of the Group's operations on water resources was examined using the Aqueduct Atlas Risk.

Assessment of the identified impacts, opportunities and risks

[IRO-1_03] Assessment of the identified impacts comprised four parameters: impact scale (how strong the impact is), its extent, probability and irreversible nature.

The result of best practices review was also used in the assessment process (primarily in reference to industrial entities), as well as the data contained in non-financial reports of competitive companies, information on the sector (mainly the data disclosed by the International Aluminium Institute), scientific articles, standards provided by law, and a variety of data published by the Central Statistical Office, among others.

Where the assessment was qualitative in nature, it was presented in descriptive manner, referring to external sources.

The scope assessment was based on percentage bands – depending on where a given answer/question ranked, a corresponding score was assigned on a scale of 1 (e.g. up to 20% band) to 5 (e.g. 81-100% band). The thresholds applied in scope assessment differed depending on the nature of the impact.

With regard to the scale, the respective matters were considered with regard to the weight of the given topic (the strength of impact in relation to sustainability matters). Scores were assigned on a scale ranging from 1 (very low impact on a given ESRS area/sustainability matter) to 5 (very high impact on a given ESRS area/sustainability matter).

[IRO-1_07] [IRO-1_09] [IRO-1_10] The assessment of risks and opportunities was consistent with the Group's overall system for assessing risks and opportunities (ERM). The subject is described in detail in Section *GOV-5 – Risk management and internal controls over sustainability reporting*.

Cut-off points for material topics

[IRO-2_13] The process of determining materiality thresholds was based on EFRAG guidance, however, it also took into account the dialogue with the organisation, covering for the perspective of Grupa Kęty. When determining the cut-off point for material topics, the organization tried to reflect reality, the specifics of the organization and the industry in which it operates. Topics that were evaluated 'on the borderline' of thresholds were analysed individually. The organization then decided whether to include or exclude a topic from the catalogue of relevant matters.

To analyse the potential impacts, EFRAG guidance-based matrices were filled with identified topics, taking into account their severity and likelihood of occurrence. ***[IRO-1_06]*** The matrix for potentially negative impacts related to human rights included a lower cut-off point (which means the topic was given a priority).

For actually negative impacts, the cut-off point was set at > 10, and for human rights = > 8.

For actually positive impacts, the cut-off point was set at >7.

9.12 EU taxonomy

Pursuant to Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investments, and Commission Delegated Regulation (EU) 2021/2178, Grupa KĘTY S.A. has been presenting the turnover, capital expenditure (CapEx), and operating expenditure (OpEx) indicators for taxonomy-eligible economic activities which comply with the following conditions:

- making a substantial contribution to at least one of the following environmental objectives: climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems;
- doing no significant harm to any environmental objective;
- complying with the technical screening criteria;
- complying with minimum safeguards.

Taxonomy reporting process

The process of reporting turnover, capital expenditure and operating expenditure indicators consisted of the following steps:

- identification of taxonomy-eligible activities – based on the descriptions of activities within the technical screening criteria provided for in Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023, and Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021, interdisciplinary teams in each of

the Capital Group business segments reviewed the analysis of the Capital Group activities with regard to taxonomy eligibility in terms of turnover, capital expenditure and operating expenditure;

- analysis of whether the identified taxonomy-eligible areas make a significant contribution to at least one of the environmental objectives included in the taxonomy by verifying the technical screening criteria included in the Commission Delegated Regulations (EU) 2021/2139 and 2023/2486 – based on the criteria included in the aforementioned Regulations, the teams, in cooperation with specialists from production, environmental, risk management and other departments, verified whether the taxonomy-eligible activities meet the conditions described in the Regulations, making it possible to assign this activity as making a significant contribution to at least one of the environmental objectives;
- analysis of whether the identified taxonomy-eligible areas do no significant harm to any of the environmental objectives included in the taxonomy – for those activities that were positively verified on the basis of the previous point, verification was made whether the activities meet the DNSH criteria;
- data consolidation – after verification and compilation of data in individual business segments, data was consolidated at the Capital Group level.

Nuclear energy and fossil gas related activities

The Capital Group does not carry out the economic activities referred to Sections 4.26, 4.27, 4.28, 4.29, 4.30, 4.31 of Annexes I and II to Commission Delegated Regulation (EU) 2021/2139, amended with Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022.

TABLE 41: NUCLEAR ENERGY AND FOSSIL GAS RELATED ECONOMIC ACTIVITIES

Nuclear energy related activities		
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Verification of activities with regard to complying with minimum safeguards

In accordance with Article 18 of Regulation (EU) 2020/852 of the European Parliament and of the Council, the minimum safeguards 'shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights'.

Based on the UN Guiding Principles and OECD Guidelines, analysis was carried out with regard to complying with minimum safeguards. The issues that are essential for the implementation of the guidelines are described in detail in the following parts of this Report:

- due diligence process – Section 9.6 of the Report;
- respect for human rights – Sections 9.18, 9.19, and 9.20 of the Report;
- respect for labour rights – Section 9.18 of the Report;
- environmental protection – Sections 9.13 to 9.17 of the Report;
- respect for consumer rights – Section 9.20 of the Report;
- respect for fair competition principles – Section 9.20 of the Report;
- corruption prevention – Section 9.20 of the Report;
- tax policy – Section 9.20 of the Report.

The applied accounting principles

The turnover indicator has been calculated based on the total consolidated revenue of the Capital Group in 2024, disclosed in the consolidated financial statements, Note 13.1, as the denominator. Geographic and item structure of revenue from contracts with customers The denominator equalled PLN 5,144 million and represented in 100% the revenue from contracts with customers.

Whereas in the numerator the following items were included:

a) for turnover on environmentally sustainable activities (taxonomy-aligned): – sales of energy efficiency equipment for buildings by the entity manufacturing such equipment (without consideration of the trade margin of the Capital Group companies intermediating in trading the products), complying with the technical screening criteria (aluminium joinery systems and external sunshade systems, such as roller shutters, blinds, pergolas, sunscreens, etc.) – the amount of PLN 1,240.2, represented in 100% by revenue from the contracts with customers;
b) for turnover on taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned), the sales of products increasing the energy efficiency of buildings (without consideration of the trade margin of the Capital Group companies intermediating in trading the products) for which it is not possible to verify the technical screening criteria (e.g. accessories or weather strips which are not assigned to the specific types of aluminium joinery systems).– PLN 407.3 million, represented in 100% by revenue from contracts with customers.

In the calculation of the capital expenditure indicator, the denominator was the total of increases made in 2024 in the property, plant and equipment as well as intangible assets presented in Note 17 ‘Property, plant and equipment’ and Note 19 ‘Intangible assets’ of the consolidated financial statements, plus fair value applicable to the acquired property, plant and equipment, and intangible assets of SELT Sp. z o.o., identified in Note 20 ‘Business combinations’. The denominator equalled PLN 601, which consisted of PLN 219 million of capital expenditure (36.4% of the denominator) and PLN 382 million on account of the acquisition of property, plant and equipment, and intangible assets of SELT Sp. z o.o. (63.6% of the denominator).

Whereas in the numerator the following items were included:

a) for capital expenditure on environmentally sustainable activities (taxonomy-aligned), the amount of PLN 131.7 million consisting of:
    - capital expenditure incurred directly on activities consisting in manufacturing products that increase the energy efficiency of buildings, calculated as the product of all expenditure on the activities incurred by the entity manufacturing the equipment and the share of turnover in products complying with the technical screening criteria in the total turnover in products that increase the energy efficiency of buildings – PLN 17.6 million;
    - fair value of property, plant and equipment related directly to manufacturing products that increase the energy efficiency of buildings (PLN 187 million) multiplied by the share of turnover on taxonomy-eligible and environmentally sustainable activities to the total turnover of SELT Sp. z o.o. (61%) – PLN 114 million;
b) for capital expenditure on taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned), the expenditure incurred on passenger vehicles fleet used in the operations of the Capital Group (transport by motorbikes, passenger cars and light commercial vehicles) – PLN 3.9 million, represented in 100% in the value of acquisition of the said property, plant and equipment.

The operating expenditure indicator has been calculated based on direct, non-capitalised costs that relate to research and development, building renovation measures, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment, as the denominator. The denominator equalled PLN 91.5, which consisted of PLN 38.1 million of non-capitalised costs that relate to research and development and PLN 53.4 million related to building renovation measures, maintenance and repair, and any other direct expenditures relating to the day-to-day servicing of property, plant and equipment.

Whereas in the numerator the following items were included:

a) for operating expenditure on environmentally sustainable activities (taxonomy-aligned):
   - operating expenditure on activities consisting in manufacturing equipment that increases the energy efficiency of buildings, calculated as the product of all operating expenditure on the activities and the share of turnover in products complying with the technical screening criteria in the total turnover in products that increase the energy efficiency of buildings;
b) for operating expenditure on taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned), the expenditure incurred on maintenance, repair, and any direct expenditures related to current servicing of passenger vehicles fleet used in the operations of the Capital Group (transport by motorbikes, passenger cars and light commercial vehicles) – PLN 2.4 million, represented in 100% in the value of expenditure incurred with regard to that category of property, plant and equipment.

Principles applied in KPIs calculation

In the calculation of the KPIs, the definitions provided in Annex I to the Commission Delegated Regulation (EU) 2021/2178 have been used. The indicators have been calculated following the principle of avoiding double counting, i.e. the particular types of activities of the Capital Group have been assigned solely to one type of eligible activities, whereas none of them contributes to the attainment of more than one environmental objective.

Key Performance Indicators

The table below presents the 2024 KPIs of the Capital Group.

TABLE 42: KEY PERFORMANCE INDICATORS OF THE CAPITAL GROUP IN 2024

Indicator	Total value (PLN million)	Eligible value (PLN million)	Share (%)	Compliant value (PLN million)	Share (%)
Turnover	5,144.0	1,647.5	32.0%	1,240.2	24.1%
Capital expenditure	601.0	135.6	22.6%	131.7	21.9%
Operating expenditure	91.5	29.8	32.6%	27.4	29.9%

Disaggregation of Key Performance Indicators

No disaggregation has been introduced in presenting the KPIs.

Allocation of activities for the purpose of turnover determination

In turnover one activity has been identified as taxonomy-eligible and environmentally sustainable – 3.5. Sales of energy efficiency equipment for buildings – the activity consists in manufacturing aluminium joinery systems which fulfil the following criteria:

a) windows characterised with heat transfer coefficient [U] lower or equal to 1.0 W/m^2 K;
b) doors characterised with heat transfer coefficient [U] lower or equal to 1.2 W/m^2 K;
c) external walls systems characterised with heat transfer coefficient [U] lower or equal to 0.5 W/m^2 K.

Another activity under the same code refers to the production of façade and roof elements furnished with the sun protection or sun control function, such as roller shutters, blinds, pergolas, sunscreens, namely products identified in the substantial contribution criterion.

In turnover one activity has been identified as taxonomy-eligible but not environmentally sustainable – 3.5. Sales of energy efficiency equipment for buildings – the activity consists in manufacturing aluminium joinery characterised with heat transfer coefficient which has not been specified in the criteria.

TABLE 43: PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Reporting year 2024	2024			Substantial contribution criteria						Doing-no-significant-harm criteria								
Economic activities (1)	Code or codes (2)	Turnover (absolute numbers) (3)	Proportion of turnover (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned activities (A.1) or taxonomy-eligible activities (A.2). Year 2023 turnover (18)	Category (enabling activities) (19)	Category (transitional activities) (20)
Value in		PLN million	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Types of environmentally sustainable activities (taxonomy-aligned)																			
3.5. Manufacture of energy efficiency equipment for buildings	CCM 3.5	1,240.2	24.1%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	21,7%	E	
Turnover on environmentally sustainable activities (taxonomy-aligned) (A.1)		**1,240.2**	**24.1%**	**24.1%**	**0%**	**0%**	**0%**	**0%**	**0%**								**21,7%**		
of which enabling activities		**1,240.2**	**24.1%**	**24.1%**	**0%**	**0%**	**0%**	**0%**	**0%**								**21,7%**	**E**	
of which transitional activities		**0**	**0.0%**	**0.0%**													**0%**		
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned)					EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
3.5. Manufacture of energy efficiency equipment for buildings	CCM 3.5	407.3	7.9%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								8.0%		
Turnover on taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned) (A.2)		**407.3**	**7.9%**	**7.9**	**0%**	**0%**	**0%**	**0%**	**0%**								**8.0%**		
A. TURNOVER ON TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		**1,647.5**	**32.0%**	**32.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**29.7%**		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Turnover on non-taxonomy-eligible activities (B)		**3,496.5**	**68.0%**																
Total (A + B)		**5,144.0**	**100.0%**																

Comment: Increase in turnover on environmentally sustainable activities from 21.7% to 24.1% resulted mainly from lower value of turnover on the sales of products covered by the indicator, and commencement in September 2024 of consolidation of a company specialising in manufacture of energy efficiency equipment for buildings (roller shutters, sunscreens, pergolas, etc.).

Y – YES, taxonomy-eligible and taxonomy-aligned activities for the relevant environmental objective
N – NO, taxonomy-eligible but non-taxonomy-aligned activities for the relevant environmental objective
N/EL – NON-ELIGIBLE, non-taxonomy-eligible activities for the relevant environmental objective

Where an economic activity contributes substantially to multiple environmental objectives, non-financial undertakings shall indicate, in bold, the most relevant environmental objective for the purpose of computing the KPIs of financial undertakings while avoiding double counting. In their respective KPIs, where the use of proceeds from the financing is not known, financial undertakings shall compute the financing of economic activities contributing to multiple environmental objectives under the most relevant environmental objective that is reported in bold in this template by non-financial undertakings. An environmental objective may only be reported in bold once in one row to avoid double counting of economic activities in the KPIs of financial undertakings. This shall not apply to the computation of Taxonomy-alignment of economic activities for financial products defined in point (12) of Article 2 of Regulation (EU) 2019/2088. Non-financial undertakings shall also report the extent of eligibility and alignment per environmental objective, that includes alignment with each of environmental objectives for activities contributing substantially to several objectives, by using the template below:

Proportion of turnover/Total turnover		
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	24.1%	32%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.

- Climate change mitigation: CCM;
- Climate change adaptation: CCA;
- Water and marine resources: WTR;
- Circular economy: CE;
- Pollution prevention and control: PPC;
- Biodiversity and ecosystems: BIO.

Allocation of activities for the purpose of capital expenditure determination

In capital expenditures one activity has been identified as taxonomy-eligible and environmentally sustainable – 3.5. Manufacture of energy efficiency equipment for buildings – the activity consists in manufacturing aluminium joinery systems which fulfil the following criteria:

a) windows characterised with heat transfer coefficient [U] lower or equal to 1.0 W/m^2 K;
b) doors characterised with heat transfer coefficient [U] lower or equal to 1.2 W/m^2 K;
c) external walls systems characterised with heat transfer coefficient [U] lower or equal to 0.5 W/m^2 K.

Another activity under the same code refers to the production of façade and roof elements furnished with the sun protection or sun control function, such as roller shutters, blinds, pergolas, sunscreens, namely products identified in the substantial contribution criterion.

To those activities there was allocated capital expenditure directly related to manufacturing of two types of products, pro rata to their share in the total turnover of the Aluminium Systems Segment.

Within capital expenditure there was identified one taxonomy-eligible but not environmentally sustainable activity – 6.5. Transport by motorbikes, passenger cars and light commercial vehicles. The activity consists in purchase of the vehicle fleet for the companies of the Capital Group, which due to the level of CO_2 emission do not comply with the standards specified in the qualification criteria.

TABLE 44: PROPORTION OF CAPITAL EXPENDITURE FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Reporting year 2024	2024			Substantial contribution criteria						Doing-no-significant-harm criteria									
Economic activities (1)	Code or codes (2)	Capital expenditure (absolute numbers) (3)	Proportion of capital expenditure (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Proportion of taxonomy-aligned activities (A.1) or taxonomy-eligible activities (A.2). Year 2023 turnover (18)	Category (enabling activities) (19)	Category (transitional activities) (20)
Value in		PLN million	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Types of environmentally sustainable activities (taxonomy-aligned)																			
3.5. Manufacture of energy efficiency equipment for buildings	CCM 3.5	131.7	21.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	17.2%	E	
Capital expenditure on environmentally sustainable activities (taxonomy-aligned) (A.1)		**131.7**	**21.9%**	**21.9%**	**0%**	**0%**	**0%**	**0%**	**0%**								**18.2%**		
of which enabling activities		**131.7**	**21.9%**	**21.9%**	**0%**	**0%**	**0%**	**0%**	**0%**								**18.2%**	**E**	
of which transitional activities		**0,0**	**0.0%**	**0.0%**													**0.0%**		
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned)					EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	3.9	0.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								1.4%		
Capital expenditure on taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned) (A.2)		**3.9**	**0.6%**	**0.6%**	**0%**	**0%**	**0%**	**0%**	**0%**								**1.4%**		
A. CAPITAL EXPENDITURE ON TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		**135.6**	**22.6%**	**22.6%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**								**19.6%**		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Capital expenditure on non-taxonomy-eligible activities (B)		**465.4**	**77.4%**																
Total (A + B)		**601.0**	**100.0%**																

Comment: The indicator of capital expenditure on account of environmentally sustainable activities (A1) increased mainly with regard to the acquisition of the assets of SELT Sp. o.o. which manufactures equipment increasing the energy efficiency of buildings.

Proportion of CapEx/Total CapEx		
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	21.9%	22.6%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.

- Climate change mitigation: CCM;
- Climate change adaptation: CCA;
- Water and marine resources: WTR;
- Circular economy: CE;
- Pollution prevention and control: PPC;
- Biodiversity and ecosystems: BIO.

Allocation of activities for the purpose of operating expenditure determination

In operating expenditures one activity has been identified as taxonomy-eligible and environmentally sustainable – 3.5. Manufacture of energy efficiency equipment for buildings. The activity consists in manufacturing aluminium joinery systems which fulfil the following criteria:

a) windows characterised with heat transfer coefficient [U] lower or equal to 1.0 W/m^2 K;
b) doors characterised with heat transfer coefficient [U] lower or equal to 1.2 W/m^2 K;
c) external walls systems characterised with heat transfer coefficient [U] lower or equal to 0.5 W/m^2 K.

Another activity under the same code refers to the production of façade and roof elements furnished with the sun protection or sun control function, such as roller shutters, blinds, pergolas, sunscreens, namely products identified in the substantial contribution criterion.

To those activities there was allocated operating expenditure directly related to manufacturing of two types of products, pro rata to their share in the total turnover of the Aluminium Systems Segment.

Within operating expenditure there was identified one taxonomy-eligible but not environmentally sustainable activity – 6.5. Transport by motorbikes, passenger cars and light commercial vehicles. The activity consists in expenditures related to maintenance of the vehicle fleet for the companies of the Capital Group, which due to the level of CO_2 emission do not comply with the standards specified in the qualification criteria.

TABLE 45: PROPORTION OF OPERATING EXPENDITURE FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES

Reporting year 2024	2024			Substantial contribution criteria						Doing-no-significant-harm criteria								
Economic activities (1)	Code or codes (2)	Operating expenditure (absolute numbers) (3)	Proportion of operating expenditure (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Pollution (8)	Circular economy (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Pollution (14)	Circular economy (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	{roportion of taxonomy-aligned activities (A.1) or taxonomy-eligible activities (A.2). Year 2023 turnover (18)	Category (enabling activities) (19)	Category (transitional activities) (20)
Value in		PLN million	%	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y;N;N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	*T*
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Types of environmentally sustainable activities (taxonomy-aligned)																			
3.5. Manufacture of energy efficiency equipment for buildings	CCM 3.5	27.4	29.9%	Y	N/EL	N/EL	N/EL	N/EL	N/EL	Y	Y	Y	Y	Y	Y	Y	41.8%	E	
Operating expenditure on environmentally sustainable activities (taxonomy-aligned) (A.1)		**27.4**	**29.9%**	**29.9%**	**0%**	**0%**	**0%**	**0%**	**0%**								**41.8%**		
of which enabling activities		**27.4**	**29.9%**	**29.9%**	**0%**	**0%**	**0%**	**0%**	**0%**								**41.8%**	**E**	
of which transitional activities		**0**	**0.0%**	**0.0%**													**0.0%**		
A.2 Taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned)					EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL	EL;N/EL										
6.5. Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5	2.4	2.6%	EL	N/EL	N/EL	N/EL	N/EL	N/EL								2.6%		
Operating expenditure on taxonomy-eligible but not environmentally sustainable activities (non-taxonomy-aligned) (A.2)		**2.4**	**2.6%**	**2.6%**	**0%**	**0%**	**0%**	**0%**	**0%**								**2.6%**		
A. OPERATING EXPENDITURE ON TAXONOMY-ELIGIBLE ACTIVITIES (A.1 + A.2)		**29.8**	**32.6%**	**32.6%**	**0%**	**0%**	**0%**	**0%**	**0%**								**44.4%**		
B. NON-TAXONOMY-ELIGIBLE ACTIVITIES																			
Operating expenditure on non-taxonomy-eligible activities (B)		**61.7**	**67.4%**																
Total (A + B)		**91.5**	**100.0%**																

Comment: The value of operating expenditure on account of environmentally sustainable activities (A1) dropped due to reduced expenditure on research and development.

Proportion of OpEx/Total OpEx		
	Taxonomy-aligned per objective	**Taxonomy-eligible per objective**
CCM	29.9%	32.6%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

The Code constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective, i.e.

- Climate change mitigation: CCM;
- Climate change adaptation: CCA;
- Water and marine resources: WTR;
- Circular economy: CE;
- Pollution prevention and control: PPC;
- Biodiversity and ecosystems: BIO.

9.13 Climate change – E1

9.13.1. Description of the processes to identify and assess material climate-related impacts, risks and opportunities – E1.IRO-1

[E1.IRO-1_01] [E1.IRO-1_02] [E1.IRO-1_03] [E1.IRO-1_04] Material impacts, risks and opportunities related to climate were identified during the analysis of double materiality carried out at the Capital Group of Grupa Kęty S.A. in 2024. The process description may be found in this Report in Section entitled: *IRO-1 Description of the process to identify and assess material impacts, risks and opportunities*.

9.13.2. Material impacts, risks and opportunities and their interaction with strategy and business model – E1.SBM-3

[E1.SBM-3_01] The identified material impacts and opportunities of the Capital Group related to climate change have been described in Section *SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model*.

[E1.SBM-3_02] [E1.SBM-3_03] [E1.SBM-3_04] [E1.SBM-3_05] [E1.SBM-3_06] [E1.SBM-3_07] [E1.IRO-1_02] [E1.IRO-1_03] [E1.IRO-1_04] [E1.IRO-1_05] [E1.IRO-1_06] [E1.IRO-1_07] [E1.IRO-1_08] [E1.IRO-1_09] [E1.IRO-1_10] [E1.IRO-1_11] [E1.IRO-1_12] [E1.IRO-1_13] [E1.IRO-1_14] [E1.IRO-1_15] [E1.IRO-1_16]

In the first half of 2024, within the double materiality analysis, there was analysed the resilience ofthe strategy and business model to climate-related risks. The purpose of that stage was to identify risks and opportunities related to specific relationships and resources in the value chain. There were considered time horizons compliant with the general business planning framework: short-term horizon (< 1 year), medium-term horizon (1-10 years), and long-term horizon (> 10 years). With regard to the durability of assets, products life cycle, capital allocation decisions, the time horizons comply with the general framework of strategic planning at the Group.

In the analysis there were used, among other things:

- the Net Zero Emissions by 2050 Scenario of the International Energy Agency;
- the TCFD 'Guidance on Scenario Analysis for Non-Financial Companies';
- the 'Climate Change 2021: The Physical Science Basis' report of the Intergovernmental Panel on Climate Change.

The scenarios used are based on geospatial coordinates proper to the operations of the Capital Group. The resilience analysis covered Europe, namely the area where own operations and downstream operations (mainly sales markets) are based. With regard to upstream, the major countries (regions) where bauxite and aluminium are extracted and processed, including Australia, China, Middle East, South America and Central America were considered.

The high-emission IPCC SSP5-8.5 scenario is one of a number of social and economic development scenarios referred to in the 'Climate Change 2021: The Physical Science Basis' report of the Intergovernmental Panel on Climate Change. It indicates the physical risks based on which climate risks have been determined. The SSP5-8.5 assumes high growth in global GDP, driven by fossil fuels, which triggers low decarbonization, thereby increasing greenhouse gas emissions by 2100 to about 8.5 W/m^2 and 4°C temperature rise by the end of the 21st century. In addition, an increase in income and social inequality is included, with limited access to resources and opportunities.

Physical risks cover for ones that are acute (e.g. tornadoes, floods) and permanent (progressive, such as land degradation). For the identified business areas, the consequences were considered, including an increase in the frequency of heat waves, fire promoting weather, strong winds and storms, droughts, floods, extreme precipitation, among others.

It has been shown that sudden weather phenomena can lead to damage or destruction of infrastructure critical to the extraction of key raw materials, their processing or transportation, but also to the processing of semi-finished products and products. In addition, the identified risks could significantly contribute to the disruption of energy production.

The Net Zero Emissions by 2050 Scenario lays out a pathway to limiting temperature rise to 1.5°C, through zero carbon footprint of the global energy sector.

For transition risks, risks associated with adapting the business model to the low-carbon option were analysed, as part of adaptation to and implementation of the Paris Agreement. There was examined the strategy's resilience to a variety of pressures – market, legislative (e.g. new legal obligations to adapt products and services), technological (e.g. opportunities to replace or change services), and reputational (e.g. potential stigmatization of the sector).

By analysing the business model, strategy and value chain relationships, it was shown that the transition to low-carbon economy can generate risks, a significant one being the high cost of running energy-intensive aluminium melting and heat treatment processes. In addition to energy costs, the Capital Group companies may face difficulties related to the shortage of aluminium scrap. The shortage may require the imports of primary aluminium with a higher carbon footprint. The Carbon Border Adjustment Mechanism (CBAM) in its current design does not provide for adequate protection. This could increase the cost of importing raw materials and adversely affect aluminium production prices. In addition, investment in new technologies and processes to meet the requirements of the Green Deal can be costly and time-consuming.

At the same time, the Capital Group's strategy of using its own foundry makes it possible to maximize the advantages arising from the trend of replacing primary aluminium with recycled aluminium. In addition, the construction and automotive industries, where aluminium solutions reduce energy intensity and improve efficiency, account for the largest share of the Capital Group's sales and will continue to grow.

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

[E1.GOV-3_01] [E1.GOV-3_03]. [E1.GOV-3_02] The remuneration of the Management Board Members consists of fixed and variable components, as well as in-kind benefits. A part of the Management Board Members incentive depends on non-financial objectives with regard to GHG emissions reduction within Scopes 1 and 2, performance of projects for local communities and reduction of the Total Recordable Incident Rate (TRIR). The weight of ESG goals represents 10% of the maximum value of annual incentives of the respective Management Board Members (of which the emissions reduction goal accounting for 3.5%).

9.13.4. Transition plan for climate change mitigation – E.1-1

[E1-1_01] [E1-1_13] [E1-1_14] [E1-1_15] [E1-1_16]

In the binding strategy for the years 2021-2025, the Capital Group set out a series of goals in the ESG area, including also limitation of the Capital Group's impact on climate change, which are performed as planned. The Capital Group plans to formally adopt the transition plan for climate change mitigation comprising goals consistent with limiting the global warming to 1.5°C, in accordance with the Paris Agreement, within three years.

[E1-1_02] Within the published Strategy, there was implemented the Climate Policy of the Capital Group. In the document, the Capital Group companies declared full responsibility for the impact of their actions on climate change and pledged to reduce greenhouse gas emissions, develop recycling processes and efficient waste management in all areas of operations, as well as to innovate and develop products, services and processes that meet the challenges of climate change. The policy includes climate change and sustainable economy targets set for 2025 and a long-term goal of climate neutrality by 2050. Details of the adopted policy and climate change mitigation goals are provided in sections E1-2 and E1-4.

9.13.5. Policies related to climate change mitigation and adaptation – E1-2

[E1.MDR-P_01-06] In 2024, the Capital Group managed material impacts, risks and opportunities related to climate change mitigation on the basis of the *Development Strategy of Grupa Kęty S.A. Capital Group for the years 2021–2025* and the *Climate Policy* (forming a part of the Strategy). The documents apply to the Capital Group companies and their activities, whereas the responsibility for their implementation is vested with the Management Board. As regards the *Climate Policy* the executive accountability for implementation of the Policy provision is vested with the CSR Department and CSR Director, reporting to the President of the Management Board.

[E1-2_01] The Policy covers:

- climate change and sustainable economy targets set for 2025;
- long-term goal of climate neutrality by 2050.

As specified in the Policy, the Capital Group plans to reduce GHG emissions by way of modernising engineering processes, improving energy efficiency and promoting renewable energy sources. The Policy also provides for support for research and investments in technologies bringing aluminium products closer to balanced and low-emission economy, as well as development of products by increasing the share of:

- aluminium scrap in the products made of soft alloys,
- sustainable construction projects,
- packaging fit for recycling.

[E1.MDR-P_01-06] Climate Policy has been implemented before the CSRD came into force and was not consulted with stakeholders.

[E1.MDR-P_06] [E2.MDR-P_06] [E3.MDR-P_06] [E4.MDR-P_06] [E5.MDR-P_06] The *Climate Policy* of the Capital Group is disclosed to the stakeholders in the following manner:

- outside of the organisation: the Issuer's website, social media, sector events;
- inside the organisation: OrangeBook platform, Intranet, staff newsletter, the *Green Group* employee suggestions programme.

The attainment of the goals set out in the Policy is monitored on the basis of specific indicators. Progress is tested every year and disclosed in Sustainability Statements.

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

[E1.MDR-A_01-12] The companies of the Capital Group have been implementing actions to cope with the 'green transformation' challenges. High emphasis is placed on the tasks improving the energy-efficiency in order to reduce the demand for energy. The activities are referred to in Section E1-5. The Capital Group invests also in new production lines, using energy-saving equipment and technologies as well as environmentally-friendly sources of energy.

In 2024, the following activities were undertaken, which form an integral part of the business operations of the Capital Group and contribute to the attainment of the assumed objectives.

Extruded Products Segment:

- use of sodium hydroxide waste from press moulds etching in anodised products manufacturing, which eliminates nearly 1,900 tons of hydroxide emissions at the stage of manufacturing;
- installation of in-house photovoltaic 0.5 MWp power system on the roof of a new production hall in Kęty;
- use of heaters combined with recuperation, low-emission torches, as well as energy saving systems and adjustment of electric power to the actual demand of press 4000;
- installation of soft start systems in the drives of presses 1251 and 2502;
- replacement of compressor for one with lower kWh/Nm^3 conversion factor;
- thermal performance improvement of the anodising plant hall as well as social and office facilities;
- development of multi-modal transport, consisting in transporting goods by rail – each transport is confirmed with CO_2 emissions reduction certificate;
- assembly of induction loops and light curtains at 8 gates of the Kęty plant;
- purchase of four electric vehicles used in logistics and operations maintenance processes;
- installation of an inverter on the melting and casting line to control rotation of the hood filter fan;
- replacement of traditional light-source luminaires with automatically controlled LED luminaires;
- installation of frequency converters and replacement of drives on presses and fans under induction furnaces with modern, energy-efficient ones.

Aluminium Systems Segment:

- installation of a solar system, replacement of pumps in the washing area of the powder coating plant, cascade passage through cold link building and sluices for forklift trucks at 3 gates between halls at Opole plant;
- modernization of lighting and equipment used in production and storage processes, roof and side walls replacement at the hall, optimization of the process heat system at the Złotów plant;
- implementation of energy saving ALUPROF structural solutions, which improve thermal performance parameters and reduce thermal transmittance;
- continued replacement of business cars fleet into hybrid driven ones.

Flexible Packaging Segment:

- purchase of new air compressors with electric efficiency class IE4;
- replacement of heat exchangers in the existing compressors in order to recuperate heat for the purpose of buildings heating and preheating of the drying system on flexographic printers;
- reconstruction of VOC fume extraction by connecting machines to the Regenerative Thermal Oxidiser (RTO) system, which allowed the exclusion of two older-generation afterburners;
- modernization of lighting, including the use of automation (stay and motion sensors), installation of detectors for high-speed rolling gates limiting heat loss in production halls;
- extension and optimization of the monitoring system in terms of media, temperatures and equipment settings;
- use of new types of transport packaging with smaller weight and returnable packaging.

[E1-3_03; E1-3 04; E1-4] The actions resulted in reduction of absolute greenhouse gas emissions in Scopes 1 and 2, which were reduced by 5% compared to 2023 (the scope and limits of calculations according to Section E1-4). The actions are also going to bring about emissions reduction in future.

The above actions do not require significant additional operating or capital expenditure, or they are an integral part of investment projects for which resources have already been budgeted. ***[E1.MDR-A_01-12] [E1-1_04] [E1-1_05] [E1-1_06]*** Future decarbonization activities, together with the time horizons and financial assumptions will be specified in the transition plan for climate change mitigation.

[E1-3_05] The Capital Group is perceived as a reliable payer, which means that so far there have not been any problems with attracting finance for both current operations and investment projects. The Capital Group has diversified the sources of finance with regard to lenders. Moreover, mutual lending is used to finance the Capital Group companies.

9.13.7. Targets related to climate change mitigation and adaptation – E1-4

[E1.MDR-T_01-13] [E1-4_01] [E1-4_02] [E1-6_15] The *Climate Policy* assumes a target to reach climate neutrality by 2050. There has also been assumed a quantitative target related to greenhouse gas emissions within Scopes 1 and 2, set out for 2025 in reference to base year 2016.

[E1-4_18] The set out target is not disclosed in absolute values, but in reference to intensity value. The target refers to GHG emissions, Scopes 1 and 2 jointly (location-based method) and refers to the domestic companies of the Capital Group. The target covers all greenhouse gases released in relation to the operations carried out. As a gross target, it does not cover for greenhouse gas removal, carbon credits, or avoided emissions as means of achieving emission reduction objectives. The target is not based on scientific grounds consistent with limiting global warming to 1.5°C.

[E1-4_20] [E1-4_21] The base value, in reference to which progress in the target performance is measured, is representative with regard to the companies to which it applies and the impact of external factors. The balance at all companies represents direct emissions, covering specifically fuel consumption for process purposes, heating buildings, combustion by vehicles, as well as fugitive emissions related to the operation of cooling systems, and also indirect emissions resulting from the purchased energy.

For the purpose of assessing intensity, an emission per ton of production indicator is used. The target determined to be achieved in 2025 is -25% compared with the level of 2016.

In the Climate Policy, also sustainable development goals have been assigned parameters, focusing mainly on recycling and circular economy in all areas of the Capital Group operations. The goals performance is presented in Section E5-3.

TABLE 46: GOALS RELATED TO CLIMATE CHANGE MITIGATION

Indicator	Company	Calculation formula	Goal 2025
Goal 1. Reduction of the intensity of greenhouse gas emissions	[Mg CO_2/Mg]	[(GHG emissions Scope 1) plus (GHG emissions Scope 2 location-based)]/Production size	- 25%
Goal 2. Share of aluminium scrap in extruded products	[%]	(weight of aluminium scrap)/(weight of product)	75%
Goal 3. Increase in the number of Aluprof-systems-constructed buildings with environmentally-friendly certificates	[%]	Number of Aluprof-systems-constructed buildings in the databases of certified buildings in Poland and abroad.	+77%
Goal 4. Growth of the share of the manufactured packaging films and laminates fit for recycling	[%]	Number of metres square of films and laminates fit for recycling/total number of metres square of films and laminates	+5%

Compared with the base year 2016, the intensity of emissions by the domestic companies of the Capital Group (excluding emissions acquired in 2024 on account of SELT Sp. z o.o.) referred to the volume of production dropped by 28.3%. This means that the basic goal of the Climate Policy related to climate change mitigation, adopted in the currently binding Strategy to be achieved by the year 2025, was attained in 2024.

Therefore, in 2025 there will be adopted new, more ambitious goals.

[E1-1_03] [E1-3_01] Decarbonization activities at the Group are based on levers characteristic to the particular operating segments, which have been described below.

TABLE 47: DECARBONIZATION LEVERS AND THE RELATED ACTIVITIES

Extruded Products Segment	
Lever	**Activity**
Manufacturing of aluminium-based products	Manufacturing of products from aluminium alloys as well as the use of aluminium in the remelting process represents a significant decarbonization lever at Grupa Kęty. Aluminium is a strategic material with regard to its indispensable role with regard to several transformation-supporting industries. Renewable energy technologies, such as solar panels, wind turbines, or heat pumps, require aluminium. Research shows that by 2040 there is expected 30% growth of demand for aluminium, just because of the EU 'Green transformation'. Availing of in-house foundry for melting aluminium scrap which may be returned to the product life cycle a number of times without losing its properties enables exploiting to the maximum extent the advantages resulting from the trend of replacing steel and copper with aluminium. Additionally, the construction and automotive industries have the highest share in the sales of Grupa Kęty. In construction, aluminium solutions reduce energy consumption of building, whereas in the automotive industry, lightweight aluminium structures enable vehicles efficiency.
Decarbonization of the process of aluminium remelting at the Foundry Plant in Kęty	The process of reworking aluminium scrap into new products requires much less energy and produces less emissions compared with aluminium extraction from bauxite ores. Aluminium recycling requires only 5% of the energy needed to produce primary aluminium. Thanks to that, carbon dioxide emissions throughout the whole life cycle of aluminium products are reduced significantly. Grupa Kęty S.A. focuses on the recovery of aluminium and increasing the share of recycled materials in the produced profiles. The competitive advantage in that regard is ensured by the foundry in Kęty, where over 30,000 tons of scrap is recycled every year. Therefore, at the end of 2024, the share of recycled material in the soft-alloy aluminium billets cast in Kęty reached 73.9%, whereas the carbon footprint of the manufactured profiles specified in the Environmental Product Declaration Type III is 3.3 kg CO_2e/kg. The plant plans to modernize the remelting process toward increasing the proportion of scrap per charge.
Innovations and partnerships for recycling	At the Capital Group companies aluminium reusing has been applied in order to ensure the highest possible recycling rate. Grupa Kęty plans to create an aluminium circuit that will also include suppliers and customers by trading in industrial and post-consumer scrap, e.g. by using scrap from the dismantling of façades at Aluprof S.A. customers'. This will make it possible to increase the share of post-consumer scrap in manufactured products.
Aluminium Systems Segment	
Use of low-emission aluminium in building systems as well as innovation and partnerships for the construction industry.	The use of recycled or low-emission aluminium is increasingly a market advantage, as well as a strong lever for decarbonization. For this reason, companies in the Aluminium Systems Segment are planning changes to their product portfolios as a result of measures to reduce embedded emissions, including: • façade and window systems with higher levels of thermal insulation; • innovative profiles with thermal inserts (e.g. based on composite materials) that minimize heat loss, improving the energy efficiency of buildings; • lighter and more durable structural systems; • aluminium profiles with optimized geometries to reduce their weight without sacrificing strength; • the decarbonization lever is the ongoing partnership with the construction industry and the planned increase in the share of products that meet LEED and BREEAM certification requirements.
Flexible Packaging Segment	
Production of sustainable packaging	A key lever for decarbonization in the packaging segment is the ability to produce and develop recyclable packaging while maintaining product safety and protective features. Activities in this area are focused on: • reconfiguring the structure of laminates into homogeneous ones to achieve the highest possible recycling rate of packaging; • minimizing the weight and volume of packaging; • developing innovative, high-barrier packaging to replace the need for high-emission raw materials such as aluminium foil; • offering and producing packaging with a lower carbon footprint.
Raw material efficiency	The lever for decarbonization is the type of raw materials used and extending potential in that regard. The implemented practices contribute to that trend: • recycling in the production process of BOPP film - regranulation and reuse of waste; • low weight of raw materials used per unit of product; • modern manufacturing facilities and technologies minimizing waste generation; • use of Post-Consumer Recycled Material (PCR) as an input in the production of plastic-based packaging.

[E1-4_24] Grupa Kęty has considered two climate scenarios, including one consistent with limiting global warming to 1.5 °C, to detect significant changes related to the environment, society, technology, market and politics, and to identify its decarbonization levers. The process is described in Section E1.SBM-1.

9.13.8. Energy consumption and mix – E1-5

[E1-5_01] [E1-5_02] [E1-5_03] [E1-5_04] [E1-5_05] [E1-5_06] [E1-5_07] [E1-5_08] [E1-5_09] [E1-5_10] [E1-5_11] [E1-5_12] [E1-5_13] [E1-5_14] [E1-5_15] [E1-5_16] [E1-5_17] [E1-5_18] [E1-5_19] [E1-5_20][E1-5_21]

The information on energy consumption and mix is presented in the below table. To calculate the Capital Group's energy intensity indicator, the total energy consumption from the energy mix and all the Group's net income were taken into account, as the core business in each segment is uniform and qualifies as a sector with a significant climate impact, whereas income from other activities is not significant (less than 1%).

TABLE 48: ENERGY CONSUMPTION AND MIX AT THE CAPITAL GROUP

Energy consumption and mix	Unit	2024
1. Consumption of fuel originating from coal and coal products	MWh	0.00
2. Consumption of fuel originating from oil and oil products	MWh	9,647.62
3. Consumption of fuel originating from fossil gas	MWh	172,996.01
4. Consumption of fuel from other fossil sources	MWh	126.30
5. Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources	MWh	204,887.86
6. Total consumption of energy from fossil sources (calculated as the sum of lines 1-5)	MWh	387,657.79
Share of fossil sources in total energy consumption	%	98.7%
7. Energy consumption from nuclear sources	MWh	0.00
Share of energy consumption from nuclear sources in total energy consumption	%	0.0%
8. Fuel consumption for renewable sources, including biomass (which also includes industrial and municipal biological waste, biogas, renewable hydrogen, etc.).	MWh	3,813.32
9. Consumption of purchased or generated electricity, heat, steam and cooling from renewable sources	MWh	648.97
10. Consumption of self-generated renewable energy without the use of fuel	MWh	691.94
11. Total consumption of renewable and low-emission energy (calculated as the sum of lines 8-10)	MWh	5,154.23
Share of renewable sources in total energy consumption	%	1.3%
Total energy consumption (calculated as the sum of lines 6, 7 and 11)	MWh	392,812.02

Energy intensity to net income	Unit	2024
Total energy consumption by activities in sectors with significant climate impacts to net income from activities in sectors with significant climate impacts	MWh/PLN million	76.36

Net income	Unit	2024
Net income from activities in sectors with significant climate impacts used in energy intensity calculation	PLN million	5,144

Energy consumption and mix are subject to planning and monitoring. The particular units must report their actual energy consumption, and – when the planned volumes are exceeded – the growth cause analysis is carried out. Meters are installed both at the place of supply and consumption of utilities. The readings form basis for costs allocation to the sources of their origin. This is measured with the use of a dedicated system which ensures real-time control of all utilities processing devices. Electricity is used at the companies, for example, to power production and auxiliary devices and also to illuminate halls and rooms. Natural gas is used in the processes of heat treatment and to heat rooms. The thermal energy purchased is used to heat rooms. Energy from coal and coal products is not consumed.

Electricity remains a primary focus area for the Capital Group in energy management. This is because it is crucial to reducing the Group's climate impact. Indirect emissions related to purchased energy accounted for more than 76% of total Scope 1 and Scope 2 emissions in 2024. The impact of electricity consumption is also reflected in Scope 3 greenhouse gas emissions, particularly in the upstream value chain. In the case of Grupa Kęty, this mainly concerns purchased materials and services from Polish suppliers.

Therefore, an Energy Transformation Team was established, whose role is to continuously improve energy efficiency and to seek projects that increase the use of renewable energy through in-house installations or the purchase of energy from identifiable sources. In addition, the team coordinates the implementation of savings tasks on the basis of efficiency audits conducted. In 2019-2024, a number of projects were implemented for which energy efficiency certificates issued by the Energy Regulatory Authority were obtained. The tasks included:

Extruded Products Segment:

- modernisation of cooling water circulation pumps;
- modernisation of compressed air system;
- transformers replacement (2 projects);
- lighting modernisation (6 projects);
- replacement of engines and inverters installation;
- thermal performance improvement of the anodising plant hall as well as social and office facilities;
- replacement of compressors for ones with lower kWh/Nm^3 conversion factor;
- change in the control for pump drives at presses 1251 and 2502;
- electric engines replacement.

Aluminium Systems Segment:

- lighting modernisation (3 projects).

Flexible Packaging Segment:

- heat recuperation from compressors (5 projects);
- heat recuperation from air extracted from BOPP lines;
- lighting modernisation (3 projects);
- modernisation of the system of VOC afterburning.

The certificates received confirm that the companies saved a specifically determined quantity of final energy. Savings are measured in tons of oil equivalent (toe), where 1 toe represents savings of 11.63 MWh a year. The total number of toe for the above activities amounted to 1,162,771.

9.13.9. Gross greenhouse gas emissions for Scopes 1, 2, and 3 and total GHG emissions – E1-6

[E1-6_01] [E1-6_02] [E1-6_02] [E1-6_03] [E1-6_04] [E1-6_05] [E1-6_06] [E1-6_07] [E1-6_08] [E1-6_09] [E1-6_10] [E1-6_11] [E1-6_12] [E1-6_13] [E1-6_15]

The Capital Group has been monitoring greenhouse gas emissions as a result of operating activities within Scopes 1 and 2 since 2016. In 2024 both the period and the limits of reporting change:

- the data for the Capital Group cover the parent company and all Capital Group companies accordingly to operating and financial control, including foreign companies and SELT Sp. z o.o. acquired in 2024, since the date of its acquisition;
- for the first time, emissions within Scope 3 calculated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard are reported for 2024.

The table below presents total GHG emissions disaggregated into Scope 1, 2, and 3. Emissions were calculated for consolidated operations of the Capital Group, in accordance with the revised GHG Protocol Corporate Accounting and Reporting Standard (https://ghgprotocol.org/calculation-tools). Emission values are reported in metric tons (Mg), a standard unit of carbon dioxide equivalent (CO_2e).

TABLE 49: GREENHOUSE GAS EMISSIONS FOR SCOPES 1, 2, AND 3

	Unit	2024
Scope 1 gross GHG emissions	Mg CO_2e	37,712
Scope 1 share of GHG emissions from the regulated Emissions Trading Scheme	%	0
Scope 2 GHG emissions, location-based	Mg CO_2e	117,367
Scope 2 GHG emissions, market-based	Mg CO_2e	129,823
Scope 3 total gross GHG indirect emissions	Mg CO_2e	1,171,113
1. Purchased goods and services	Mg CO_2e	870,005
2. Capital goods	Mg CO_2e	30,543
3. Fuel- and energy-related activities (not included in Scope 1 or Scope 2)	Mg CO_2e	42,368
4. Upstream transportation and distribution	Mg CO_2e	82,037
5. Waste generated in operations	Mg CO_2e	749
6. Business travel	Mg CO_2e	574
7. Employee commuting	Mg CO_2e	5,934
8. Upstream leased assets	Mg CO_2e	-
9. Downstream transportation and distribution	Mg CO_2e	1,609
10. Processing of sold products	Mg CO_2e	135,794
11. Use of sold products	Mg CO_2e	-
12. End-of-life treatment of sold products	Mg CO_2e	1,501
13. Downstream leased assets	Mg CO_2e	-
14. Franchises	Mg CO_2e	-
15. Investments	Mg CO_2e	-
Total GHG emissions (location-based)	**Mg CO_2e**	**1,326,193**
Total GHG emissions (market-based)	**Mg CO_2e**	**1,338,649**

[E1-6_21] Scope, methodology and calculation:

Scope 1 – direct GHG emissions controlled by the Capital Group, covering specifically fuel consumption for process purposes, heating buildings, combustion by vehicles, as well as emissions related to the operation of cooling systems. The emissions were calculated for the particular fuels with the use of indicators published by the National Centre for Emissions Management (KOBiZE) and in the DEFRA database.

Scope 2 – indirect emissions resulting from generation of purchased energy were calculated in accordance with the *GHG Protocol Scope 2 Guidance*, applying location-based and market-based methods. In location-based calculations KOBiZE indicators assigned to electricity were used, and as regards heat – indicators determined by the Energy Regulatory Authority. For the market-based method, emission intensity indicators from the electricity supplier were used. Due to the lack of publication of indicators for 2024, the supplier's indicators for 2023 were used to calculate emissions.

In addition, in the market-based calculation there were taken into account the purchase and redemption of guarantees of origin for feeding in the distribution or transmission network of 6,700 MWh of electricity generated in a renewable energy source system, as confirmed in documents: RGP_WBEEZOO_2024-05-07_7117; RGP_RESENENC_2024-09-11_9385; RGP_RESENENC_2024-09-11_9384.

[E1-6_50] Scope 1 and 2 emissions have not been disaggregated due to the fact that all Capital Group companies are fully consolidated (there were no associates or non-consolidated subsidiaries, which would not be fully consolidated in the Capital Group's financial statements for accounting purposes).

Scope 3 – indirect emissions originating in the whole value chain. In order to determine materiality, estimated were the values of emissions for all applicable categories, in compliance with the GHG Protocol methodology, comprising:

- A Corporate Accounting and Reporting Standard (Revised Edition);
- Corporate Value Chain (Scope 3) Accounting and Reporting Standard;
- Technical Guidance for Calculating Scope 3 Emissions.

Firstly, it has been determined which Scope 3 categories apply to the specific operations of the Capital Group companies. The analysis reflected the following categories:

- Category 8: Upstream leased assets
- Category 11: Use of sold products
- Category 13: Downstream leased assets
- Category 14: Franchises
- Category 15: Investments

Further, for the applicable categories emissions estimations and calculations were made. In the process data was collected and analysed, and the relevant indicator selected. The results obtained reflect that the following 5 categories are responsible jointly for 99% of emissions within Scope 3:

- Category 1: Purchased goods and services
- Category 2: Capital goods acquired
- Category 3: Fuels and energy
- Category 4: Upstream transportation and distribution
- Category 10: Processing of semi-products/intermediate products sold

Below presented is the description of the methods of calculation for the respective categories.

Category 1: Purchased goods and services

Data applicable to the purchased goods and services performed by in-house units in 2024 were taken into account. The emissions value was calculated with the spend-based method, average-data method, and supplier-specific method. With regard to spend-based method, indicators published by the Environmental Protection Agency (EPA) – *Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities* were taken into account. The indicators are expressed in kilograms of CO_2 per American dollar ($kgCO_2/USD$). For the average-data method, indicators from the DEFRA database and sector papers, such as – Winnipeg Sewage Treatment Program, *Appendix 7: CO_2 emission factors database* and VDMI *The voice of the European colourant industry: Emission Factors* were taken into account. For the supplier-specific method, emission indicators reported by suppliers were used.

Category 2: Capital goods acquired

The emissions value was calculated with the use of spend-based method. In calculation, EPA database indicators were taken into account. The indicators are expressed in kilograms of CO_2 per American dollar ($kgCO_2/USD$).

Category 3: Fuels and energy

The emissions value was calculated with the use of average-data method. In order to calculate Category 3 emissions, there were taken into account data related to the consumption of the purchased utilities: heat, electric energy and fuels (petrol, diesel oil, LPG and natural gas).

Category 4: Upstream transportation and distribution

The emission value was calculated with the use of distance-based method. In calculation, DEFRA database emissions indicators were taken into account.

Category 5: Production waste management

The emissions value was estimated with the use of waste-type-specific method. In calculation, DEFRA database emissions indicators were taken into account, as expressed in $kgCO_2e$ per weight unit of waste (Mg). The emissions value was calculated by multiplying the weight of waste by emissions indicator relevant for the type of waste and the method of its processing.

Category 6: Business travel

The emissions value was estimated with the use of distance-based method. Employees travelled with three different means of transport: passenger cars (other than business ones), planes and trains.

In the estimation of business-travel-related emissions, DEFRA database emissions indicators were taken into account, as expressed in kgCO_2e per kilometre or passenger-kilometre. It has been assumed that one employee was delegated on each business trip. The emissions value was calculated by multiplying the total distance travelled with various means of transport by the relevant emissions indicator for the given means of transport.

Category 7: Employee commuting

The emissions value was estimated with the use of distance-based method. For that purpose employees were asked to determine the method of commuting to work. Thanks to the questionnaires, the profile of employee commuting was determined. Further, for the collected sample of data, the value of emissions attributable to the particular means of transport was calculated. The process involved multiplying the average distance travelled by employees (round trip) by the number of vehicles (for cars) or the number of passengers (for buses) and the average number of working days per year, and then by the corresponding emissions indicators. The emissions indicators were sourced from the DEFRA database. For passenger cars the emissions indicator was determined in kgCO_2e/km, and for public transport in kgCO_2e/passenger-kilometre. For the purpose of indicating emissions, extrapolation was made. In the category, there was also included organised collective transport for the employees of Aluform subsidiary.

Category 9: Downstream transportation and distribution

There were considered only transports of products sold, which were organised and paid by the customers of the Capital Group. Other transports of products sold were included in Category 4. For the purpose of emissions calculation DEFRA emissions indicators were use, as expressed in kgCO_2e/km (for trucks) and kgCO_2e/ton-kilometre (for sea transport). As regards trucks, the emissions value was calculated by multiplying the distance covered by the relevant emissions indicator. Whereas for sea transport, with regard to the unit of the indicator, also the average loading was considered.

Category 10: Processing of semi-products/intermediate products sold

The emissions value was calculated with the use of average-data method. Within the EPS, the total weight of profiles and aluminium components produced and sold was used for the calculation and the emissions indicators from sector papers – *IAI (International Aluminium Institute) Scope 3 Guidance.*

For the ASS companies, there were taken into account both intermediate products sold and aluminium systems, such as windows, doors, and façades which are subjected to assembly processes after sale (for example), thus, they were considered to be intermediate products. Emissions related to these processes were also included in Category 10. For the calculations, the mass of aluminium components produced and sold was assumed and the emission factor from the industry study was applied – *IAI Scope 3 Guidance*. The emissions value for the process of reworking (assembly) of sold finished products (aluminium systems) was obtained by multiplying the estimated weight of products sold by the emissions indicator set forth in the from the Environmental Product Declaration (EPD) for A5 stage – Construction-installation process.

For the FPS companies, the emissions value was calculated on the basis of the weight of the products manufactured – BOPP film and packaging, which are subject to reworking processes after sale, such as cross-cutting and packing. The emissions indicator for these processes was estimated based on the average emissions in processing (Scopes 1 and 2) to production at the FPS with similar characteristics.

Category 12: End-of-life treatment of sold products

The emissions value was estimated with the use of waste-type-specific method based on the analysis of waste originating post the life cycle of the products sold. In the process there were identified types of waste and there were allocated the respective methods of their processing. With regard to the specifics of products manufactured, it has been assumed that the quantity of products manufactured and sold is equal to the quantity of waste. Based on the data, there were applied relevant emissions indicators, adequately to the type of waste and the method of their processing. In calculation, DEFRA database emissions indicators were taken into account, as expressed in kgCO_2e per weight unit of waste (Mg). The emissions value was calculated by multiplying the weight of waste by emissions indicator relevant for the type of waste and the method of its processing.

TABLE 50: SPECIFICATION OF METHODS AND INDICATORS TAKEN INTO ACCOUNT WHEN CALCULATING SCOPE 3 EMISSIONS

Category	Calculation /estimation	Input data	Calculation method	Sources of emission indicators
Category 1	Calculation	Data applicable to the weight and value of purchased goods*	Spend-based method Average-data method Supplier-specific method	• Indicators reported by suppliers • DEFRA (2024), • Sector papers – Winnipeg Sewage Treatment Program, Appendix 7: CO_2 emission factors database and VDMI's 'The voice of the European colourant industry' – emission factors • EPA - Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities
Category 2	Calculation	Data applicable to the capital goods acquired. Data from the organisation's in-house systems	Spend-based method	EPA - Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities
Category 3	Calculation	Data applicable to the consumption of fuels and utilities purchased by the organisation	Average-data method	DEFRA (2024)
Category 4	Calculation	Data applicable to the type of the means of transport, the distances travelled and loading, in reference to the transportation of products purchased and products sold, for which the organisation paid.	Distance-based method	DEFRA (2024)
Category 5	Estimation	Weight of the particular types of waste produced in the operations of the organisation	Waste-type-specific method	DEFRA (2024)
Category 6	Estimation	Distance travelled on business trips with the particular means of transport	Distance-based method	DEFRA (2024)
Category 7	Estimation	Average distance travelled when commuting with the particular means of transport	Distance-based method	DEFRA (2024)
Category 8	Not applicable			
Category 9	Estimation	Data applicable to the distance travelled and loading	Distance-based method	DEFRA (2024)
Category 10	Calculation	Data applicable to the weight of semi-products and intermediate products sold	Average-data method	• Sector paper – IAI (International Aluminium Institute) Scope 3 Guidance • EPD for ALUPROF S.A. window and door systems as well as façade systems • Own indicator determined based on the average emissions in processing (Scopes 1 and 2) to production at the FPS with similar characteristics
Category 11	Not applicable			
Category 12	Estimation	Weight of the particular types of waste originating post the life cycle intermediate products sold	Waste-type-specific method	DEFRA (2024)
Category 13	Not applicable			
Category 14	Not applicable			
Category 15	Not applicable			

* As regards Aluprof S.A, there was assumed data applicable to the goods purchased from suppliers who generate 80% of the total turnover.

TABLE 51: TOTAL GHG EMISSIONS OF THE CAPITAL GROUP IN 2024, DISAGGREGATED INTO SCOPES AND PROPORTION OF THE PARTICULAR SCOPES

Scope	Total GHG emissions (Mg CO_2e)	Proportion of the particular Scopes
Scope 1	37,712	2.84%
Scope 2	117,367	8.85%
Scope 3	1,171,113	88.31%

There has not been introduced any disaggregation of GHG emissions owing to the fact that all Capital Group companies are subject to full consolidation.

[E1-6_30] [E1-6_33] [E1-6_34] [E1-6_35] The table below presents the intensity of GHG emissions based on net income, the value of which amounted to PLN 5,144 million.

TABLE 52: GHG EMISSIONS INTENSITY AT THE CAPITAL GROUP

GHG emissions intensity	Value
Consolidated sales in 2024 (PLN millions)	5,144
GHG emissions intensity (location-based method) to net income (tons of CO_2 equivalent per PLN million)	257.8
GHG emissions intensity (market-based method) to net income (tons of CO_2 equivalent per PLN million)	260.2

9.14 Pollution E2

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

[E2.IRO-1_01] [E2.IRO-1_02] [E2.IRO-1_03] Material impacts, risks and opportunities related to pollution were identified during the analysis of double materiality carried out at the Capital Group in 2024. Detailed description of the process may be found in Section ***SBM 3*** of the Report.

9.14.2. Policies related to pollution – E2-1

[E2-1_01] The Capital Group of Grupa Kęty S.A. has not adopted a common policy related to pollution, which would address all material impacts, risks and opportunities related to pollution. The matters related to air and water pollution are specified in separate *Environmental Policies* adopted by the particular operating segments. ***[E2.MDR-P_01-06]*** Responsible for their implementation and oversight are the Management Boards of the particular companies.

In the Environmental Policy, Grupa Kęty S.A. commits to:

- responsible water management in order to support the management of shared water resources and public disclosure of water withdrawal and use;
- monitoring the quantity and quality of wastewater discharges that may adversely affect human health and safety or the environment;
- managing impacts on biodiversity in accordance with regulations, to protect ecosystems, habitats and species;
- proper handling of waste, minimising the amount of waste generated and implementing a programme to optimise the use of raw materials;
- implementation of circular economy assumptions, including increasing the share of aluminium scrap in own production of aluminium billets in the remelting process;
- efficient use of resources and reduction of emissions;
- reduction of the effects of climate change, inter alia, through measures to increase the efficiency of installations and facilities, as well as the use of renewable energy;
- adoption of an environmental accounting system;
- taking action to improve the environmental performance of other entities within the reach of the Capital Group's impact, and initiatives to promote environmentally responsible attitudes;
- supporting the participation of employees in initiatives, actions and activities in the field of environmental education of local communities.

[E2.MDR-P_01-06] The effective maintenance and implementation of adopted environmental policies at the individual companies and operating segments is facilitated by certified environmental management systems based on EN ISO 14001. ***[E2-1_02]*** The Capital Group's policies do not address the issues of substitution and minimisation of the use of substances of concern or withdrawal of substances of very high concern. These issues are described at the level of individual system procedures for the management of hazardous substances and handling of emergency situations. In its production process, the Group systematically strives to use more environmentally friendly chemicals, reducing hazardous substances. ***[E2-1_03]*** In addition, contingency plans have been implemented at the organisation, covering for prompt reactions in the event of contamination detection, including chemical neutralisation, as well as groundwater and soil protection.

Environmental issues, including pollution, are governed by the Group's Code of Ethics. It emphasises the need to eliminate negative impacts at their source, to invest in research and development and the search for environmentally friendly technologies, and to define uniform methods to eliminate risks.

9.14.3. Actions and resources related to pollution – E2-2

Air pollution

[E2.MDR-A_01-12] [E2-2_02] The companies of the Capital Group control the quantity of the substances emitted. The monitoring proves that the limits set out by law and administrative decisions have been kept. The total emissions level is well below the allowed limits. In 2024 there were not taken any actions aiming at pollution limitation upstream or downstream the value chain.

Apart from greenhouse gases, the Extruded Products Segment companies emit to air: sulphur dioxide, nitrogen oxides, carbon monoxide, dust and small amounts of inorganic compounds. The sources of emission are the processes of natural gas combustion and chemical treatment of aluminium elements. The main pollutants emitted by the Aluminium Systems Segment include sulphur dioxide, nitrogen oxides, carbon monoxide, dust, sulphuric acid, inorganic acids and aliphatic hydrocarbons. The Flexible Packaging Segment emits volatile organic compounds (VOC) to air, originating from the processes of printing, coating and lamination of packaging, as well as dust and gases from gas combustion in engineering and heating plants, plus sulphuric acid from the electroplating line.

In reference to the systems for which an integrated permit must be obtained, there were fulfilled the requirements of the best available techniques, including those set forth in the Commission Implementing Decision (EU) 2016/1032 of 13 June 2016 establishing best available techniques (BAT) conclusions, under Directive 2010/75/EU of the European Parliament and of the Council, for the non-ferrous metals industries.

Water pollution

At the Capital Group companies process and sanitary wastewater originates. Supervision and monitoring of the wastewater production and discharge limits the negative impact on the environment and potential risks. Special supervision focuses on wastewater originating in the aluminium chemical treatment processes.

At the EPS, Grupa Kęty S.A. and its subsidiary AK EMMI discharge wastewater directly to surface waters. At the ASS, the same situation refers to the plant in Złotów. Security measures have been taken at the companies to prevent the possible spills. The wastewater is discharged based on a water permit possessed. The quality of the discharged wastewater is tested at regular intervals by accredited laboratories. The permit conditions have been met. The treatment systems are fit with specially-designed pre-treatment solutions serving neutralisation of specific types of wastewater. The technology of wastewater production post chemical treatment of aluminium elements is based mainly in neutralising processes, supported with coagulants and flocculants.

The other companies of the ASS as well as the FPS companies discharge wastewater after pre-treatment solely to the sewer systems of third-party companies.

In 2024, the following activities were undertaken, which form an integral part of the business operations of the Capital Group:

Extruded Products Segment:

- installation of an auxiliary piece of equipment, i.e. a tower scrubber to remove vapours from anodising process bath;
- installation of induction heaters for two profiles extrusion lines (elimination of emissions from natural gas burning).

Aluminium Systems Segment:

- reduction of the quantity of sludge from wastewater neutraliser in Bielsko-Biała by way of optimisation of the neutralisation process and reduction of the sludge hydration;
- reduction of the quantity of chromium oxide used in the production process at the Bielsko-Biała plant through increased use of line with an alternative chemical treatment process;
- reduction of the quantity of wastewater from the paint shop neutraliser at the Bielsko-Biała plant as a result of returning some of the water to the production process;
- reduction of pollutants in the form of dust and gases emitted to air as a result of decommissioning of the installation for processing ZnAl alloy components, decommissioning of the aluminium melting furnace and the hardening and galvanising department at the Złotów plant.

Flexible Packaging Segment:

- modernisation of thermal oxidisers in order to increase vapours density and improvement of VOC reduction efficiency;
- decomissioning of high-emission engineering furnaces and thermal oxidisers of the older generation;
- improving regranulation processes for material reuse, which eliminated the need of sending the material out of the plant, thus reducing the risk of potential environmental pollution.

In the reporting period, there were no malfauctions resulting in contamination or other damage to the natural environment.

Pollution-related activities also include involvement in the upstream value chain. The activities consist in verifying and undertaking cooperation with selected suppliers who guarantee compliance with the environmental requirements. The Capital Group has introduced a process to oversee the environmental impact in the supply chain. Also binding is the Code of Conduct for the Suppliers of the Capital Group, which specifies the major requirements for the suppliers with regard to responsibility for the natural environment. The preferred suppliers possess the certificate of having implemented the EN ISO 14001 standard. With regard to the awareness of the impact on the environment, in the first place contracts with local and national suppliers are concluded.

In 2024, for the purpose of fulfilment of the environmental requirements by the suppliers and collecting data to report Scope 3 GHG emissions, 417 questionnaires were sent out.

9.14.4 Targets related to pollution – E2-3

[E2.MDR-T_14-19] Pollutants emission other than GHG is not a key challenge within the business model of the Capital Group. The Capital Group does not have and does not currently plan to set numerical targets for the amount of pollution or reduction by a specific value. There are currently no emissions excesses at any of the systems and the values are well below the threshold emissions.

At the same time, each system is subject to measurement and emission control. The methods and tools of implementation are defined by formal procedures and instructions adopted as part of the environmental management system compliant with the requirements of the ISO 14001 standard. No common quantitative pollution targets have been set within the Group. This is largely due to the specific nature and diversity of the environmental aspects of the companies of the particular operating segments and the difficulty in defining the level of ambition for reducing air and water pollution. The operating segments focus on activities related to environmental aspects which qualify as significant in compliance with the methodology determined in the ISO 14001 system procedure ‘Identification of environmental aspects’; The activities are approved within the environmental management system review carried out in liaison with the highest-level management staff. The actual performance and effectiveness are verified within the external and internal audit programmes.

9.14.5. Pollution of air, water and soil – E2-4

In 2024, the Capital Group emitted air and water pollutants. The level of pollutants emissions did not exceed the threshold value set out in Annex II to Regulation (EC) No 166/2006, with the exception of emissions to air of hydrofluorocarbons (HFCs).

[E2-4_09] [E2-4_10] Companies carry out periodic measurements of emissions to air in accordance with Article 147 of the Environmental Protection Act and the Regulations of the Minister of Climate and Environment *on the requirements for carrying out measurements of emission volumes of* 7 September 2021 and *on the types of measurement results carried out in connection with the operation of an installation or equipment and other data collected as a result of monitoring technological processes, as well as the deadlines and methods of presentation* of 15 December 2020.

The collection of data on substances discharged into the environment in most of the Capital Group companies is carried out using the Company Environmental Pollution Bank software by ATMOTERM S.A. Details regarding systems, facilities, emitters and emission sources collected in the in-house databases are used for calculating environmental charges, as well as reporting and recording emission volumes from individual sources.

[E2-4_08] [E2-4_15]

TABLE 53: AIR POLLUTION AT THE CAPITAL GROUP

Pollution	Threshold value for emissions to air	Quantity of pollutant		Change y/y
		2023	2024	
	kg/year	kg/year	kg/year	%
Hydrofluorocarbons (HFCs)	100	326.63	223.96	-31.43%

The direct emission measurement method was chosen to quantify HFCs emissions. Emissions were determined based on the actual amount of individual controlled substances consumed in refrigeration, air-conditioning and fire protection systems in 2024, confirmed by documents issued after leakage surveys carried out by certified specialists of the Central Register of Operators (CRO).

Microplastics issues apply to companies in the Flexible Packaging Segment (FPS). ***[E2-4_05]*** Microplastics are solid particles of plastics smaller than 5 mm. The FPS companies identify sources of microplastics in their operations in the form of BOPP and PE granulate, used as raw material for the production of plastic films (*microplastics used*), as well as in the processing of non-conforming plastic films by conducting a regranulation process for reuse (*microplastics produced*). The amount of microplastics is reported on the basis of releases and receipts according to the ERP system. The companies comply with EU Regulation 2023/2055 (restrictions on intentionally added microplastics). BOPP/PE granulate is exempt under Article 5 because it is used in closed industrial processes with a retention efficiency of over 95%.

There is a potential for granules to enter sewers or soil during transport, storage or waste disposal. To prevent this, a closed production system is operated with nearly 100% use of granulate and regranulate as raw material for plastic films. The granulate is stored in silos, halls and, in the case of outdoor storage, only on paved areas. Microplastics unsuitable for the production of plastic film are passed on to waste receivers with a valid processing permit.

TABLE 54: MICROPLASTICS PRODUCED AND USED AT THE CAPITAL GROUP, FLEXIBLE PACKAGING SEGMENT (FPS)

Microplastics	Quantity [kg/year]
Produced	4,804,502
Used	72,698,575

9.14.6. Substances of concern and substances of very high concern – E2-5

[E2-5_01] [E2-5_02] [E2-5_03] [E2-5_04] [E2-5_05] [E2-5_06] [E2-5_07] [E2-5_08][E2-5_09] [E2-5_10] [E2-5_11] [E2-5_12] [E2-5_013]

Pursuant to the provisions of the Environmental Protection Law and the criteria set out in the Regulation of the Minister of Development of 29 January 2016 *on the types and quantities of hazardous substances present in a plant, determining the classification of a plant as a one with an increased or high risk of a serious industrial accident*, the Aluprof S.A. plant in Bielsko-Biała was included in the group of plants with an increased risk of a serious industrial accident due to the use of chromium oxide in the manufacturing processes. This substance is considered to be a substance of very high concern (SVHC).

Other types and quantities of hazardous substances present at the Capital Group companies do not pose a risk of industrial accident.

Each substance classified as hazardous, used in the course of production, has an up-to-date material safety data sheet. Following the manufacturers' recommendations, substances are transported, used and stored in accordance with the instructions given in the material safety data sheets.

Products manufactured by the Capital Group companies are subject to Regulation (EC) 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning *the Registration, Evaluation, Authorisation and Restriction of Chemicals* (REACH). They do not contain substances of concern or very high concern on the current list of SVHCs published by the European Chemicals Agency.

TABLE 55: TOTAL QUANTITIES OF POTENTIALLY HAZARDOUS SUBSTANCES

Substance hazard class[4]	Potentially hazardous substances manufactured or used in production, or purchased [Mg]	Potentially hazardous substances leaving the plants as emissions, products or parts of products or services [Mg]
Carcinogenicity, category 1 and 2	834.27	0.00
Germ cell mutagenicity, category 1 and 2	34.19	0.00
Reproductive toxicity, category 1 and 2	16.50	0.00
Skin sensitisation, category 1	1,330.07	0.00
Long-term aquatic hazard, category 1 to 4	681.69	0.00
Toxic effects on target organs, repeated exposure, category 1 and 2	46.60	0.00

TABLE 56: TOTAL QUANTITIES OF SUBSTANCES OF VERY HIGH CONCERN

Substance hazard class	Substances of very high concern manufactured or used in production, or purchased [Mg]	Substances of very high concern leaving the plants as emissions, products or parts of products or services [Mg]
Carcinogenicity, category 1 and 2, chromium (VI) oxide	7.92	0.00

9.15 Water and marine resources – E3

9.15.1. Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities – E3.IRO-1

[E3.IRO-1_01] [E3.IRO-1_02] Material impacts, risks and opportunities related to water and marine resources were identified during the analysis of double materiality carried out at the Capital Group of Grupa Kęty S.A. in 2024. Detailed description of the process may be found in Section SBM 3 of the Report.

9.15.2. Policies related to water and marine resources – E3-1

[E3.MDR-P_01-06] The Capital Group did not adopt separate policies regarding water resources. The matters are described in general ***[E3.MDR-P_01-06]*** in the *Environmental Policy* and *Code of Conduct for the Suppliers* binding at all segments of the Capital Group. ***[E3-1_01] [E3-1_02]*** The adopted *Policy* represents a commitment to responsible water withdrawal, use and management. The Code places an obligation on companies providing products and services to the Capital Group companies to strive to reduce water consumption and manage water resources rationally. ***[E3-1_09]*** The Capital Group does not have a policy related to the sustainability of the seas and oceans.

[E3.MDR-P_01-06] The Management Board of the parent company, Grupa Kęty S.A., is responsible for the implementation of the Policy and the Code. ***[E3.MDR-P_01-06]*** The provisions of the documents meet the requirements related to water management imposed on the Capital Group of Grupa Kęty S.A. by the ISO 14001 standard as well as Grupa Kęty S.A.'s participation in the Aluminium Stewardship Initiative.

[4]Hazard class listed in Parts 2-5 of Annex I to Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures.

[E3.MDR-P_01-06] The provisions of the *Environmental Policy* and the *Code of Conduct for the Suppliers* were not consulted with stakeholders. The contents of the *Environmental Policy* do not directly address the issue of ***[E3-1_03]*** water treatment, ***[E3-1_04]*** water pollution, or ***[E3-1_05]*** design of the Capital Group's products to solve water-related problems. ***[E3-1_06]*** As the Capital Group companies are not located in areas of high water scarcity, the regulations do not address the Capital Group's commitment to reduce water consumption in such areas, either.

9.15.3. Actions and resources related to water and marine resources – E3-2

The method of water supply differs at the particular companies of the Capital Group. The parent company, Grupa Kęty S.A. withdraws water from own intakes, i.e. from a well and from ground drainage. The well supplies the drinking water system at the plant and is the main source of water for the employee amenities. The basic source of water for production processes is the drainage system at the plant. Water resources are used pursuant to the possessed water permit. The other companies of the Capital Group do not possess their own water intakes and purchase water from third-party operators. At those companies water is used for engineering and social purposes. Water consumption is monitored within the ISO 14001 system procedures.

[E3.MDR-A_01-12] Within the organisation, there were implemented actions to optimise the use of water resources in production processes. At Grupa Kęty S.A., with regard to the nature of production, the key activity is to extend the system of close-circuit water for cooling in heat processes related to melting and processing of aluminium. Additionally, there was commissioned a system to enable water withdrawal from ground drainage, and the roofs of the selected production halls were connected to a water return sump. During rainfall water from the roof supplements the evaporated water and refreshes water in the closed circuit.

At the Capital Group companies, the practice is to replace faulty devices without delay, install devices to reduce water consumption, and monitor water consumption. ***[E3.MDR-A_01-12]*** In the reporting period, the Capital Group did not record any cases in which action had to be taken to provide remedies to people harmed by significant impacts related to water resources.

In addition, in 2024, the Capital Group started work on optimising water resources management – there was carried out a technical and functional assessment of the system and an economic analysis of optimal water management, and also an analysis of the possibility of implementing new installations and engineering tools, among other things. There was identified potential for rainwater recovery by modifying the existing drainage system and using rainwater to meet production needs.

[E3.MDR-A_01-12] In 2024, the Capital Group's water resources activities did not involve significant operating or capital expenditure.

[E3-2_03] Group companies do not operate in flood threatened areas such as river valleys or sites below sea level.

9.15.4. Targets related to water and marine resources – E3-3

[E3.MDR-T_01-13] The general objective of the Capital Group related to water resources, as defined in the *Environmental Policy of Grupa KĘTY S.A.*, is to strive to reduce water consumption and to reuse water. Specific objectives were developed in the organisation for the parent company due to the withdrawal of water from its own sources. ***[E3.MDR-T_01-13]*** In order to set them, an analysis of water consumption at the plant in the recent years was carried out, as well as identification of key processes with high water demand and water consumption reduction capacity. The Capital Group did not rely on scientific evidence in setting the objectives nor did it identify or involve stakeholders in setting the targets. ***[E3-3_03]***

In 2024, the target of Grupa Kęty S.A. was to reduce total water withdrawal y/y per unit of production by minimum 1% compared to the preceding year. For 2025, the target was set at the same level ***[E3.MDR-T_01-13]*** The Capital Group did not set intermediate targets or ***[E3.MDR-T_01-13]*** changed targets during the reporting period. ***[E3-3_08]*** The target adopted is a voluntary one and does not result from mandatory legislation.

[E3.MDR-T_01-13] Monitoring of progress towards the target is carried out annually and the results are presented in the Company's annual report. In 2024, compared with 2023, the Company reduced the total water withdrawal per unit of production by 2.08%.

[E3-3_01] [E3-3_02] The water withdrawal reduction target indirectly relates to the Capital Group's impact on water resources identified during double materiality analysis, and defined as: 'Depletion of water resources and disruption of the natural water cycle in the ecosystem through the use of water in the value chain, particularly in primary aluminium production.' The Capital Group did not identify risks or opportunities related to water. With regard to location away from seas and oceans, the target of the Capital Group is not related to marine resources.

9.15.5. Water consumption – E3-4

[E3-4_01] [E3-4_02] [E3-4_03] [E3-4_04] [E3-4_05] [E3-4_07] [E3-4_08]

TABLE 57: WATER CONSUMPTION AND WATER INTENSITY AT THE CAPITAL GROUP

Water consumption [m^3]	
Total water consumption	670,229
Total water consumption in areas at water risk	0
Total quantity of water recycled and reused	2,716,355
Total quantity of water stored and changes in storage	1,723
Water intensity [m^3/EUR millions]	
Total water consumption in own operations in m^3 per EUR 1 million of net income.	561
Total net income [EUR millions]	1,194

[E3-4_06] The water consumption data presented in this Report originate from water meters equipped with automatic or manual reading systems. The data collection process for manual reading is based on the recording of meter values by authorised persons at set intervals. Automatic meters send data in real time or at regular intervals. The data received is verified for accuracy.

9.16 Biodiversity and ecosystems – E4

9.16.1. Material impacts, risks and opportunities and their interaction with strategy and business model – E4.SBM-3

[E4.SBM-3_01] [E4.SBM-3_03] [E4.SBM-3_04] The Capital Group does not have specific processes within its own operations that have been identified as significant for biodiversity and ecosystems. ***[E4.SBM-3_02]*** The process where negative impacts on biodiversity and ecosystems upstream have been identified is that related to primary aluminium production, mainly bauxite mining and alumina (aluminium oxide) production. Bauxite mining can cause environmental degradation, deforestation and water pollution. Alumina refining, on the other hand, involves the emission of air pollutants such as dust, nitrogen oxides, sulphur oxides and hydrogen fluoride. In addition, waste is produced in the form of red mud, which is classified as hazardous waste due to its toxicity and alkalinity. It contains heavy metals and alkaline compounds that can contaminate soil and groundwater.

[E4.SBM-3_06] No specific species have been identified that would be clearly negatively affected by the Capital Group. ***[E4.SBM-3_05]*** The Capital Group has no impact on land degradation, desertification or soil sealing.

The Capital Group's plans for 2025 include analysing the management approach in the area of biodiversity and deciding whether and to what extent, and over what time horizon to adopt internal regulations regarding significant impacts on biodiversity.

9.16.2. Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities – E4.IRO-1

[E4.IRO-1_01] [E4.IRO-1_02] The Capital Group has carried out an analysis of its dependence on natural resources and environmental impacts in terms of: pollutants emitted, raw materials, desertification, dependence on ecosystem services, impacts on protected areas and endangered species. All activities were analysed from a site-specific point of view. In order to obtain a broader contextual view, especially for downstream and upstream impacts and dependencies, where a top-down view of these aspects was needed, an incomplete LEAP analysis was performed, focusing on assessing impacts and dependencies for defined areas. Qualitative and quantitative thresholds were used. Numerous reference databases were used as a reference point to objectively support the analysis. ***[E4.IRO-1_14]*** Protected areas in the vicinity of the Capital Group's sites were identified (for Europe,

the area of +/- 50 km was analysed), but no significant impacts were identified in these areas. ***[E4.IRO-1_15] [E4.IRO-1_16]*** Therefore, no mitigation measures were considered necessary.

[E4.IRO-1_03] [E4.IRO-1_04] [E4.IRO-1_05] [E4.IRO-1_06] [E4.IRO-1_07] [E4.IRO-1_08]

Details of the double materiality analysis in the area of the environment, including biodiversity, are presented in Section IRO-1 *Description of the process to identify and assess material impacts, risks and opportunities.*

9.16.3. Transition plan and consideration of biodiversity and ecosystems in strategy and business model – E4-1

[E4-1_01] The Capital Group does not possess a transition plan with regard to biodiversity and ecosystems. A more detailed analysis of the areas is planned for 2025.

[E4-1_02] In the double materiality analysis there were considered own operations as well as upstream value chain, including countries being the leading extractors of bauxite, or processors and producers of aluminium. ***[E4-1_03]*** It has been assumed that a drop in demand for primary aluminium is not related in a linear way with the supply of aluminium scrap and is not going to have a greater impact within the long-term time horizon (up to 10 years). ***[E4-1_04]*** The analysis was carried out in three time horizons: short-term (up to 1 year), medium-term (up to 5 years), and long-term (up to 10 years). ***[E4-1_06]*** Considered was the information obtained during the dialogue with stakeholders carried out within double materiality analysis.

[E4-1_01] [E4-1_05] The analysis confirmed that the business model of the Capital Group based on recycled aluminium is resilient to risks.

9.16.4. Policies related to biodiversity and ecosystems – E4-2

[E4-2_01] [E4.MDR-P_07-08] No biodiversity policy is currently binding at the Group. Year 2024 was the first one when double materiality analysis was carried out. In the preceding years aspects related to biodiversity were not analysed by the Group. Nevertheless, it is planned to develop biodiversity policies in the coming years.

9.16.5. Actions and resources related to biodiversity and ecosystems – E4-3

[E4.MDR-A_13-14] [E4-3_02] [E4-3_03] No action plans related to biodiversity are currently binding at the Group, and no such activities have been undertaken. Year 2024 was the first one when double materiality analysis was carried out. In the preceding years aspects related to biodiversity were not analysed by the Group. Nevertheless, it is planned to develop biodiversity-related actions plans together with relevant policies in the coming years.

9.16.6. Targets related to biodiversity and ecosystems – E4-4

[E4.MDR-T_14-19] [E4-3_04] No biodiversity targets are currently binding at the Group. Year 2024 was the first one when double materiality analysis was carried out. In the preceding years aspects related to biodiversity were not analysed by the Group. Nevertheless, it is planned to develop biodiversity targets together with relevant policies in the coming years.

[MDR-T_17-19] Thus, no processes, ambitions or base year were identified in that regard. The aspects will be determined along with the policies.

9.16.7. Impact metrics related to biodiversity and ecosystems change – E4-5

[E4-5_01] E4-5_02] [E4-5_04] The Capital Group has no metrics related to the identified impact on biodiversity and ecosystems, either.

9.17 Resource use and circular economy – E5

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

[E5.IRO-1_01] [E5.IRO-1_02] Material impacts, risks and opportunities related to resource use and circular economy were identified during the analysis of double materiality carried out at the Capital Group in 2024. Detailed description of the process may be found in Section ***SBM 3*** of the Report.

9.17.2. Policies related to resource use and circular economy – E5-1

[E5.MDR-P_01-06] The Capital Group has not adopted a policy regarding resource use and circular economy. The issues were addressed in the *Climate Policy*, the separate *Environmental Policies* binding at the particular segments, as well as in the *Code of Ethics* and the *Code of Conduct for the Suppliers*. Responsibility for the implementation and supervision of the principles set forth in the aforesaid documents vests with the Management Board of Grupa Kęty S.A.

TABLE 58: SPECIFICATION OF REGULATIONS BINDING AT THE GROUP AND THEIR CONTENTS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Regulations	*[E5-1_01] [E5-1_02]* Key contents of internal regulations regarding resource use and circular economy
Environmental Policy	The policy addresses issues related to handling waste in a compliant manner, minimising the amount of waste generated, implementing a programme to optimise the use of raw materials, making careful use of materials and carrying out the recovery of aluminium scrap.
Climate Policy	In that policy the Capital Group declares development of recycling processes and efficient waste management in all areas of operations of its companies.
Code of Ethics	The Code of Ethics addresses the use and dissemination of environmentally friendly technologies, making products and services purchasing decisions based on ecological criteria, as well as the efficient use of resources and reduction of emissions.
Code of Conduct for the Suppliers	The Code commits the Capital Group suppliers to responsible, environmentally-conscious sourcing of raw materials, taking environmental criteria into account in their purchasing decisions, reducing the consumption of raw materials and natural resources, managing them rationally and striving to minimise the generation of waste associated with their operations.

[E5.MDR-P_01-06] When preparing the policies, the Capital Group did not take into account the interests of key stakeholders. The provisions of the policies regarding resource use and circular economy comply with the Performance Standard requirements issued by the Aluminium Stewardship Initiative. The standard describes the issues of sustainable sourcing of raw materials and use of aluminium, among other things. Grupa Kęty S.A. obtained the compliance certificate in 2023. The independent external audit was carried out by TÜV Rheinland Cert GmbH.

[E5-1_01; E5-1_02] The *Climate Policy* provisions refer to departure from the use of primary resources (bauxite, primary aluminium) and increased use of recycled resources (recycled aluminium). The objectives adopted serve to increase the share of recycled raw materials in the manufacturing processes of the Capital Group companies. The topic of sustainable sourcing and use of renewable resources by improving the performance of the entities within the Capital Group's area of influence has also been taken into account.

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

[E5.MDR-A_01-12] The companies of the Capital Group have been reasonably using raw materials needed for production, striving to achieve optimal and effective solutions ensuring respect for natural resources. The ambition of the Capital Group is to minimise the consumption of primary raw materials. Most of the materials used are purchased in Europe.

As regards manufacturing processes, the Capital Group applies a product life cycle approach, focusing on the search for new applications. In that area, there are conducted own research and collaboration with scientific centres. The control of raw materials consumption takes place in accordance with the ISO 9001 and ISO 14001 standard requirements. Each of the operating segments of the Capital Group has determined a specific goal to increase the share of recycled materials in products:

- Extruded Products Segment – increased share of aluminium scrap in extruded profiles;
- Flexible Packaging Segment – growth of the share of the manufactured packaging films and laminates fit for recycling;
- Aluminium Systems Segment – increase in the number of Aluprof-systems-constructed buildings with environmentally-friendly certificates.

The Extruded Products Segment recycles aluminium scrap generated by its production plants as well as scrap purchased from the market. The scrap is a component of materials for the production of aluminium billets, which are further used in extruding profiles. The plant selectively collects the particular grades of scrap and, as a result, it does not apply in the remelting process any fluxing agents that are harmful to the environment. The process is subject to strict requirements regarding the quality of the purchased scrap. As a result, there is no contaminated aluminium in the remelting process and no hazardous substances which could pose a risk to the environment are emitted to air.

The other two segments do not carry out directly the processes of waste recovery or recycling. Nevertheless, their product offer comprises products with a very high share of recycled or recyclable materials. Since 2023, Aluprof S.A. (Aluminium Systems Segment) has been partner of the CIRCON project by the Polish Green Building Association. The project focuses on sector cooperation, creation of a compendium of building design principles in compliance with the circular economy idea, as well as spreading the knowledge among the construction market stakeholders. Within the project there were drafted guidelines on how to practically apply circular economy in construction.

The Flexible Packaging Segment has been developing production of plastic packaging fit for recycling. This means packaging based on paper or refined paper, or on plastics with homogeneous structure. The structure of laminates and smaller printed areas compared with the current standards, make them easier to recycle.

[E5.MDR-A_01-12] The actions undertaken in 2024 with regard to circular economy or impact of resources did not involve significant operating or capital expenditure.

In the reporting period, the Capital Group did not record any cases in which action had to be taken to provide remedies to people harmed by significant impacts related to circular economy or impact of resources.

9.17.3. Targets related to resource use and circular economy – E5-3

[E5.MDR-T_01-13] The targets assumed by the Capital Group with regard to circular economy and resource use were included in the Development Strategy of the Capital Group for the years 2021-2025. These include:

- increase to 75% of the share of aluminium scrap in the products made of soft alloys, extruded from low-emission billets, as manufactured at the 'Z' melting and casting line of the Kęty plant. ***[E5.MDR-T_01-13]*** Result achieved in 2024 – 73.9%. ***[E5-3_09]*** The target refers to the 'recycling' stage of the waste handling hierarchy;
- growth of the share of the manufactured packaging films and laminates fit for recycling by 5% (base year 2020 – 0%). Result achieved in 2024 – 4%. The target refers to the 'prevention' stage of the waste handling hierarchy.

[E5-3_02] [E5-3_03] [E5-3_04] [E5-3_05] [E5-3_06] [E5-3_07] [E5-3_08] [E5-3_09] The targets adopted are directly related to the design of a circular production process. An increase in the share of aluminium scrap and recyclable packaging means a greater proportion of recycled raw materials in production processes. Through better product planning, the need for primary raw materials is reduced. The use of recycled materials also contributes to circularity as it minimises the amount of waste going to landfill, supports the development of recycling technologies and promotes environmental responsibility throughout the value chain.

[E5.MDR-T_01-13] The Capital Group's targets are indirectly derived from the adopted regulations described in indicator *E5-1 – Policies related to resource use and circular economy*. In the process of setting them, no scientific evidence was relied upon, but analyses were carried out on the recoverability of aluminium at the plants, and market forecasts on scrap availability were used. The scope of the targets refers to Grupa Kęty S.A. and Alupol Packaging S.A. The Capital Group did not set intermediate targets or changed targets during the reporting period. ***[E5-3_13]*** The targets have been adopted voluntarily and are not imposed by legal obligations.

[E5-3_01] The stated target related to increasing the share of aluminium scrap in the manufacturing of products extruded from aluminium alloys refers to both input and output resources. In particular, increasing the quantity of aluminium scrap purchased and recovered from internal processes at the Group, eliminates the use of primary aluminium. The target also affects discharged resources. The high content of recycled materials means a relatively low carbon footprint of aluminium billets and the profiles extruded from them, which is confirmed by the Environmental Product Declaration (EPD). Recycled in the melting process is both pre-consumer and post-consumer scrap.

The objective of 'growth of the share of the manufactured packaging films and laminates fit for recycling' relates in particular to activities in the area of circular economy, having a direct impact on discharged resources and waste, as well as indirect impact within the input resources in consideration of the entire value chain.

However, it should be remembered that the term 'recyclable', does not mean that the product has actually been recycled at the end of its life cycle, but only that it fulfils the given properties by virtue of its composition.

This objective refers to:

- increasing the scale of design with circularity in mind (discharged resources). The most essential function of the packaging produced is food safety and protection. It is important that packaging is distinguished by its durability and the required barrier properties. An increase in the proportion of recyclable films and packaging laminates produced requires continuous implementation and designing of increasingly advanced technologies focusing on homogeneous structure packaging that can be recycled after use;
- increasing the share of reused materials. Flexible packaging for food is generally disposable, so the most important thing is that it can be reused through post-consumer recycling. Therefore, such packaging should be clearly identified and appropriately labelled for proper collection, sorting and processing. The implemented labelling of packaging takes the form of instructions for proper handling after use;
- minimisation of the use of primary raw materials (input resources) – recyclable packaging generally has a much better material efficiency, is thinner and smaller, which has a positive effect on the amount of primary raw materials used;
- use of renewable resources – as food safety requirements do not currently allow the use of Post-Consumer Recycled Material (PCR) from mechanical processing, the set objective has an indirect impact; e.g. it can be used in other production sectors where the recycled packaging can be fully utilised as a fully-fit raw material;
- waste management – the production of homogeneous packaging has a direct and indirect impact on the amount of waste generated, which is smaller during production; in addition, the post-production waste has a recyclable structure. The packaging becomes recyclable waste at the end of its life cycle.

On the way to achieving its objective, the Capital Group is seeking to raise customer awareness by offering alternative packaging solutions, which guarantee the required properties while being recyclable at a later stage in their life cycle.

9.17.4. Resource inflows – E5-4

[E5-4_01] The raw materials used by the Capital Group include primary aluminium, aluminium scrap as well as semi-finished products based on aluminium, including billets made of aluminium and its alloys. In the production of flexible packaging, there are also used various types of plastic films and granulates, printing paper, paints, adhesives and binders. The list of basic materials is supplemented with accessories for the production of aluminium systems.

The key resources introduced in the Capital Group infrastructure are aluminium and polypropylene granulate, accordingly to their identified impacts. Due to the specific nature of the Capital Group production segments, the list of key materials and resources introduced is diverse.

EPS:

1. aluminium billets of aluminium and aluminium alloys
2. alloy aluminium
3. alloy components
4. aluminium scrap

ASS:

1. aluminium
2. steel
3. zinc alloy
4. glass
5. plastic interlayers and granulates
6. powder coatings

FPS:

1. plastic granulates (PP, PE, PA, EVOH, etc.)
2. aluminium foil, paper, plastic films (OPP, PET, PE, PA, etc.)
3. paints, lacquers, adhesives, solvents and waxes

Within resource inflows products used in operating activities and materials used in production may be differentiated.

TABLE 59: RESOURCE INFLOWS AT THE CAPITAL GROUP

Resource inflows	Unit	Value
Total weight of products input at the organisation	Mg	33,618.07
Total weight of technical materials input at the organisation	Mg	289,642.44
– of which total weight of reused or recycled components, products and recycled materials used by the entity in the manufacturing of products and provision of services	*Mg*	*7,773.06*
Total weight of biological materials input at the organisation	Mg	6,588.00
– of which originating from sustainable sources	*Mg*	*0.00*
Total weight of technical and biological materials input at the organisation	Mg	296,230.44
Total weight of products, technical materials, and biological materials	Mg	329,848.51
Proportion of biological materials originating from sustainable sources	%	0%
Proportion of reused or recycled components, products and recycled materials used by the entity in the manufacturing of products and provision of services	%	3%

With regard to the operations of the Capital Group companies, a purchasing mix has been identified with regard to resource inflows at the organisation in 2024. These included:

- products: stationery, furniture, protective clothes, IT hardware and other;
- technical materials, including production materials;
- packaging materials: cardboard, paper, wood, plastics (stretch film, wrappers).

TABLE 60: *[E5-4_02] [E5-4_03] [E5-4_04] [E5-4_05]* SPECIFICATION OF CRITICAL MATERIALS USED BY THE CAPITAL GROUP

Critical resources	Weight [tons]	Proportion to the whole
Aluminium:	143,153.01	43.40%
- of which recycled	*907.11*	*0.28%*
- of which reused	-	-
Magnesium:	274.94	0.08%
- of which recycled/reused	-	-
Manganese:	18.00	0.01%
- of which recycled/reused	-	-
Zinc:	267.66	0.08%
- of which recycled/reused	-	-
Copper:	164.97	0.05%
- of which recycled/reused	-	-

[E5-4_06] [E5-4_08] All data was counted by direct measurement or by supplier specification and invoice. Only those resources that entered the Capital Group's infrastructure during the calendar year have been included. In order to avoid double counting, it has been assumed that all recycled aluminium (post-industrial scrap) recovered within the Capital Group at the Kęty foundry is not a resource inflow from recycled components, products and recycled materials.

9.17.5. Resource outflows – E5-5

[E5-5_01] [E5-5_02] The types of products manufactured by the Group are described in Section *SBM-1 Strategy, business model and value chain*, the *Material activities, resources and relationships within downstream value chain* part.

The resource outflows comprise products manufactured or purchased by Grupa Kęty, which left the organisation. The resources were divided into products and packaging.

The key products of the Extruded Products Segment are profiles, bars, tubes and aluminium components (also anodised, welded and machined ones). They are products made of aluminium and aluminium alloys, which are 100% fit for recycling. Thanks to that they may be returned to the product life cycle practically without any loss of properties. Moreover, Grupa Kęty S.A. recycles more than 30,000 tons of scrap metal in its own foundry every year. The Aluminium Systems Segment deals with manufacturing and distribution of aluminium systems for windows, doors, and façades, as well as modern sun protection systems and pergolas. Glassprof, owned by Aluprof S.A., is a company specialising in the production of fire-rated glass and the processing of architectural glass. The products of these companies are characterised by high durability, ease of disassembly and reparability, which enables their long-term use and reuse.

According to industry documents (e.g. EN 12020 standard), the expected durability of products for the building industry marketed by Aluprof S.A. is 40-50 years on average, ensuring long-term use for 40-50 years or longer. With regard to over 90% share of aluminium, the ASS products are recyclable. The glass in the products is usually recyclable in more than 80%. The recyclability of plastics, on the other hand, depends on the type of material.

The product originating at the Flexible Packaging Segment are packaging and BOPP films intended primarily for direct contact with food. The possibility of their further recycling therefore depends on the final structure of the packaging, with regard to its homogeneity (recyclable) or multilayered nature (non-recyclable). The design of the packaging mainly depends on customer guidelines. The task of the FPS is to offer alternative packaging that ensures the safety of the packed products with the possibility of its subsequent recycling. The most important feature of the manufactured packaging, in line with the circular economy principles, is to ensure the safety of the packed products while providing the longest possible shelf life or use. Packaging retains its durability throughout its life cycle. The manufactured packaging is disposable, so based on the established assessment system it is not possible to repair these products. The manufactured packaging mostly goes to the food concentrates, confectionery, dairy, pharmaceutical and chemical industries, which are considered sensitive sectors. Consequently, for FPS packaging there are currently no indicators of recyclable content in packaging.

TABLE 61: SPECIFICATION OF MARKETED MATERIALS AND PRODUCTS

PRODUCTS AND MATERIALS	Unit	Value
Total weight of products	Mg	263,335
Total weight of recyclable materials in products	Mg	224,299
Total weight of packaging	Mg	20,953
Total weight of recyclable materials in packaging	Mg	20,724
Share of recyclable materials in products	%	85%
Share of recyclable materials in packaging	%	99%

[E5-5_02] [E5-5_03] [E5-5_04] [E5-5_05]

TABLE 62: SPECIFICATION OF THE CATEGORY OF PRODUCTS, THEIR DURABILITY, CONTENTS OF RECYCLABLE MATERIALS AND REPAIR POSSIBILITY

Product category	Expected durability	Expected durability (in reference to sector average)	Share of recyclable materials in products	Repair possibility
Aluminium profiles and components	According to industry documents (e.g. EN 12020 standard), compliance with quality standards in production ensures long-term use for 40-50 years or longer.	40-50 years or longer	Aluminium: 100% recyclable	Depends on the degree and type of damage. Possible repair or replacement of damaged element.
Aluminium systems	According to industry documents (e.g. EN 12020 standard), compliance with quality standards in production ensures long-term use for 40-50 years or longer.	40-50 years or longer	Aluminium: over 90% recyclable (EPD) Glass: usually over 80% recyclable	Depends on the degree and type of damage. Possible repair or replacement of damaged element.

Flexible packaging	Depending on the type of product packed. Packaging retains its durability throughout its life cycle.	No data	The possibility of recycling depends on the final structure of the packaging, with regard to its homogeneity (recyclable) or multi-layered nature (non-recyclable).	N/A

[E5-5_06] It has been assumed that 100% homogeneous products are fit for recycling. Polypropylene flexible products are theoretically 100% recyclable, although the share of practically recyclable products depends on many factors, including their use by the end user.

[E5-5_07] [E5-5_08] [E5-5_09] [E5-5_10] [E5-5_11] [E5-5_12] [E5-5_13] [E5-5_14] [E5-5_15] [E5-5_16]

The companies of Grupa Kęty Capital Group focus their activities on efficient management of the waste produced. The waste is managed in accordance with the EU and Polish regulations, ensuring safety for the environment. The methods are adjusted on a current basis to the changing formal and legal environment. Waste is collected selectively. Storage areas are separated from the ground, and waste is kept in special hermetic containers. Quantitative and qualitative records are kept. Waste which is not managed in-house is handed over to companies with the required licences. Waste management processes are monitored within the implemented environmental management system, in accordance with the ISO 14001 standard.

Manufactured waste significant to the Extruded Products Segment is waste aluminium (code 120103) as well as sludge from wastewater treatment and chemical treatment (code 190814). Production processes also generate waste in the form of: paper and cardboard packaging (code 150101), plastic packaging (code 150102), wood packaging (code 150103), mineral non-halogenated hydraulic oils (code 130110), non-halogenated oil emulsions (code 130105), sorbents, filter materials, and wiping cloths (code 150203). The primary waste generated at the Aluminium Systems Segment includes aluminium processing waste (code 120103), sludge from wastewater treatment and chemical treatment (code 190813), waste characteristic of construction and demolition work (broken glass, rubble, gypsum board waste, scrap). Characteristic waste produced in the process of packaging manufacturing at the FPS includes multi-material laminates (code 150105), paper (code 150101), plastics (code 150102), waste paints, lacquers and adhesives (code 080111).

TABLE 63: SPECIFICATION OF WASTE AT GRUPA KĘTY CAPITAL GROUP

WASTE	Unit	Value
RECYCLED WASTE		
HAZARDOUS WASTE	Mg	5,120.39
Preparing for reuse	Mg	0.40
Recycling	Mg	1,546.73
Other recovery processes	Mg	3,573.26
WASTE OTHER THAN HAZARDOUS	Mg	59,470.53
Preparing for reuse	Mg	1,552.69
Recycling	Mg	48,893.59
Other recovery processes	Mg	9,024.25
TOTAL QUANTITY OF RECYCLED WASTE	Mg	64,590.92
DISPOSED WASTE		
HAZARDOUS WASTE	Mg	534.28
Incineration	Mg	225.25
Storage	Mg	123.96
Other neutralisation processes	Mg	185.07
WASTE OTHER THAN HAZARDOUS	Mg	394.06
Incineration	Mg	82.83
Storage	Mg	308.76
Other neutralisation processes	Mg	2.47
TOTAL QUANTITY OF DISPOSED WASTE	Mg	928.34
TOTAL QUANTITY OF RADIOACTIVE WASTE	Mg	0.00
TOTAL QUANTITY OF WASTE PRODUCED	Mg	65,519.26
TOTAL QUANTITY OF WASTE WHICH IS NOT RECYCLED	Mg	13,525.85
Proportion of waste which is not recycled	%	20.6%

[E5-5_12] [E5-5_13] [E5-5_14] The Capital Group reports waste from operations and ongoing processes, including waste containing hazardous substances. The main materials within the waste are aluminium, plastics, wood, waste paper, mineral oils, organic solvents. ***[E5-5_17]*** The data was calculated in accordance with the current laws, partly estimated and partly declared by the waste collector/processor.

[E5.MDR-T_01-13] The targets adopted are relative in terms of the percentage share to the weight of the total product.

9.18 Own workforce – S1

[S1.SBM-3_01] [S1.SBM-3_02] This Report covers all employees of the Capital Group. Within own workforce there have been differentiated the following types of employees:

- persons employed based on employment contracts or appointed to perform functions (e.g. at the Management Board of the Company) ('employees');
- persons who are not employees but perform specific tasks or work for the benefit of Grupa Kęty and the Capital Group companies, persons employed based on specific-service or specific-work agreements, B2B contracts, and Members of the Supervisory Board;
- persons employed through temporary employment agencies.

Policies related to own workforce – S1-1

Significant impacts on the Capital Group's own workforce identified during the double materiality analysis are managed on the basis of the policies adopted in the organisation and the resulting procedures. These regulations were developed at the parent company by persons responsible for managing the particular business areas (Sector Managers) and ***[S1.MDR-P_01-06]*** consulted with representatives of the subsidiaries. The final content of the policies was approved by all Members of the Management Board and post consent of the President of the Management Board published on the OrangeBook platform.

[S1.MDR-P_01-06] Policies related to significant impacts on own workforce have been formally implemented at the operating segments, and at the foreign companies of the segments they are overseen by the leading companies. The organisation's plan is to implement the policies in all of its constituent entities by the end of 2025.

[S1.SBM-3_02] [S1.SBM-3_03]

TABLE 64: POLICIES APPLICABLE TO OWN WORKFORCE

Material impact identified in the double materiality process	[S1.MDR-P_01-06] [S1-1_01] Impact-related regulations	[S1.MDR-P_01-06] Basic contents of the regulations
Failure to ensure equal pay	Remuneration Policy	In accordance with the Policy, remuneration at the Group depends for example on: the employee's duties and responsibilities, the level of fulfilment of the requirements set out in the employee's job description, as well as equal access to the financial and non-financial benefits offered, awarded on the basis of objective, open, factual and unambiguous criteria, taking into account the results of periodic evaluation and individual performance, among other things.
Mobbing (behaviour related to psychological violence and harassment)	Human Resources Policy	The HR Policy ensures equal opportunities and common standards within companies to the Capital Group own workforce. Adopting the Policy, the companies declared the performance of actions in the area of human resources management, with respect for external and internal laws, with particular emphasis put on non-tolerance of unwanted behaviours.
	Code of Ethics	Emphasises non-tolerance of unwanted behaviours and indicates the possibilities with regard to reporting breaches.
	Dignity at Work Policy	The Policy emphasises non-tolerance of unwanted behaviours. The Policy provisions refer to the principles of the Code of Ethics, which comprises the breach reporting channels.
Maintenance of pay gap between men and women	Respect for Human Rights Policy	***[S1.MDR-P_01-06]*** The Policy is the organisation's commitment to respect human rights, as defined in the European Convention on Human Rights, including the right to equal treatment.
	Diversity Policy	***[S1-1_10]*** The Policy concentrates on raising awareness among own workforce of the Capital Group with regard to diversity tolerance.
	Remuneration Policy	Ensures equal access to the financial and non-financial benefits offered, awarded on the basis of objective, open, factual and unambiguous criteria.

Gaps in abiding by OHS procedures or use of PPEs when working with hazardous substances, among other things	Occupational Health and Safety Policy	***[S1-1_09]*** The OHS Policy specifies the standards and norms with regard to occupational health and safety of own workforce and supply chain workforce.
	CSR Policy	The CSR Policy refers to the health and safety of own workforce as one of the fundamental principles of the Capital Group.
Work schedules that negatively affect health, as well as lack of breaks during work performed due to very high expectations and standards	Respect for Human Rights Policy	The Policy is the organisation's commitment to respect human rights, as defined in the European Convention on Human Rights, including respect for family and private life.

[S1.MDR-P_01-06] The Capital Group communicates policies to own workforce by posting them on the internal information platforms. Those who do not have company internet accounts have access to the documents through their superiors. In addition, the selected policies are published on the websites of Grupa Kęty S.A.

[S1-1_03] [(S1-1_04] [S1-1_06] The approach of the Capital Group to the issue of human rights in relation to own workforce is regulated by the *Respect for Human Rights Policy* based on the provisions of the European Convention on Human Rights and other documents. The policy regulates, among other things:

- ensuring decent and safe working conditions, equal opportunities, as well as compliance with labour laws, including those related to wages and other benefits;
- respect to diversity, and freedom of association;
- ***[S1-1_08]*** objection to child labour and forced labour.

The declarations made in the *Respect for Human Rights Policy* are fulfilled by actions described in conduct guidelines and instructions, which are implemented in the form of procedures. The Steering Committee for Sustainable Development and Corporate Social Responsibility oversees the implementation of the action strategy in this regard.

[S1-1_07] In the event of violations, the Capital Group provides corrective measures through the procedures in place.

[S1-1_11] [S1-1_13] In clear and unambiguous terms, the Capital Group opposes all forms of discrimination. These issues are addressed, for example, in the provisions of policies and implementing procedures: *Diversity Policy* and procedure, *Dignity at Work Policy* and procedure, and the *Code of Ethics*. All these regulations clearly indicate the Capital Group's zero-tolerance towards undesirable behaviours and declare support for those whose welfare has been violated. The organisation makes it possible for all employees to report cases of discrimination and ensures that such reports are dealt with impartially. ***[S1-1_13]*** As part of the implementation of its procedures and policies, the Capital Group has provided training on: mobbing prevention and Anti-corruption Policy, which is an integral part of the *Code of Ethics*, among other things. More information in that regard may be found in Section *G1-1 – Business conduct policies and corporate culture* of this Report.

[S1-1_12] In 2024, the Capital Group did not have any regulations related to the inclusion of or activities for particularly vulnerable groups among its own workforce.

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

[S1-1_05] [S1-2_01] [S1-2_02)] There were not implemented procedures at the Capital Group which would provide for consultation with the employees of the impacts identified during the double materiality analysis. However, it is a rule at the Group to discuss working conditions with the representatives of own workforce. The perspective of the workforce is taken into account when adopting regulations, making decisions, and implementing related measures.

[S1-2_03][5] The form and frequency of consultations are adapted to the topic and situation being addressed. At the companies where trade union organisations are active, they are consulted on all issues defined by law and other important human resources issues. At those Capital Group companies where there are no trade unions, dialogue is conducted with employees representatives. In addition, employees have the opportunity to voice their opinions, comments and proposals in individual meetings with their superiors and through improvement reporting systems. Work safety issues are discussed with the workforce, among others, at meetings of the OHS Committee.

[5] Refers to companies operating in Poland.

[S1-2_04] At Grupa Kęty S.A., the cooperation with employees related to the implementation of the provisions of the Work Regulations is fulfilled within the framework of the authorisations granted by the Management Board, by persons appointed for this purpose. The President of the Management Board, General Director of Grupa Kęty S.A. and the structure subordinated to him are responsible for human resources and occupational health and safety.

[S1-2_06] ***[S1-2_07]*** In 2024, the Group did not carry out any processes to assess the effectiveness of consultations with own workforce, or the perspective of the persons who may be particularly vulnerable or marginalised. The organisation plans to address these issues in the summary in terms of defined gaps. ***[S1-2_05]*** The Group was not a party to the Global Framework Agreement or other agreements related to the respect for human rights among employees.

Processes to remediate negative impacts and channels for own workers to raise concerns – S1-3

[S1-3_01[S1.MDR-A_01-12] [S1-4_02] [S1-4_07] [S1-4_08]] The Capital Group provides the employees with an impartial process of clarifying incidents, as well as adequate and individually determined remedies with regard to negative impact or confirmed breaches. More information in that regard may be found in Section *G1-1 – Business conduct policies and corporate culture* of this Report.

Every employee of the Capital Group may report complaints or suspected irregularities. The issue is described in detail in the *Code of Ethics*, the *Anti-corruption Policy*, and in the *Internal Reporting Procedure* compliant with the Act on Whistleblowers' Protection of 14 June 2024, as well as in the *Internal Control System Procedure*, among other documents. ***[S1-3_02] [S1-3_05]*** The reporting channels and the procedures related to handling the reports are described in Section *G1-1 – Business conduct policies and corporate culture* of this Report. Also in that Section there is provided information about ***[S1-3_06]*** supporting the availability of the channels among own workforce, ***[S1-3_07]*** monitoring the effectiveness of the channels, ***[S1-3_08]*** assessment of the employees' awareness of the channels existence, as well as ***[S1-3_09]*** whistleblowers' protection.

Taking action on material impacts on own workforce – S1-4

[S1.MDR-A_01-12] The Capital Group provides ***[S1-4_09]*** human, financial and material resources adequate to perform and plan its actions related to material impacts on own workforce. ***[S1-4_05]*** The Capital Group did not implement the formal process of identifying the actions needed – their scope results from the experience of the management staff, consultations with own workforce and best market practices.

TABLE 65: ***[S1-4_06] [S1-4_01] [S1-4_07] [S1.MDR-A_01-12]*** **KEY ACTIONS RELATED TO IMPACT ON ALL EMPLOYEES OF THE ORGANISATION**

Material impact identified in the double materiality process	Actions in 2024	Plans for 2025
Failure to ensure equal pay	There was carried out an annual remuneration review and the results were benchmarked against the market.	Remuneration review, conducting a job evaluation process, implementing remediation plan where necessary.
Mobbing (behaviour related to psychological violence and harassment)	There were carried out intra-mural training courses regarding Compliance issues and the Code of Ethics (including mobbing prevention) for 53 people – middle level staff. Owing to the fact that large-scale online training action in that regard was held at the end of 2023, no online courses were held in 2024.	There was defined the scope of strategic training, including performance of training sessions regarding mobbing prevention.
Maintenance of pay gap between men and women	There were no actions performed in that regard.	Carrying out remuneration review, which also covers analysis with regard to changes in the pay gap in the preceding year, implementation of actions aimed at gradual removal of the existing pay gap.
Gaps in abiding by OHS procedures or use of PPEs when working with hazardous substances, among other things	Proper monitoring of OHS procedures compliance and analysis of conclusions carried out on a current basis by the OHS staff and the managers of the particular areas.	Planned structured activities to monitor and analyse key gaps in compliance with the OHS procedures, within the Company-wide programme of 'Safe Work'. Both the programme and the standard safety procedures will comprise targeted actions related to handling hazardous substances.
Work schedules that negatively affect health, as well as lack of breaks during work performed due to very high expectations and standards	Due to the business-justified need to work in shifts and in the 4-shift pattern, the Company strictly adhered to working time standards and implemented measures to mitigate the negative impact of shift working time systems by, among other things, introducing the right amount of work breaks or extending/postponing them in	Due to the justified need for shift work, the company plans to continue all measures from the previous year and to closely monitor the frequency of shift work by adequately preparing and communicating work schedules to employees so that they are informed of the working time in due advance to plan their private time.

	adverse weather conditions. The supply of necessary protective equipment, water and restorative meals to employees was also watched over, and the process of adequate additional remuneration for employees involved in working in adverse shift conditions continued.	

[S1.MDR-A_01-12] Due to the publication of the Capital Group's first ESRS-compliant statement for 2024, it is not possible to disclose quantitative and qualitative information on the progress of activities or action plans disclosed in previous periods. ***[S1-4_04]*** Because of this, the Group also does not have a formal process in place to track and evaluate the effectiveness of actions and initiatives with regard to identified impacts.

[S1.MDR-A_01-12] [S1.MDR-A_01-12] In 2024, the Group did not avail of data which would enable reporting on the current and future financial resources associated with activities implemented as a result of identified impact on own workforce. ***[S1-4_03]*** Additional actions to positively impact own workforce include:

- designing jobs such as to suggest development in the particular position; additionally, companies offer opportunities for promotion outside the department, division and also between Group companies;
- providing team managers with incentive funds, bonus funds and other forms of rewards for employees; companies in Poland also avail of the Company Social Benefits Fund, under which support is provided to employees;
- offering various forms of benefits, including medical care programme;
- engaging employees and organising events in the areas of sports and environmental activities.

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

[S1.MDR-T_01-13] [S1-5_01] [S1-5_02] [S1-5_03] Part of the Capital Group targets in 2024 (ESG Strategy 2021-2025) involved significant impacts on own workforce, as identified during double materiality analysis. The targets were determined in consultation with employees responsible for HR and OHS areas at the subsidiary companies. Staff representatives (social side) were not involved in the process. The achievement of the targets is published annually. Progress is analysed on an ongoing basis, and work on improved target performance is carried out in consultation with employees.

In terms of occupational health and safety, the strategic objective of the Capital Group is to increase occupational safety and reduce the number of accidents. The adopted metric is the Total Recordable Incident Rate (TRIR)[6] – with the aim of reaching a level below 1 by the year 2025. In 2024 the rate equalled 0.94.

The Capital Group strives to provide competitive working conditions to the employees, including professional development opportunities. A metric for the target is staff turnover ratio (number of employees leaving the company / average headcount), and the goal is to reduce the ratio by 5% every year. ***[S1-6_12]*** In 2024 the goal was not achieved, as the rotation ratio equalled 12.5%. The Capital Group plans to carry out detailed review of the results of double materiality analysis in the coming year, and to address targets related to the identified material impacts. The process will be consulted with employee representatives.

Characteristics of the undertaking's employees – S1-6

[S1.SBM-3_02] [S1-6_14] [S1-6_17] The headcount on the basis of employment contracts (plus appointments to fulfil functions) at the Capital Group companies was 6,150 people at the end of 2024. ***[S1-6_15]*** The data presented cover all companies of the Capital Group and indicate the number of employees (heads) as at 31 December 2024. ***[S1-6_10]*** The average headcount in 2024 was 6,057.

[S1-6_13] The basic form of employment is an employment contract, of which unlimited term contracts represent 81%. Women occupy 31% of positions.

[6]Number of injuries / time worked x 200,000

TABLE 66: *[S1-6_01] [S1-6_02] [S1-6_03] [S1-6_09] [S1-6_04] [SBM-1] [03 SBM-1_04]* HEADCOUNT, BY GENDER

Capital Group employees (employment contract + appointment) Headcount as at 31/12/2024		
Gender	**Employees at all locations**	**Employees in Poland**
Women	1,903	1,660
Men	4,247	3,852
TOTAL	**6,150**	**5,512**

[S1-6_11] 755 people on employment contracts left the Capital Group, both on the initiative of the employees themselves and on the initiative of the employer.

Within the category of persons other than employees, there were employed 80 people, including the Supervisory Board Members, workers on specific-task agreements or B2B contracts.

Companies also cooperated with temporary employment agencies. As at 31 December 2024 there were employed 187 people through such agencies. Additionally, (as at 31 December 2024) 284 people were performing work on site of the Capital Group companies within third-party services ordered.

TABLE 67: *[S1-6_05] [S1-6_06] [S1-6_07]* HEADCOUNT OF THE CAPITAL GROUP, BY TYPE OF CONTRACT, TIME OF WORK AND GENDER

Headcount at the Capital Group Headcount as at 31/12/2024							
Gender	**Employees (employment contract + appointment)**						**Persons other than employees**
	Unlimited term contracts	Limited term contracts	**TOTAL**	Full time employees	Part time employees	**TOTAL**	Employment with non-guaranteed hours
Women	1,511	392	**1,903**	1,867	36	**1,903**	4
Men	3,495	752	**4,247**	4,218	29	**4,247**	76
TOTAL	5,006	1,144	**6,150**	6,085	65	**6,150**	80

S1–14 Occupational Health and Safety metrics

[S1-14_01] All persons on employment contracts and appointed to perform functions within own workforce (6,150 people) are subject to the OHS management system in reference to the legal requirements. ***[S1-14_02] [S1-14_03]*** Among own workforce there were no fatalities as a result of injuries at work, or deteriorated health related to work performance. ***[S1-14_04] [S1-14_05]*** There were recorded 44 accidents at work, among employees and persons other than employees.

TABLE 68: OHS METRICS AT THE CAPITAL GROUP

Capital Group (headcount on employment contracts + appointments) 2024	
OHS metrics	**Value of metrics**
Number of fatalities as a result of injuries at work or deteriorated health related to work performance	0
Number of accidents at work	44
Number of accidents resulting in absence at work	44
Accident rate – LTIFR*	4.71
Number of days lost due to injuries, fatal accidents and work-related ill health, and fatal accidents related to ill health	2,610
Proportion of employees covered with the OHS management system	100%

** Lost Time Injury Frequency Rate was calculated in accordance with the ESRS S1-14 standard (number of accidents divided by the number of hours worked by the employees, multiplied by 1,000,000).*

Remuneration metrics (pay gap and total remuneration) – S1-16

[S1-16_01] [S1-16_02] The average annual remuneration for male employees equalled PLN 119,530, and for female employees – PLN 93,140. The ratio of the annual total remuneration of the top earner to the median of annual total remuneration of the employees was 86.9.

TABLE 69: AVERAGE PAY AT THE RESPECTIVE POSITIONS

Average pay in PLN '000 Capital Group (headcount on employment contracts + appointments) Headcount as at 31/12/2024		
Gender	**Managerial position***	**Other positions**
Women	308.66	85.64
Men	379.45	99.10

** Including Management Board, Directors, Managers, and Production Foremen*

[S1-16_03] The scope of data covers gross salaries (excluding the cost of social security contributions incurred by the Employer), the forecast value of income from financial instruments granted in 2024 under the Share Options Plans in force at the Capital Group and the value of benefits and considerations paid.

The remuneration consists of the basic salary and salary on account of appointment, fixed and variable salary add-ons, bonuses and awards granted to employees, remuneration paid for overtime work and the calculated social security allowance for inability to work.

The considerations consist of the costs of benefits paid by the employer, including the value of medical packages, group insurance, sports vouchers, PPK/PPE [capital and pension schemes] contributions, meal vouchers, business cars also used for private purposes, as well as benefits received from the social fund and gratuity payments.

The arithmetic mean value was used to calculate the average remuneration.

The remuneration from foreign companies was weighted based on purchasing power parity and expressed in PLN.

Incidents, complaints and severe human rights impacts – S1-17

[S1-17_01] [S1-17_02] [S1-17_03] [S1-17_05] [S1-17_06] [S1-17_07] [S1-17_08] [S1-17_09] [S1-17_10] [S1-17_11] [S1-17_12] [S2-1_09] In 2024, the Group reported no cases of discrimination, of which harassment, human rights violations related own workforce and workers in the value chain (concerning non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises). One complaint regarding a violation of the Code of Ethics which did not relate to human rights was reported through the irregularities reporting channels – the matter was clarified during the reporting period. No fines, penalties or damages related to incidents or complaints were imposed on the Group. The channels for reporting complaints are discussed in details in Section *G1-1 – Business Conduct Policies and Corporate Culture* of this Report, with reference to irregularities reporting channels specified in the *Code of Ethics* and the *Procedure of reporting breaches of law.*

[S1-17_04] The organisation has not received any complaints through channels that allow company employees to raise concerns, and no complaints were reported to the OECD National Contact Points for Multinational Enterprises.

9.19 Workers in the value chain – S2

[S2.SBM-3_01] [S2.SBM-3_02] [S2.SBM-3_03] The Capital Group identifies workers in the value chain as:

- employees of the suppliers (e.g. of raw materials or semi-products) located upstream the value chain;
- employees of entities providing services to the Capital Group downstream the value chain (e.g. property security or cleaning services).

[S2.SBM-3_04] With regard to value, 30% of the Capital Group suppliers are based in Poland, 61% in other European countries, and 9% on other continents. Countries that have an increased risk of child or forced labour among workers in the value chain include: China (all Segments), United Arab Emirates (Extruded Products Segment, Flexible Packaging Segment), and Kuwait (Flexible Packaging Segment). The key raw material used by the Group is bauxite, which is the primary source of alumina used in aluminium production.

The largest bauxite deposits are located along the equator, so most of the mines where this raw material is extracted are located in Brazil and other Latin American countries. Both the method and the place where bauxite is extracted are associated with an increased risk of human rights violations.

[S2.SBM-3_05] [S2.SBM-3_06] The double materiality analysis carried out by the Capital Group did not reflect any major impacts on the workers in the value chain. One risk was identified in that area. ***[S2.SBM-3_07***] It refers to the breach of human rights in the value chain, as described in detail in Section GOV-5 *Risk management and internal controls over sustainability reporting*.

[S2.SBM-3_08] The Capital Group did not carry out a detailed analysis with regard to exposure to a higher risk of harm to workers with particular characteristics, those working in particular contexts, or those undertaking particular activities. ***[S2.SBM-3_09]*** The Group has not identified, either, any material risks and opportunities which could result from the impact and dependency on, for example, specific age groups of workers in the value chain, or workers in the particular factory or country.

Policies related to value chain workers – S2-1

[(S2.MDR-P_01-06; S2-1 par. 65 a)] [S2-1_03] [(S2-1_06] The approach of the Capital Group to cooperation with workers in the value chain is regulated by the *Code of Conduct for the Suppliers of Grupa Kęty S.A. Capital Group*[7]. The document is described in Section *G1-1 – Business Conduct Policies and Corporate Culture*.

[S2-1_02] [S2-1_03]

In the preceding years, the Capital Group verified compliance with minimum safeguards once a year, with a high level of generality. Currently, the Capital Group is in progress of preparing a detailed model of processes and mechanisms to monitor compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. The purpose of the work is to create a model which directly engages the workers in the value chain in the process of identifying negative impacts, opportunities and risks.

Processes for engaging with value chain workers about impacts – S2-2

[S2-2_01] [S2-2_07] [S2-2_08] In 2024, the Group did not consider the perspective of workers in the value chain when making decisions on measures to manage actual and potential impacts on workers in the value chain. ***[S2-2_02]*** In the course of double materiality analysis, information was collected on negative impacts, opportunities and risks from the perspective of suppliers. Workers in the value chain participated in the dialogue represented by supplier representatives. To include their perspective, the organization also looked at reports from international organizations, such as the International Labour Organization or the Danish Institute for Human Rights, where issues of human rights violations in value chains are widely discussed. ***[S2-2_03]*** A regular dialogue is planned that takes into account the perspective of workers in the value chain. ***[S2-2_04]*** The issue of engaging workers in the value chain of the Capital Group is related with regard to its scope to the competencies of the purchasing departments (the responsibility for purchasing is vested in the division of the Management Board Member/Financial Director). ***[S2-2_06]*** The Capital Group did not evaluate the effectiveness of engagement of workers in the value chain, and the results of the dialogue did not translate into changes in contracts or additional regulations for that group of workers. ***[S2-2_06]*** No steps were taken to learn the perspective of workers who may be particularly vulnerable or marginalized (for example, women, migrant workers, employees with disabilities).

Processes to remediate negative impacts and channels for value chain workers to raise concerns – S2-3

[S2-3_02] The channel for reporting doubts by workers in the value chain is described in Section *G1-2 Management of relationships with suppliers* of this Report.

[S2-3_03] Information on the channel availability is comprised in the *Code of Conduct for the Suppliers*, available in public on the corporate website of Grupa Kęty S.A. ***[S2-3_03]*** The organisation has not implemented any additional methods of supporting access and ***[S2-3_04]*** effectiveness of the channel, or ***[S2-3_05]*** the method of assessment whether the workers in the value chain are aware of its existence.

[S2-3_04] [S2-3_07] Reports from workers in the value chain are treated as any other reports and clarified in a swift, impartial, and objective manner. The method of conduct in that regard is described in the *Ethics Committee By-law* and the *By-law of the Commission for the Investigation of Breaches of Law*. ***[S2-3_01]*** In situations where the Capital Group companies potentially receive information that their activities have led to or

[7] ***[(S2.MDR-P_01-06; DR: S2-1 par. 65 d)]*** The Code of Conduct for the Suppliers does not refer directly to the standards or initiatives of third parties.

contributed to an negative impact on workers in the value chain, appropriate corrective measures determined on case-by-case basis depending on the nature and scope of the report in question are implemented.

[S2-3_06] The Whistleblowers' Protection Procedure also refers to external employees.[8]

Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions – S2-4

A material risk at the Capital Group is related to workers in the value chain, as it has been identified in the double materiality analysis, referred to lack of respect for human rights. This is related, among other things, with a potential risk of OHS matters, failure to respect the freedom of association, forced labour or child labour. ***[S2-4_04]*** The Capital Group did not implement mechanisms to verify the effectiveness of the actions undertaken with regard to managing material risks in S2 area. ***[S2-4_03]*** Moreover, in 2024 the Group did not carry out any additional actions to ensure positive impact on workers in the value chain.

[S2.MDR-A_01-12] [(S2.MDR-A_01-12] [S2-4_08] In 2025, the actions of the Capital Group related to those risks are going to focus on ***[S2.MDR-A_01-12]*** current promotion of the *Code of Conduct for the Suppliers* referred to in this Report, comprising provisions regarding the need to respect human rights by the suppliers in reference to their employees, and providing them with safe working conditions.

[S2-4_02] [S2-4_12] [S2-4_01] [S2-4_09] [S2-4_05] [S2-4_06] [S2-4_07] [S2-4_10] The double materiality analysis did not reflect any material impacts or opportunities related to workers in the value chain.

[S2.MDR-A_01-12; S2-4 par. 69 a)] [(S2.MDR-A_01-12; DR: S2-4 par. 69 b)] The Capital Group does not possess data which would enable reporting financial resources allocated to actions connected to workers in the value chain in 2024 or disclose future resources for that purpose.

[S2-4_11] In 2024, the Capital Group did not record any serious problems or incidents related to human rights upstream and downstream the value chain.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities – S2-5

[S2-5_01] [S2-5_02] [S2-5_03] In 2024, the Capital Group did not implement targets related to managing material negative impacts, advancing positive impacts, or managing materials risk and opportunities related to workers in the value chain. Workers in the value chain were not engaged in the process. ***[S2.MDR-T_14-19] [S2.MDR-T_01-13]*** The Capital Group plans to adopt measurable targets in that regard by the end of 2027.

9.20 Business conduct – G1

Business conduct policies and corporate culture – G1-1

The matters related to ethics and conduct in business are regulated at the Capital Group, for example, by:

- *the Principles of Business Ethics and Conduct – the Code of Ethics*
- *the Respect for Human Rights Policy of the Capital Group of Grupa Kęty S.A.*
- *the Code of Conduct for Suppliers of the Capital Group of Grupa Kęty S.A.*

[G1.GOV-1_01] [G1.GOV-1_02] [G1.MDR-P_01-06] The documents were adopted by the Management Board of Grupa Kęty S.A., which is also responsible for implementing the principles described in the regulations. The provisions of the document refer in their scope to the own workforce of the Capital Group, whereas the *Code of Conduct for the Suppliers of Grupa Kęty S.A. Capital Group* also refers to the ethical issues in the value chain.

The ethical area is supervised at the Capital Group by the CSR Director and the Business Ethics Ombudsman. They submit their proposals of actions for the popularisation of the Code of Ethics and corporate culture based on ethics to the Committee for Sustainable Development and Corporate Social Responsibility. Additionally, in each operating segment the Business Ethics Committees have been appointed. The persons responsible for supervision of the corporate governance area at the Group possess adequate experience and competences in that regard, and regularly participate in training.

[8]The Procedure is based on the Polish law.

Principles of Business Ethics and Conduct – the Code of Ethics

[G1.MDR-P_01-06] The Code of Ethics is the basic document at the organisation defining the principles of ethical conduct in business. The Code emphasises the value of law compliance, transparency, mutual respect and social responsibility. The document determines standards binding all employees, adopted by the Capital Group in reference to:

- market – commercial partners, competitors and shareholders;
- natural environment; and
- local communities.

In the document, the Capital Group promotes fair competition, the need to prevent corruption and concern for transparency in accounting processes. In accordance with the Code, the Capital Group companies want to base their relations with counterparties on trust, respect and professionalism. The organization applies rules to prevent conflicts of interest and ensures equal access to information for capital market participants.

The Code emphasizes the importance of responsibility towards the environment, committing the Capital Group companies to minimize their impact on the natural environment through innovation and recycling activities. Environmental reports are made available to the public, and the environmental management system is based on the ISO 14001 standard.

The Code of Ethics also emphasizes the importance of adhering to ethical principles in internal relations. The organization commits employees to equal treatment regardless of age, gender, race, sexual orientation or religion. Discrimination, mobbing, harassment and unauthorized exploitation of professional position are unacceptable. The Company provides decent working conditions and safety, and also respects the employees' rights to privacy and freedom of association. The Code is also a commitment of the Capital Group to providing employees with equal opportunities in terms of pay, bonuses, skills development and promotion. In accordance with the Code, the personal data of the employees may only be used for professional purposes, and employees are required to protect confidential information.

Respect for Human Rights Policy of the Capital Group

[G1.MDR-P_01-06] The *Respect for Human Rights Policy of the Capital Group of Grupa Kęty S.A.* is the organisation's declaration regarding respect for human rights defined in the European Convention on Human Rights and other documents. In the Policy, the Capital Group commits, among other things, to:

- ensure decent working conditions at all companies;
- respect diversity and the principle of equal chances;
- absolutely object to child labour and forced labour;
- respect the rights of local communities at all locations of the its companies.

Code of Conduct for the Suppliers of the Capital Group

The *Code of Conduct for the Suppliers of the Capital Group of Grupa Kęty S.A.* specifies the major requirements for suppliers with regard to running ethical and fair activities, ensuring safe and hygienic working conditions, respecting human rights, assuming liability for the quality of products and for the natural environment. The Code is described in detail in Section *G1-2 Management of relationships with suppliers*.

Other regulations

The ethical issues addressed in the Code of Ethics, the Human Rights Policy, and the Code of Conduct for the Suppliers, are detailed at the level of the Capital Group in additional procedures binding at the organisation. These include, for example:

- *Ethical Business Principles Procedure*
- *Diversity Policy and Procedure*
- *Internal Control Procedure*
- *Procedure of Reporting Breaches of Law*
- *Internal Audit Procedure*
- *Reporting Related-Party Transactions Procedure*
- *Transfer Pricing Procedure*
- *Procurement Procedure*
- *Compliance Management Policy*

- *Risk Management Policy*
- *Human Resources Policy and Procedure*
- *Remuneration Policy and Procedure*

[G1.MDR-P_01-06] [S2-2_05] The regulations applicable to the ethics of business, as adopted by the Capital Group, are in line with the 10 Global Compact principles, of which the organisation has been a signatory since 2014. The *Ethical Business Principles Procedure* binding at the Group maps the process of due diligence with regard to respecting the 10 Global Compact principles.

TABLE 70: GLOBAL COMPACT PRINCIPLES AND THE RELATED PROCEDURES/DOCUMENTS

Global Compact Principle	Related procedures/documents
Promotion and protection of human rights adopted by the international community	• Respect for Human Rights Policy • Occupational Health and Safety Policy • Personal Data Protection • Human Resources Policy • Staff Development • Staff Training • CSR Policy • Code of Ethics • Diversity Policy • Dignity at Work Policy • Code of Conduct for the Suppliers of the Capital Group
Elimination of human rights violations at the Company	• Respect for Human Rights Policy • Personal Data Protection • Staff Recruitment and Adaptation • Staff Development • Remuneration Policy • Intellectual Property Management • Diversity Policy • Dignity at Work Policy • Code of Conduct for the Suppliers of the Capital Group
Respect for the freedom of association	• Code of Ethics • Respect for Human Rights Policy • Code of Conduct for the Suppliers of the Capital Group
Elimination of all forms of forced or compulsory labour	• Respect for Human Rights Policy • Code of Ethics • Remuneration Policy
Abolition of child labour	• Code of Ethics • Staff Recruitment and Adaptation • Code of Conduct for the Suppliers of the Capital Group
Effective elimination of discrimination in respect of employment and occupation	• Respect for Human Rights Policy • Staff Recruitment and Adaptation • Staff Development • Staff Training • Competence Management System • Employee Periodical Assessment • Language Competence • Management by Objectives • Remuneration Policy • Human Resources Administration • Occupational Health and Safety • Code of Ethics • Diversity Policy • Dignity at Work Policy

Global Compact Principle	Related procedures/documents
Preventive approach to natural environment	• Climate Policy • Code of Ethics • CSR Policy • Performance of legal duties related to environmental protection • Identification of environmental aspects, monitoring and measurement • Code of Conduct for the Suppliers of the Capital Group
Undertaking initiatives to promote environmental responsibility	• Climate Policy • Code of Ethics • CSR Policy • Corporate Social Responsibility
Applying and spreading environmentally friendly technologies	• Code of Ethics • CSR Policy • Control of processes encompassing major environmental aspects • Identification of environmental aspects, monitoring and measurement • Code of Conduct for the Suppliers of the Capital Group
Working against corruption in all its forms, including extortion and bribery	• Anti-corruption Policy • Staff Recruitment and Adaptation • Staff Training • Code of Ethics • Purchases • Strategic Purchases • Investment Purchases • Purchase of Services • Code of Conduct for the Suppliers of the Capital Group

[G1.MDR-P_01-06; G1-1 par. 65 e)] The business conduct policies binding at the Capital Group were developed and adopted by the organization in the years prior to the reporting period and the entry into force of the CSRD, and do not take into account the interests of key stakeholder groups. The Capital Group declares stakeholder involvement and consultation of regulatory provisions when developing new policies and updating the provisions of the existing documents.

[G1.MDR-P_01-06] [G1-1_01;] All employees of the Capital Group have access to the *Principles of Business Ethics and Conduct – the Code of Ethics*. The document has been published on the in-house OrangeBook platform, being a strategic processes management system, and is available on the corporate website of Grupa Kęty S.A. The ethical principles of the organisation were promoted in 2024 by way of publications in the Intranet, a newsletter and posters devoted to reporting breaches, as well as on special 'Ethics Boards' installed at the production plants. With regard to the dialogue with stakeholders under the due diligence process, roughly 85% of the Capital Group employees got familiar with the Code of Ethics, and 65% with the Respect for Human Rights Policy. ***[G1-1_03]*** Also the *Anti-corruption Policy* is an integral part of the *Principles of Business Ethics and Conduct – the Code of Ethics*, which is aimed at limiting the risk of corruption in external and internal relations of the Company. The Policy broadly defines the Capital Group's understanding of corruption and unequivocally prohibits participation in corrupt practices by all employees of the organization and by individuals and entities acting for and on behalf of the Capital Group companies. The regulation also defines the rules that employees must follow in situations of potential risk related to, among other things, business gifts, grants and donations, and participation in business meetings. The Policy provisions do not directly refer to the United Nations Convention against Corruption.

[G1-1_10] In 2024, there were no formal regulations related to business conduct training at the Capital Group. Their adoption is planned for 2025. Nevertheless, the practice of the organisation is to provide regular training in the *Code of Ethics* and *Anti-corruption Policy*. The training, also for the Management Board Members, is held every year on the in-house e-ok platform, and the adopted principle is to provide alternate courses, either in the principles of ethics or the *Anti-corruption Policy*. In 2024, anti-corruption training was attended by 1,284 employees – 70% of white-collar workers, and 21% of all employees. ***[G1-3_07]*** The Capital Group did not hold anti-corruption training among people in most exposed positions, as the training was directed generally to the Group's staff. ***[G1-1_11]*** The Capital Group does not have a list of positions particularly exposed to corruption.

In 2025, an update of the Code of Ethics is planned, including the Anti-corruption Policy, as well as more detailed analysis of positions exposed to corruption.

In 2024, the Capital Group organised intra-mural training courses regarding Compliance issues and the Code of Ethics. The participants gained practical knowledge of the principles of conduct that support compliance of the organization's activities with laws and ethical values. Training sessions indicated how to effectively prevent mobbing, discrimination and corruption, and presented the basics of competition law. An important point was the discussion of the importance of the Code of Ethics and an introduction to risk management, which allowed for a better understanding of key challenges and strengthening of the Company's compliance culture. The courses were attended by 53 people – middle level staff.

The Capital Group also held training sessions for Members of the Commission for the Investigation of Breaches of Law. Such Commission was created at each of the operating segments to act as units authorized to follow up on reports of violations of law. In the course there was provided detailed and practical knowledge on how to handle reports, procedures for receiving reports, conducting investigations, and properly handle cases involving reports. 25 people participated in the classroom training sessions.

[G1-1_02] The Capital Group allows reporting of concerns and possible ethical and legal violations. Information about situations that do not comply with the provisions of the Code of Ethics can (in accordance with the Code provisions) be communicated:

- to the direct supervisor, senior supervisor, and in justified cases to the President of the Management Board of the relevant Capital Group company;
- directly to the Business Ethics Ombudsman by e-mail, traditional mail or in person.

[G1-1_05;] The organization accepts anonymous and named reports regarding the Code of Ethics.

The companies of the Capital Group have adopted the internal reporting procedures, which regulate the issue of notifications of violations of the law, including, among others, corruption, environmental protection, safety and human rights. According to the provisions of the procedures, reports can be submitted:

- by traditional mail in paper form to the Compliance and Risk Management Department of Grupa Kęty S.A.;
- electronically to a dedicated e-mail address;
- verbally via a recorded telephone line – the recordings are forwarded to the Compliance and Risk Management Department.

Any whistleblower may, in accordance with the procedures, bypass internal channels by transmitting information, among others, directly to the Ombudsman for Human Rights or the relevant state or local government authorities. The Group provides protection for whistleblowers in accordance with statutory requirements.

In addition, an Internal Control System procedure is in place that gives employees the opportunity to report abuses to their immediate supervisor or a higher-level supervisor. If, for any reason, a Group employee feels it is appropriate to by-pass the business route, they can report the information anonymously or officially to a designated Management Board Member via traditional mail or a dedicated e-mail address. If the report concerns Management Board Members, employees have the right to report it to the Supervisory Board.

Any information reported to the Capital Group Companies is clarified in a swift, impartial, and objective manner. The method of conduct in that regard is described in the *Ethics Committee By-law* and the *By-law of the Commission for the Investigation of Breaches of Law*. The persons receiving the reports of violations shall conduct investigations in a manner and by means appropriate to the subject of the report, whereas the investigations shall be conducted in a manner that ensures the anonymity of the reporting employee as well as the person alleged to have committed the violation.

Management of relationships with suppliers – G1-2

[G1-2_02] The issue of relationships with the suppliers of the Capital Group is regulated in the *Code of Conduct for Suppliers of the Capital Group of Grupa Kęty S.A.* binding since 2021. The Code was created as part of the Capital Group's social responsibility strategy, indicating the approach to sustainable supply chain. It was

adopted by the Management Board of Grupa Kęty S.A., which, through procedures, appointed the purchasing departments to implement its provisions[9].

The Code commits the suppliers, among other things, to:

- ensure healthy and safe working conditions for its employees by implementing procedures, certified OHS management systems/or its own safety programs, good practices and solutions to strive for the complete elimination of accidents, avoiding injuries and illnesses among its employees caused by the work they perform;
- ***[S2-1_02] [S2-1_01]*** respect human rights in their operations;[10];
- ensure equal treatment at work and refrain in their operations from any staff or stakeholders discrimination practices because of their sex, age, disability, race, religion, or other grounds;
- prevent any forms of corruption in their activities and implement prevention practices.

[S2.MDR-P_01-06] The Code is binding both in Poland and abroad, considering the cultural, language, social and economic differences of the particular countries. New suppliers receive the document at the time of being invited to cooperate, while the others are engaged on a current basis to familiarise themselves with the Code provisions and respect them. The Code is not classified and is available to all suppliers on the corporate websites of the Capital Group.

Suppliers verification

[S2-1_04] In accordance with the Strategy for the years 2021-2025, the objective of the Capital Group is to apply the Code provisions to the strategic suppliers of the Group, and in 2024 the objective was attained in 90%. The Capital Group reserves the right to check whether its direct suppliers abide by the *Code of Conduct for Suppliers*. The verification may be carried out in various manners, e.g. by way of self-assessment questionnaires or audits at the plants of the suppliers (arranged between the parties in due advance).

Reporting Code breaches

All employees within own operations and in the value chain who are aware of breaching the *Code of Conduct for Suppliers* may report such information to the Business Ethics Ombudsman overseeing the application of ethical principles at the Capital Group. The information is reported through a dedicated e-mail address indicated in the Code.

Consideration of social criteria in the selection of suppliers

[G1-2_03] The consideration of social and environmental criteria in the selection of contractors vary within the particular operating segments of the Capital Group, however, in none of them they are a decisive criterion for the selection of suppliers. In future years, the Company plans to unify the principles for all operating segments in these areas.

Payments to suppliers

[G1-2_01] [G1-6_01] [G1-6_02] [G1-6_03] [G1-6_04] [G1-6_05] At the Capital Group payments are made at the determined dates, which result from internal procedures and binding laws. Payment terms are an effect of mutual arrangement, yet for public entities they do not exceed 30 days, and for micro, small and medium-sized companies – 60 days. Taking into account that the Capital Group makes payments in compliance with Article 115 of the Civil Code, which provides that a payment date falling to a bank holiday or a Saturday is postponed to the next following day which is neither a bank holiday nor a Saturday, 89% of payments are made in compliance with the agreed dates. With regard to large companies, the Capital Group allows for a payment term longer than 60 days, solely under the condition of a clear contractual arrangement with the contractor. All companies of the Capital Group currently monitor their liabilities, in order to prevent delays in payment. The average payment term in 2024 was 28 days. At the present moment, there are no pending court litigations at the Capital Group with regard to delays in payment.

[9] ***[(S2.MDR-P_01-06; S2-1 par. 65 e)]*** When preparing the provisions of the Code, the Capital Group of Grupa Kęty S.A. did not consult it with the stakeholders.
[10] ***[S2-1_05] [S2-1_08]*** The *Code of Conduct for Suppliers* does not contain literal provisions relating to human trafficking, forced labour and child labour, just a general reference to the obligation to respect human rights.

Plans for the coming years

The double materiality analysis conducted in 2024 in accordance with the CSRD confirmed the purposefulness of extending the principles of cooperation with suppliers by the Capital Group as regards the issues of human rights and environmental impact management. In that regard, the Capital Group plans to update the *Code of Conduct for Suppliers* and take appropriate measures such as, among other things, training its own workforce responsible for the supply chain in cooperation and dialogue with suppliers, assessment of the suppliers' social and environmental activities and the method to relate to vulnerable suppliers. In implementing the relevant solutions, the Capital Group ensures full compliance with the applicable legal requirements and implements the changes within the deadlines stipulated by the regulator.

Prevention and detection of corruption and bribery – G1-3

[G1-3_01] The Capital Group does not tolerate any corruption activities. The approach of the organisation to corruption prevention is determined in the *Anti-corruption Policy*, which is a part of the Code of Ethics. Details of the Policy provisions are disclosed in Section *G1-1 – Business conduct policies and corporate culture* of this Report.

[G1-3_02; G1-3 par. 18 b)] Any information regarding corruption is considered in the same manner as any other reports on the Code of Ethics violations. The information is directed to the Business Ethics Ombudsman, who further forwards it to the Commission within the relevant operating segment. The internal procedures implemented at the Group ensure impartiality of the reports consideration.

[G1-3_03; G1-3 par. 18 c)] The obtained KRIs resulting from the risk of non-compliance with the principles of ethics or the risk of violations, understood as intentional acts or omissions, are presented in established cycles – monthly and semi-annually – at the meetings of the Risk and Compliance Committee of the Capital Group. If the critical level is exceeded by any of the KRIs, at the time of reporting an automatic notification is sent by the Risk and Opportunities Management application to the persons identified as informed, containing information about the reasons for the risk materialization, the mitigating actions taken and the blockers implemented. Standing members of the Committee are: the Management Board Member/Financial Director, the Compliance and Risk Management Director, the Internal Audit Director, and the Risk/Compliance Coordinators identified by the Heads of operating segments. Additionally, post the Committee meetings, the Members of the Capital Group Management Board receive a presentation comprising, among other things, the list of indicators that reached the warning level or have been exceeded.

[G1-3_05] The provisions of the *Anti-corruption Policy* are known to all employees and are presented during on-boarding training, at which the Capital Group requires a written confirmation from the employee of being familiar with the Code of Ethics and its integral part in the form of the *Anti-corruption Policy*. The Capital Group regularly communicates the contents of the Code of Ethics through internal and external channels. More information in that regard may be found in Section *G1-1 – Business conduct policies and corporate culture*.

[G1-3_06] In 2024, the Capital Group organised training in Compliance, Code of Ethics and Anti-corruption for the employees of each segment. Detailed information about the training may be found in Section *G1-1 – Business conduct policies and corporate culture*.

[G1-3_08] In 2024, members of the administrative, supervisory and management bodies of the Capital Group were subject to the same training principles as the rest of the employees. The issue of anti-corruption training for the staff holding the highest managerial and supervisory positions at the Capital Group will be formally regulated by the organisation in 2025.

9.21 Disclosure Requirements in ESRS covered by the undertaking's sustainability statement – IRO-2

[IRO-2_01] [IRO-2_02] [IRO-2_03]

TABLE 71: LIST OF DATAPOINTS IN CROSS-CUTTING AND TOPICAL STANDARDS THAT DERIVE FROM OTHER EU LEGISLATION

Disclosure No.	Datapoints	Name of datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page in the Report
ESRS 2 GOV-1	21 d	Management Board Members diversity with regard to gender	x		x		71
ESRS 2 GOV-1	21 e	Percentage of governing bodies members who are independent			x		71
ESRS 2 GOV-4	30	Statement on due diligence	x				Table 32, page 73
ESRS 2 SBM-1	40 d (i)	Involvement in activities related to fossil fuels	x	x	x		77
ESRS 2 SBM-1	40 d (ii)	Involvement in activities related to chemical production	x		x		77
ESRS 2 SBM-1	40 d (iii)	Involvement in activities related to controversial weapons	x		x		77
ESRS 2 SBM-1	40 d (iv)	Involvement in activities related to cultivation and production of tobacco			x		77
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	100
ESRS E1-1	16 g	Undertakings excluded from Paris-aligned Benchmarks		x	x		100
ESRS E1-4	34	GHG emission reduction targets	x	x	x		102
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x				N/A
ESRS E1-5	37	Energy consumption and mix	x				Table 49, page 104
ESRS E1-5	40–43	Energy intensity associated with activities in high climate impact sectors	x				Table 49, page 104
ESRS E1-6	44	Gross Scope 1, 2, 3 and Total GHG emissions	x	x	x		Table 50, page 106
ESRS E1-6	53–55	Gross GHG emissions intensity	x	x	x		Table 53, page 110
ESRS E1-7	56	GHG removals and carbon credits				x	N/A
ESRS E1-9	66	Exposure of the benchmark portfolio to climate related physical risks			x		N/A
ESRS E1-9	66 a	Disaggregation of monetary amounts by acute and chronic physical risk		x			N/A
ESRS E1-9	66 c	Location of significant assets at material physical risk		x			N/A
ESRS E1-9	67 c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes		x			N/A

ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities			x		N/A
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x				113
ESRS E3-1	9	Water and marine resources	x				115
ESRS E3-1	13	Dedicated policy	x				115
ESRS E3-1	14	Sustainable oceans and seas	x				115
ESRS E3-4	28 c	Total water recycled and reused	x				Table 58, page 116
ESRS E3-4	29	Total water consumption in m^3 per net revenue on own operations	x				Table 58, page 116
ESRS 2 SBM 3-E4	16 a (i)	Biodiversity sensitive areas	x				117
ESRS 2 SBM 3-E4	16 b	Impact on land ecosystems	x				117
ESRS 2 SBM 3-E4	16 c	Threatened species	x				117
ESRS E4-2	24 b	Sustainable land / agriculture practices or policies	x				N/A
ESRS E4-2	24 c	Sustainable oceans / seas practices or policies	x				N/A
ESRS E4-2	24 d	Policies to address deforestation	x				N/A
ESRS E5-5	37 d	Non-recycled waste	x				Table 64, page 124
ESRS E5-5	39	Hazardous waste and radioactive waste	x				Table 64, page 124
ESRS 2 SBM-3-S1	14 f	Risk of incidents of forced labour	x				77
ESRS 2 SBM-3-S1	14 g	Risk of incidents of child labour	x				77
ESRS S1-1	20	Human rights policy commitments	x				126
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions			x		125
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				125
ESRS S1-1	23	Workplace accident prevention policy or management system	x				126
ESRS S1-3	32 c	Grievance / complaints handling mechanisms	x				127
ESRS S1-14	88 b i c	Number of fatalities and number and rate of work-related accidents	x		x		Table 69, page 130
ESRS S1-14	88 e	Number of days lost to injuries, accidents, fatalities or illness	x				Table 69, page 130
ESRS S1-16	97 a	Unadjusted gender pay gap	x		x		130

ESRS S1-16	97 b	Excessive CEO pay ratio	x				130
ESRS S1-17	103 a	Incidents of discrimination	x				131
ESRS S1-17	104 a	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		133
ESRS 2 SBM-3-S2	11 b	Significant risk of child labour or forced labour in the value chain	x				132
ESRS S2-1	17	Human rights policy commitments	x				134
ESRS S2-1	18	Policies related to value chain workers	x				131
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		131
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8			x		131
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				132
ESRS S3-1	16	Human rights policy commitments	x				N/A
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	x		x		N/A
ESRS S3-4	36	Human rights issues and incidents	x				N/A
ESRS S4-1	16	Policies related to consumers and end-users	x				N/A
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x		N/A
ESRS S4-4	35	Human rights issues and incidents	x				N/A
ESRS G1-1	10 b	United Nations Convention against Corruption	x				N/A
ESRS G1-1	10 d	Protection of whistleblowers	x				N/A
ESRS G1-4	24 a	Fines for violation of anti-corruption and anti-bribery laws	x		x		N/A
ESRS G1-4	24 b	Standards of anti-corruption and anti-bribery	x				N/A

10. CORPORATE GOVERNANCE STATEMENT

10.1 A collection of corporate governance principles and scope of their application

Corporate governance principles

Following the Rules of the Warsaw Stock Exchange ('GPW'), Grupa Kęty S.A., as a public company, is obliged to abide by 'The Best Practice for GPW Listed Companies 2021' ('Best Practice' or 'DPSN 2021'), which is a collection of the principles of conduct applicable specifically to the governing bodies of GPW listed companies and their shareholders.

The document is available at GPW website: https://www.gpw.pl/dobre-praktyki2021.

Grupa Kęty S.A. decided not to apply other corporate governance principles than those referred to above. Moreover, it has not been applying corporate governance practices exceeding the requirements of the Polish laws.

Management Board's Corporate Governance Statement

DESCRIPTION OF THE METHOD OF APPLYING THE PRINCIPLES OF DPSN 2021 BY GRUPA KĘTY S.A.

In 2024, the Company did not follow two principles of DPSN 2021, and the DPSN 2021 COMPLY ratio for Grupa Kęty S.A. equals 97% (the value of the ratio for companies within the WIG20 index is 78%). The Company's COMPLY ratio in reference to the particular sections of DPSN 2021 is as follows:

1. Disclosure policy, investor communications – 100%
2. Management Board, Supervisory Board – 88%
3. Internal systems and functions – 100%
4. General Meeting, shareholder relations – 100%
5. Conflict of interest, related party transactions – 100%
6. Payroll – 100%

REASONS OF DEPARTURE FROM DPSN 2021 PRINCIPLES

Following the information regarding the application by Grupa Kęty S.A. of the principles of 'The Best Practice for GPW Listed Companies 2021' disclosed in the current report on 25 May 2022, which is still valid as at the date of publication of this Report of Grupa Kęty S.A., the following DPSN 2021 principles are not followed:

Principle 2.1 "Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board or the general meeting, respectively. The diversity policy defines diversity goals and criteria, including for example in the areas of gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%."

The Company has not implemented a diversity policy with regard to the members of the Company managing and supervising bodies, which would be approved by the Supervisory Board and the General Meeting. The Company has not limited or discriminated the candidates to the said bodies in any respect, and specifically with regard to gender.

The appointment of the Management Board and Supervisory Board Members is made particularly based on their subject-matter knowledge, competence and experience.

Principle 2.2 "Persons making decisions to elect members of the management board or supervisory board of a company should ensure that the composition of those bodies is diverse, by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in Principle 2.1."

The Company informs that due to the fact that it has not implemented a diversity policy in reference to the members of the managing and supervising bodies of the Company the above principle has not been applied.

Principle 3.7. "Principles 3.4 to 3.6 also apply to the entities of a company's group which are of major importance to the operations of the company, if they appoint persons to perform such tasks."

Principle 3.7 does not apply to the Company. At the other companies of the Capital Group of major importance for its operations there have not been appointed persons responsible for managing the audit, compliance, risk management and internal control systems. Responsible for the maintenance of the functions efficiency within the whole Capital Group and management of the same are the persons employed by the parent company, i.e. Grupa Kęty S.A., who are functionally supported by the selected employees of the companies of major importance to the operations of the Capital Group. Grupa Kęty S.A. carries out periodical reviews of the systems operation within the Capital Group, considering the scale and specifics of its operations, among other things. If a decision is made on a change in the method of the systems functioning and employing people responsible for the functions at other companies, the Principles 3.4–3.6 will be taken into account.

On 27 May 2024 there occurred an incidental breach of the 'The Best Practice 2021', about which the Company informed in the Current Report No. 1/2024, in reference to § 29.3a of the Rules the Warsaw Stock Exchange. Namely, on 27 May 2024, i.e. at two days before the date of the Annual General Meeting, a shareholder of the Issuer reported their candidate for a Member of the Supervisory Board, which resulted in an incidental breach of Principle 4.9.1 of 'The Best Practice 2021', stating that candidates for Members of the Supervisory Board should be reported in due advance for the shareholders present at the General Meeting to make an informed decision and in any case not later than 3 days before the General Meeting; the names of the candidates and all related documents should be immediately published on the Company's website.

GENERAL MEETING, SHAREHOLDER RELATIONS
If the General Meeting is to appoint a Member of the Supervisory Board or Members of the Supervisory Board for a new term of office:

Principle 4.9.1 "Candidates for Members of the Supervisory Board should be reported in due advance for the shareholders present at the General Meeting to make an informed decision and in any case not later than 3 days before the General Meeting; the names of the candidates and all related documents should be immediately published on the Company's website."

The Principle has been breached incidentally.

The Management Board of Grupa Kęty S.A. also informs that in the announcement on the convening of the Annual General Meeting for the day of 29 May 2024, the Company requested the shareholders to abide by Principle 4.9.1 of 'The Best Practice 2021', and suggested that the shareholders report their candidates for Members of the Supervisory Board at 3 days before the AGM at the latest.

10.2 Major shareholders

The shares of the Company have been quoted at the Warsaw Stock Exchange since 16 January 1996, under the ISINPLKETY000011 code. Since 4 August 2022 the shares of the Company are quoted within the WIG20 and WIG20TR indexes, and also belong to the indexes of WIGdiv and MSCI Poland IMI 25/50. As at 31 December 2024, there were the total of 9,735,146 shares of Grupa Kęty S.A. issued, of the nominal value of PLN 2.50 each.

All shares of Grupa Kęty S.A. are ordinary bearer shares, to which equal rights and duties are assigned. The Company Articles of Association do not limit the rights of shareholders with regard to exercising the right of vote or disposing of the shares. One share entitles to one vote in the General Meeting of the Company.

A list of the Company shareholders with over 5% share in the Company equity and in the total number of votes at the AGM as at the end of 2023 and 2024, respectively, is presented in the table below.

TABLE 72: LIST OF SHAREHOLDERS WITH OVER 5% SHARE IN THE COMPANY SHARE CAPITAL

	Number of shares as at 31 December 2023	Percentage of share capital and total number of votes	Number of shares as at 31 December 2024	Percentage of share capital and total number of votes
Nationale-Nederlanden OFE	1,504,853*	15.59%	1,508,352**	15.49%
Allianz Polska OFE	1,626,277*	16.85%	1,464,264***	15.04%
OFE PZU ZŁOTA JESIEŃ	860,515*	8.92%	862,772**	8.86%
Generali OFE	784,074*	8.12%	786,131**	8.08%
Vienna OFE	627,891*	6.51%	575,887**	5.92%
Other	4,246,542	44.00%	4,537,740	46.61%
Total	**9,650,152**	**100%**	**9,735,146**	**100.00%**

* Data presented based on OFE reports regarding the annual assets structure as at 31 December 2023.
** Data presented based on OFE reports regarding the annual assets structure as at 31 December 2024.
*** Data presented based on the notification by Powszechne Towarzystwo Emerytalne Allianz Polska S.A. of 8 January 2025.

10.3 General Meeting and rights of the shareholders

The methods of Grupa Kęty S.A. General Meeting operation and the basic rights of the General Meeting are regulated by the Company Articles of Association and the General Meeting By-law. The documents are available on the Company's corporate website at: https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/.

General Meetings are held at the registered office of the Company in Bielsko-Biała or in Warsaw. They are convened by the Management Board on the basis of an announcement published on the corporate website, in the manner specified for current information disclosure, in accordance with the Act on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies. A General Meeting may also be convened by the Supervisory Board or shareholders representing at least half of the share capital. The shareholders representing at least 5% of the share capital may request convening of a General Meeting and including certain items in the agenda of the Meeting.

A General Meeting is valid regardless of the number of shares represented at it. In accordance with the approved By-law of the General Meeting, a session of the General Meeting is opened by an authorised person, in accordance with the provisions of the Articles of Association. The person opening the General Meeting orders the selection of the General Meeting Chairman from among the participants. Each participant is entitled to report one candidate for the function of the General Meeting Chairman. The persons reported are entered in the list of candidates, providing that they agree to stand as candidates.

The selection of the General Meeting Chairman takes place in secret voting by way of voting for each of the candidates separately. The Chairman is the person with the largest number of votes cast. If more than one candidate receives the equal largest number of votes, the person opening the General Meeting orders supplementary voting for the candidates with the equal largest number of votes. The Chairman is the person with the largest number of votes cast in the supplementary voting.

After having selected the Chairman of the General Meeting, the person opening the General Meeting hands over the conducting of the General Meeting to the Chairman of the General Meeting, who verifies the correctness of preparing the list of attendance at the General Meeting and in the absence of reservations signs the same, confirms the correctness of convening the General Meeting as well as its capacity to pass resolutions in the matters included in the session agenda, based on the submitted documents related to the convening of the General Meeting, the attendance list and the originals of proxy appointments, and also the possible motions filed in that regard by a person entitled to vote, then orders the acceptance of the agenda, and orders voting on the selection of the vote-counting committee, if they deem the committee appointment needed. In the absence of grounds for determining the correctness of convening the Meeting or capacity to pass resolutions, the Chairman of the General Meeting closes the Meeting session.

During a session, the duties and rights of the Chairman include caring for the compliance of the course of proceedings with the provisions of the Code of Commercial Companies, the Articles of Association and the By-law, giving the floor and asking questions to the participants, as well as the persons identified in § 6.2 of the By-law of the General Meeting, taking the floor away from the participants, ordering voting on removing from the meeting room any persons who grossly breach the law, the provisions of the Articles, the provisions of the By-law or good manners, ordering breaks during the meeting, cooperation with the notary public taking down the minutes from the General Meeting, ordering voting on the resolutions of the General Meeting, determining the correctness of the course of voting and the voting results, taking a stand with regard to the motions reported by the participants and, when such need is determined, ordering voting in the subject-matter of the motions, introducing into the agenda any matters of organisational nature, and also solving doubts as to the interpretation of the provisions of the By-law of the General Meeting.

Due to the fact that the Company is stock listed, only the shareholders who have obtained their status at 16 days prior to the date of the General Meeting at the latest may participate in it and exercise their voting rights. Furthermore, the Members of the Management and Supervisory Boards, the Company auditor and other persons invited by the governing body convening the General Meeting, including the representatives of media, may participate in the Meeting, unless, at the request of a participant filed before proceeding to the discussion over the issues included in the agenda, the General Meeting decides otherwise with a simple majority of votes.

The list of shareholders entitled to participate in the General Meeting, signed by the Management Board, and including the first names and surnames or names (of business) of the entitled persons or companies, their addresses (addresses of registered offices), the number of their shares and votes, is available at the registered office/on the premises of the Company Management Board three business days prior to the General Meeting.

Pursuant to the Company Articles of Association, the By-law of General Meeting of Grupa Kęty S.A. as well as the legal regulations, the Company shareholders may, specifically:

- participate in the General Meeting and exercise their voting rights in person or through proxies;
- run for the position of the General Meeting Chairman or propose one candidate for the position to be included in the minutes;
- report draft resolutions on matters included in the agenda but not related to organisational matters;
- submit proposals of amendments and supplements to draft resolutions included in the General Meeting agenda by the time of closing the discussion on the items of the agenda concerning the draft resolutions to which such proposals pertain;
- take the floor and ask questions concerning each item on the agenda;
- demand secret voting;
- demand inclusion in the minutes of their objections and other statements;
- demand information from the Company Management Board concerning the items on the General Meeting agenda in the case of and subject to exceptions provided for in legal regulations;
- demand the list of shareholders to be e-mailed to them free of charge, indicating the e-mail address to which such a list should be sent. A shareholder may examine the list of shareholders on the Management Board's premises and demand a copy of the list, paying the costs of its preparation;
- examine the books of minutes of the General Meeting and request copies of resolutions certified by the Management Board;
- appeal against resolutions of the General Meeting in the cases provided for in legal regulations.

The participants attending the General Meeting confirm their presence with their own signature in the attendance list laid out in the meeting room and collect the voting sheets. The representatives and attorneys, before entry into the attendance list, submit to the minutes the documents which undoubtedly prove their legal authorisation to representation in the General Meeting, unless the power of attorney has been granted in electronic form, and they sign the attendance list legibly with their full name and surname, next to the surname or name of the principal. The attendance list must include specifically: the name and surname or company name of each participant, determination of the document based on which the identity of the participant has been confirmed, and in the case of representatives and attorneys of the participants, additionally specified should be: the name and surname or company name of the participant replaced by the representative or the attorney, and the source of representation (e.g. attorney, statutory representative), identification of the basis on which the participant is entitled to participate in the General Meeting (e.g. shareholder, pledgee), the number of shares held by the participant and the number of votes vested in the respective participant.

The attendance list is laid out throughout the General Meeting session until it is closed. The persons preparing the attendance list are obliged to include therein any changes in attendance and the number of represented shares before each voting. The attendance list is signed by the Participants and by the Chairman of the General Meeting.

The course of the General Meeting is recorded in the minutes by a notary public, and the minutes must include specifically a statement on the correctness of convening the General Meeting and its capacity to pass resolutions in the matters covered by the agenda, the text of the resolutions passed, as well as the number of votes cast for each resolution and the reported reservations. The minutes are signed by the Chairman of the General Meeting and the notary public. An excerpt from the minutes together with the evidence of convening the General Meeting and documents are attached by the Management Board to the book of minutes. The book of minutes includes the minutes of the vote-counting committee from the results of voting, if the committee has been appointed, as well as the voting sheets, if the voting has been carried out with the use of voting sheets.

The resolutions of a General Meeting are passed with the majority of votes, as set out in the Articles of Association and the Code of Commercial Companies. Voting is carried out with the use of a vote-counting system ensuring that the number of votes cast is equivalent to the number of votes possessed, as well as eliminating – in the event of secret voting – the possibility of identifying the method of casting votes by the particular persons authorised to vote. The voting is open. Secret voting is ordered during the elections and with regard to motions relating to dismissal of the members of the Company governing bodies, bringing them to justice as well as with respect to personal matters. Secret voting is also ordered when at least one shareholder present or represented at the General Meeting so requests.

After discussing all the matters included in the agenda, the Chairman announces closing of the General Meeting. The proceedings of the General Meeting are broadcast live and recorded, and further uploaded to the corporate website to be watched at any time.

On 29 May 2024 there was held an Annual General Meeting at which 26 resolutions were passed, including resolutions regarding examination and approval of the financial statements of the Company for the reporting year 2023, distribution of 2023 profit and determination of the amount allocated to dividend payment to the shareholders, granting of the vote of approval to the Members of the Management Board, determination of the number of Members of the Supervisory Board of the 12th term and appointment of the Members of the Supervisory Board of the 12th term, issuing a positive opinion on the Report on Remuneration of the Management Board and Supervisory Board Members of Grupa Kęty S.A.

On 4 September 2024, there was held an Extraordinary General Meeting at which 3 resolutions were passed, of which a resolution on the issue of E and F series registered subscription warrants entitling to the take-up of L series ordinary bearer shares of the Company and conditional increase of the Company share capital by way of issue of L series ordinary bearer shares and exclusion of the rights issue for the existing shareholders in reference to both the shares and the warrants, in order to enable L series shares take-up by the Management Options Plan participants, as well as amendment to the Company Articles of Association by way of inclusion in the text of the Articles of the conditional share capital increase through the issue of L series shares.

On 21 November 2024 there was held an Extraordinary General Meeting at which 4 resolutions were passed, including a resolution on the supplementation of the membership of the Supervisory Board and appointment of a Member of the Supervisory Board.

Detailed information on General Meetings, and the resolutions passed are available on the Company's corporate website at: https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/walne-zgromadzenia/.

10.4 Supervisory Board and Supervisory Board Committees

Supervisory Board composition

Supervisory Board composition and information on the Board activities

In the period from 1 January 2024 to 29 May 2024, the Supervisory Board was composed of:

- Mr Piotr Stępniak – Chairman of the Supervisory Board
- Mr Piotr Kaczmarek – Deputy Chairman of the Supervisory Board
- Mr Wojciech Golak – Member of the Supervisory Board
- Mr Paweł Niedziółka – Member of the Supervisory Board

- Mr Przemysław Rasz – Member of the Supervisory Board
- Ms Anna Włoszek – Member of the Supervisory Board

Detailed information about the particular members of the Supervisory Board, including their qualifications and experience is presented below as well as posted on the Company's corporate website.

Piotr Stępniak
Chairman of the Supervisory Board (independent member)

Mr Piotr Stępniak is a graduate of the University of Guelph, Canada, where he obtained the Bachelor of Arts degree in 1992. In 1995 he completed the course of Executive Master of Business Administration (EMBA) at the ESC Rouen in France, and Master of Science in Management (MSM) at the Purdue University in the USA.
He gained know-how and experience in management while working successively at Air Canada–Toronto, Canada in 1985–1992, Pepsi Cola International in 1992–1997, Bank Handlowy S.A. in Warsaw in 1998, ARMARK, Toronto, Canada in 1999–2000, and 2000–2001 as a Marketing Director of the company, Vice President of the Management Board of Lukas S.A. and Lukas Bank S.A. in 2001–2005. In 2005–2008 he was President of the Management Board of Getin Holding S.A.
He also sat at Supervisory Boards of a number of companies, including those listed at the stock exchange: Europejski Fundusz Leasingowy S.A., TU Europa S.A., Noble Bank S.A., Prime Car Management S.A., ZEPAK S.A., Skarbiec Holding S.A., ATM S.A., and Asseco Business Solutions S.A.
Currently, he is Member of the Supervisory Boards of: Kruk S.A., BFF Polska S.A., Grupa Kęty S.A., VRG S.A., BFF BANK S.p.A. (sitting at the Board of Directors).

Piotr Kaczmarek
Deputy Chairman of the Supervisory Board (independent member)

Mr Piotr Kaczmarek is a graduate of Adam Mickiewicz University in Poznań, was awarded the CFA (Chartered Financial Analyst) title and a securities broker licence. Since the beginning of his professional career Mr Kaczmarek has dealt with the capital market. He has 19 years of experience in analysing and measuring financial instruments.
He managed the portfolios of two largest pension funds in Poland: ING OFE and Aviva OFE. He is a co-author of the first model of 'Corporate Governance Principles' on the pension funds market. Initially, Mr Kaczmarek worked as a securities broker at the BMT S.A. brokerage house (1994–1995), and Bank Handlowy in Warsaw (1997–1998), and subsequently as a capital market dealer at Bank Amerykański w Polsce S.A. (1999-2000). In the years 2000–2008 he was connected with ING Nationale-Nederlanden Polska PTE S.A., where he acted as a shares analyst, shares portfolio manager and Investment Director for Shares, respectively. In 2006 he was appointed member of the Society Management Board and took the position of the Investment Department Director. In 2009–2010 he was Manager at Skarbiec TFI S.A. From 2011 to May 2016 he worked at Aviva PTE BZWBK S.A., holding the position of a senior analyst and afterwards the shares portfolio manager.
Since 2016, he has sat at Supervisory Boards and Audit Committees of both stock-listed companies (Grupa Kęty S.A., Robyg S.A., Harper Hygienics S.A., Erbud S.A., Ferro S.A., Develia S.A., Vrg S.A., and Śnieżka S.A.) and private ones (W. Kruk S.A., Novaservis spol. s.r.o.).

Wojciech Golak
Member of the Supervisory Board (independent member)

Mr Wojciech Golak is a Legal Counsel, a graduate in Law from the Cardinal Wyszyński University in Warsaw, Faculty of Law and Administration. He also completed a post-graduate course in Banking run by the SGH Warsaw School of Economics and the University of Warsaw, the Centre for American Law of the University of Warsaw, as well as the University of Florida, Levin College of Law. At the moment, he is a participant of the Koźmiński University PhD Programme in Law, where he has been writing his doctoral thesis devoted to restructuring proceedings financing.
Starting in 2016, Mr Golak has been running his own Law Firm. In the years 2007–2015 he cooperated with the Polish Branch of the Belgian Brokerage House KBC Securities N.V. as a lawyer, legal counsel, representative and receiver, respectively, whereas in the years 2005–2007 he acted as a lawyer at the M. Furtek i Wspólnicy Law Firm.
In the years 2016–2022 he was an independent Member of the Supervisory Board of ROBYG S.A., where he used to sit at the Remuneration Committee and the Audit Committee. Since 2022 he has been Member of the Management Board of Inventry sp. z o.o., and since 2023 Member of the Management Board of Bluu Poland sp. z o.o., CEO of Sales Masters sp. z o.o., and Member of the Supervisory Board of PolTREG S.A.

Paweł Niedziółka
Member of the Supervisory Board (independent member)

Mr Paweł Niedziółka graduated from the SGH Warsaw School of Economics in 1998 with a major in finance and banking. In 2000, he was awarded a PhD in Economics at the College of Management and Finance of the SGH Warsaw School of Economics, and in 2010 he became Assistant Professor. Currently, he heads the Financial Risk Management Department at the Institute of Banking of the SGH Warsaw School of Economics as an Associate Professor. He is a member of the Polish Association of Finance and Banking, and the Committee on Financial Sciences of the Polish Academy of Sciences, the second prize winner in the contest of the President of the National Bank of Poland for the best post-doctoral thesis and the winner of other prizes for his scientific and educational work. He is the author of about 160 scientific publications and expert opinions for litigation purposes, as well as a lecturer at bachelor's, master's, postgraduate and PhD courses. Mr Niedziółka has been acting as an expert at the Polish Agency for Enterprise Development (PARP), representing the Polish Banks Association, and a tutor for bank employees and candidates for statutory auditors. He manages the Structural Financing Team at Bank Millennium S.A. (previously, he was associated with Credit Lyonnais Bank Polska and Bankgesellschaft Berlin). Since 2014 he has been an independent Member of the Supervisory Board of Grupa Kęty S.A., and in the years 2017–2020 he was Deputy Chairman of the Supervisory Board and Chairman of the Nomination and Remuneration Committee of Grupa Kęty S.A.

Przemysław Rasz
Member of the Supervisory Board (independent member)

Mr Przemysław Rasz is a graduate of a dual programme by the Poznań University of Technology (MSc Eng. in Chemical and Food Industry) and the University of Economics in Poznań (Management), where he obtained his degree in 1988. In 1998 he took a post-graduate course in Company Value Management at the SGH Warsaw School of Economics. In 1989 he joined Izolacja Zduńska Wola, where he worked for the subsequent 28 years. In 1994 he was appointed Member of the Company Management Board and in 1996 was a leader of a team responsible for the company IPO at the Warsaw Stock Exchange. In 1999, after the control stake of the company had been acquired by the Danish Icopal a.s., a global leader in roof waterproofing materials, he became President of the Polish subsidiary and two years later Member of the Icopal Global Board in charge of innovation and business development. Under the leadership of Mr Rasz, Icopal Poland experienced a period of consistent and profitable growth marked by strategic acquisitions, green field investments, restructuring, as well as new products and systems implementation. That firmly established the company as an unquestioned leader in Poland and the region. Mr Rasz led the development of close ties with Universities of Technology, which resulted in marketing several successful innovative waterproofing products and solutions. Within his corporate capacity, he was co-creator of a strong and uniform global structure, which originated from a merger of a series of acquired companies. In 2007 Icopal was taken over by the Investcorp Private Equity Fund, and in 2008 Mr Przemysław Rasz became directly responsible for the CEE region, which he led until 2016, when the company was sold to Standard Industry, a US-based strategic investor. He played an important role in the take-over process, including as a trustee of a group of key executives and minority shareholders. For the further two years he was Vice President of the Global Executive Board of the Icopal Group based in London. After the acquisition of Brass Monier, he managed the merged organisation of Icopal Brass Monier (BMI) in Poland until 2018.
Within his social and business capacity, Mr Rasz served: two terms as a Member of the Board of Construction Materials by the Minister/Chief Building Supervision Inspector; two terms as a Member of the Scientific Council of Building Technology Institute in Warsaw; two terms as a Member of the Building Design Chamber in Warsaw; four terms as a Deputy Chair of the Board of the Polish Chamber of Commerce and Industry for the Construction Business; and two terms as the Chairman of the Construction Committee of the National Chamber of Commerce in Warsaw. Since 2019 he has focused on advisory and supervisory activities. In the years 2019 and 2020, until the time of COVID-19 related limitations, he was Chairman of the Board of Directors at Worthhouse Inc., a US subsidiary of the Budmat Group. He is an independent Member of the Supervisory Board of Grupa Kęty S.A. Privately, he is a devoted owner of the R&R Gallery, Poland's largest gallery of silver and lighting in Łódź.

Anna Włoszek
Member of the Supervisory Board (independent member)

Anna Włoszek graduated from the University of Silesia in Katowice, Faculty of Law and Administration in 2006. Further, she took a post-graduate course in accounting at the Katowice University of Economics, Faculty of Finance and Management. At the Kraków University of Technology, Polish-American School of Business, she obtained the title of Executive Master of Business Administration. Since the beginning of her career, she has occupied managerial positions at business companies and specialised in public procurement orders. Since 2019, she has been the President of the Management Board of Agencja Rozwoju Małopolski Zachodniej S.A. Within her social and business capacity, Anna Włoszek has engaged in the operations of institutions in the Małopolska Region.

With regard to the lapse of the term of the Company Supervisory Board, on 29 May 2024 the Annual General Meeting appointed the Supervisory Board for a new joint term in the following membership: Przemysław Gardocki, Wojciech Golak, Piotr Kaczmarek, Marek Mikuć, Przemysław Rasz, and Piotr Stępniak. Post the AGM, on 29 May 2024, the Supervisory Board of the 12th term selected Mr Przemysław Rasz Chairman of the Supervisory Board, and Mr Piotr Stępniak Deputy Chairman of the Supervisory Board.

New Members of the Supervisory Board became Mr Przemysław Gardocki and Mr Marek Mikuć.

Detailed information about the new members of the Supervisory Board, including their qualifications and experience is presented below as well as posted on the Company's corporate website.

Przemysław Gardocki
Member of the Supervisory Board (independent member)

Przemysław Gardocki is a Legal Counsel, a graduate of the University of Szczecin, Faculty of Law and Administration. Since 2004 he has been running his own law firm, focusing on legal servicing of large construction projects. His law firm specialises particularly in public procurement affairs, medical cases, companies law and broadly understood waste management cases.
Among the projects serviced by Mr Gardocki's law firm were: 'Construction of embankment at the external port in Świoujście' (Gas Terminal) and 'Construction of a container terminal on Ostrów Grabowski, as an extension of infrastructure for multi-modal transshipment at the Dębicki Canal of the Port of Szczecin'.
Currently Mr Gardocki's law firm provides legal services for one of the largest projects in Szczecin, i.e. 'Construction of Szczecin Metropolitan Railway based on the existing sections of railway lines Nos 406, 273, 351'.
In the past, Mr Gardocki also provided legal services to large companies in chemical industry.
He also acted as a key expert for the project of 'Flooding protection in the estuary of the Odra and Vistula Rivers', co-financed by the World Bank.
He sat, for example, at the Supervisory Board of Kemipol Sp. z o.o. with its registered office in Police, as well as acted as Chairman of the Supervisory Board of Miejskie Przedsiębiorstwo Oczyszczania Sp. z o.o. [Waste Management Company] in Szczecin. At the moment, he is a member of the Supervisory Board of Grupa Azoty Polyolefins Spółka Akcyjna in Police.

Marek Mikuć
Member of the Supervisory Board (independent member)

Mr Marek Mikuć is a graduate of the University of Warsaw, Faculty of Law and doctoral studies at SGH Warsaw School of Economics in Warsaw. He also holds an MBA degree awarded by the Higher School of Finance and Management. A licensed securities broker (licence No. 969) and investment adviser (licence No. 92).
Related to the financial market for 30 years. In the 1990s a broker and portfolio manager at brokerage houses of Powszechny Bank Kredytowy and Bank Gospodarki Żywnościowej, as well as PBK Atut TFI.
For over 13 years, from 1999 to 2021, related to the Allianz Group in Poland. Co-founder of Powszechne Towarzystwo Emerytalne Allianz Polska, Member of the Management Board and first Manager of the Open-end Pension Fund. Subsequently, a co-founder of Towarzystwo Funduszy Inwestycyjnych Allianz Polska, acting as Deputy CEO and Investment Director.
In the years 2012–2017, CEO and Investment Director of Open Finance Towarzystwo Funduszy Inwestycyjnych, another project in which he acted as a co-author and co-founder. After the merger of Open TFI with Noble Funds TFI, advisor of the Management Board of Noble Funds TFI.
In the years 2021–2023, Deputy CEO and CEO of Origin TFI and Deputy CEO of AgioFunds TFI. He possesses experience gained at supervisory boards of financial institutions, such as QSecurities or AgioFunds TFI.

On 8 October 2024, the Company received a resignation of Mr Przemysław Gardocki from the function of a Member of the Supervisory Board as of 8 October 2024. With regard to the necessity of supplementing the membership of the Supervisory Board, on 21 November 2024, the Extraordinary General Meeting of Grupa Kęty S.A. passed a resolution on appointing Mr Grzegorz Piwowar Member of the Supervisory Board of Grupa Kęty S.A.

Detailed information about the Member of the Supervisory Board, including his qualifications and experience is presented below as well as posted on the Company's corporate website.

Grzegorz Piwowar
Member of the Supervisory Board (independent member)

Mr Grzegorz Piwowar is a graduate of AGH University of Kraków, Faculty of Electronics, and a post-graduate course in Banking at the School of Entrepreneurship and Management of the University of Economics in Kraków.
He has been related to the financial market for 30 years. He is experienced in the areas of banking, capital market, investment and pension funds as well as brokerage and lease services. He has gained knowledge and experience in management while working for international capital groups in Poland. In the years 1992-2007 he worked at Bank BPH S.A. a subsidiary of the HypoVereinsbank Group. In that time, he managed the Brokerage Office in 1996-2000, and later became Managing Director of the Distribution Area. Between October 2006 and November 2007 he was Member of the Management Board of the Bank.
In the years 2007–2017 Mr Piwowar held the position of Vice CEO of Bank Pekao S.A. belonging to UniCredit Group. In the period from September 2019 to March 2022, he was CEO of Generali Investments Towarzystwo Funduszy Inwestycyjnych S.A.
He has over 20 years' experience as a member of supervisory boards, dealing with ownership supervision of commercial law companies in the financial sector, in compliance with professional corporate governance standards.
He also acted as member of supervisory boards of the following banking sector companies: Górnośląski Bank Gospodarczy S.A. (2002-2004), OJSC UniCredit Bank in Ukraine (2008-2012), Pekao Bank Hipoteczny S.A. (2006-2017), and capital market companies: Dom Inwestycyjny Xelion S.A. (2008-2015), Centralny Dom Maklerski S.A. (2008-2017), Pioneer Pekao Investment Management S.A. (2008-2017), Pekao Pioneer Powszechne Towarzystwo Emerytalne S.A. (2009-2014).
In the years 2006-2009 he was member of the supervisory boards of lease companies at BPH S.A. and Pekao S.A. as well as Biuro Informacji Kredytowej S.A. in the years 2014-2017 and Generali Finance Sp. z o.o. in 2022-2024.
Mr Piwowar is experienced in sitting at audit committees (at Pekao Bank Hipoteczny S.A. and Pioneer Pekao Investment Management S.A.).

With regard to the changes made, the membership of the Supervisory Board of Grupa Kęty S.A. as at 31 December 2024 was as follows:

- Mr Przemysław Rasz – Chairman of the Supervisory Board
- Mr Piotr Stępniak – Deputy Chairman of the Supervisory Board
- Mr Wojciech Golak – Member of the Supervisory Board
- Mr Piotr Kaczmarek – Member of the Supervisory Board
- Mr Marek Mikuć – Member of the Supervisory Board
- Mr Grzegorz Piwowar – Member of the Supervisory Board

By the date of preparing this Report, the membership of the Supervisory Board of Grupa Kęty S.A. has not changed. Detailed information about the particular members of the Supervisory Board is posted on the Company's website.

Competences of the Supervisory Board and information on the method of the Board appointment and operation

The Supervisory Board is composed of five or six members appointed and dismissed by the General Meeting. The term of office of the Supervisory Board is three years. The Supervisory Board Members are appointed for a joint term of office. The General Meeting may dismiss any Member of the Supervisory Board at any time. The membership of the Supervisory Board should comply with the legal regulations providing for the requirement of appointing independent Members of the Supervisory Board. The Supervisory Board elects the Chairman, the Deputy Chairman and, if needed, the Secretary of the Supervisory Board from among its Members. The Chairman of the Supervisory Board convenes and chairs the Supervisory Board meetings and manages it works. If the Chairman is not able to perform his or her duties or is absent, the Deputy Chairman performs the Chairman's duties.

The Supervisory Board meetings are held at least once in each quarter. The Supervisory Board fulfils its tasks and exercises its rights by passing resolutions at meetings or outside of meetings, in compliance with the Company Articles of Association and the Supervisory Board By-law, and through control and advisory activities. The resolutions are passed with a simple majority of votes. In the case of an equal number of votes cast for and against a resolution, the casting vote is exercised by the Supervisory Board Chairman. The Supervisory Board passes resolutions in open voting, unless any of the Supervisory Board Members request secret voting with regard to personal matters. Resolutions may be passed if all Board Members have been invited.

The Supervisory Board's responsibilities include in particular:

1) evaluation of financial statements the Company and the Capital Group, and the reports of the Management Board on the operations of the Company and the Capital Group;
2) assessment of the Management Board motions concerning profit distribution or loss coverage;
3) drafting and submission to the General Meeting of a written annual report for the preceding year (Report of the Supervisory Board);
4) appointment and dismissal of the Management Board Members and determination of their remuneration in accordance with the Remuneration Policy binding at the Company;
5) suspending individual or all Management Board Members in their duties because of important reasons;
6) delegating Members of the Supervisory Board to temporarily perform the duties of the Management Board Members who are incapable of discharging their duties;
7) approval of the Management Board By-law;
8) approval of Consolidated Budgets, Company Budgets, and the Capital Group Strategy;
9) selection of an audit firm to carry out the audit of the Company financial statements;
10) selection of the Supervisory Board adviser;
11) determination of the value of remuneration of the Supervisory Board Members delegated to temporary performance of duties of a Management Board Member, in accordance with the Remuneration Policy binding at the Company;
12) presentation to the General Meeting of recommendations and requests regarding amendments to the Remuneration Policy binding at the Company, within the meaning of the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies, plus introduction of more detail into the Remuneration Policy binding at the Company, upon approval by the General Meeting;
13) preparing the annual Remuneration Report, as required by the Act of 29 July 2005 on Public Offering and Conditions Governing the Introduction of Financial Instruments to Organised Trading, and on Public Companies.

In addition, the Management Board shall obtain the consent of the Supervisory Board before performing any of the following acts by the Company:

1) disposing of and putting into use the Company assets of the value exceeding PLN 50,000,000 (say: fifty million zlotys), except for disposing of and putting into use any assets for the benefit of the companies of the Capital Group or within the ordinary course of business;
2) activities, as a result of which the Financial Debt Limit of the Capital Group will be exceeded jointly for more than PLN 50,000,000 (say: fifty million zlotys) or further increase of the excess level;
3) activities, as a result of which the Off-balance-sheet Debt of the Capital Group will be exceeded jointly for more than PLN 50,000,000 (say: fifty million zlotys) or further increase of the excess level;

4) taking out cash liabilities in the value exceeding PLN 1,000,000 (say: one million zlotys), under the agreements on providing advisory services to the Company, except for taking out liabilities under advisory agreements signed with the companies of the Capital Group;
5) taking out cash liabilities in the value exceeding PLN 12,500,000 (say: twelve and a half million zlotys), in relation to activities which have not been listed in § 14.3 of the Articles of Association, except for liabilities provided for in the Company budget and liabilities taken out within the Company ordinary course of business;
6) creating and joining companies, and taking up or acquiring interest or shares;
7) disposing of the interest or shares vested in the Company of the value exceeding PLN 10,000,000 (say: ten million zlotys), including by encumbering them, except for managing for the benefit of the companies within the Capital Group;
8) granting finance by the Company based on lending agreements or other activities of similar nature for the amount exceeding PLN 1,000,000 (say: one million zlotys) to companies from outside of the Capital Group, except for the cases specified in the approved Company Budget, and except for finance granted within the ordinary course of business;
9) exercising the right of vote on shares or participation interest held by the Company in Key Companies in the matters related to granting a consent for:
   a) disposing of and putting into use the Company assets of the value exceeding PLN 20,000,000 (say: twenty million zlotys), except for disposing of and putting into use any assets for the benefit of the companies of the Capital Group or within the ordinary course of business of a Key Company;
   b) activities, as a result of which the Financial Debt Limit of the Capital Group will be exceeded jointly for more than PLN 50,000,000 (say: fifty million zlotys) or further increase of the excess level;
   c) activities, as a result of which the Off-balance-sheet Debt of the Capital Group will be exceeded jointly for more than PLN 50,000,000 (say: fifty million zlotys) or further increase of the excess level;
   d) creating and joining companies, and taking up or acquiring interest or shares;
   e) disposing of the interest or shares vested in the Company of the value exceeding PLN 10,000,000 (say: ten million zlotys), including by encumbering them, except for managing for the benefit of the companies within the Capital Group;
10) conclusion of an agreement with a member of the Supervisory Board;
11) conclusion of a major agreement with a shareholder of the Company who holds at least 5% (say: five percent) of the total number of votes in the General Meeting;
12) opening or closing a branch.

In 2024, acting pursuant to the Code of Commercial Companies, the Company Articles of Association, and the Company Supervisory Board By-law, the Supervisory Board held 9 meetings, in which 25 resolutions were passed. Additionally, outside of the meetings, in the voting ordered by the Chairman of the Supervisory Board through the means of direct remote communication, 14 resolutions were passed. In the meetings and outside of them, the Supervisory Board passed the total of 39 resolutions.

The principles of the Supervisory Board operation are regulated by the Code of Commercial Companies. The detailed methods of the Supervisory Board operation are determined in the Company Articles and the Supervisory Board By-law, passed by the Supervisory Board, available on the Company's corporate website at: https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/.

Any periodic information for the Supervisory Board, and specifically the information referred to in Article 380^1 of the Code of Commercial Companies, are provided by the Management Board, in the form, with the frequency and at the dates determined by the Supervisory Board.

Committees of the Supervisory Board

The following committees of the Supervisory Board operate at Grupa Kęty S.A.:

- Audit Committee,
- Nomination and Remuneration Committee.

The committees are appointed to make the current work of the Supervisory Board more efficient by preparing, on a current basis, draft decisions of the Supervisory Board concerning its own motions or the motions submitted by the Management Board for examination. The committee members are appointed by virtue of a resolution passed by the Supervisory Board, from among the Supervisory Board Members, and perform their functions until their resignation has been accepted or until their dismissal, in accordance with the appointment procedure.

Pursuant to the Remuneration Policy of the Management Board and Supervisory Board Members, the Members of the Supervisory Board of Grupa Kęty S.A. obtain additional remuneration for work at the Supervisory Board Committees.

Audit Committee of the Supervisory Board

The Audit Committee of the Supervisory Board of Grupa Kęty S.A. was appointed by way of Resolution of the Supervisory Board on 23 September 2004, and it operates in compliance with its By-law, abiding by the internal regulations of Grupa Kęty S.A., and also follows the requirements of the legal regulations, particularly the Act on Statutory Auditors, Audit Firms and Public Supervision (Journal of Laws of 2024, item 1035, as amended; hereinafter referred to as the 'Act'), and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC. The Audit Committee consists of members appointed by the Supervisory Board.

In exercising its competencies and duties, the Committee also follows the 'Recommendations for the functioning of the audit committees' issued by the Office of the Polish Financial Supervision Authority. In accordance with the Act and the By-law of the Audit Committee of the Supervisory Board of Grupa Kęty S.A., the Audit Committee consists of at least three members, with the majority of the Audit Committee Members, including its Chairman, being independent members. The Audit Committee Members possess knowledge and qualifications in accounting or auditing financial statements.

1) In the period from 1 January 2024 to 29 May 2024, the Audit Committee was composed of:

- Piotr Kaczmarek – Chairman of the Audit Committee
- Mr Wojciech Golak – Member of the Audit Committee
- Mr Paweł Niedziółka – Member of the Audit Committee
- Mr Przemysław Rasz – Member of the Audit Committee
- Mr Piotr Stępniak – Member of the Audit Committee
- Ms Anna Włoszek – Member of the Audit Committee

The independence of the particular Members of the Audit Committee, as well as their knowledge in accounting and auditing financial statements, as well as the sector of Grupa KĘTY S.A. operation, have been described below.

- **Mr Piotr Kaczmarek – Chairman of the Audit Committee**

  Mr Piotr Kaczmarek fulfils the statutory independence criteria and possesses knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...].

  Mr Piotr Kaczmarek is highly experienced in seating at Audit Committees of stock-listed companies, including as Chairman of the Audit Committees (Robyg S.A., Grupa Kęty S.A., Ferro S.A., Harper Hygienics S.A, Erbud S.A., VRG S.A., Śnieżka S.A., Develia S.A.). He has also worked for more than a decade as a financial analyst, and was awarded the CFA (Chartered Financial Analyst) title and a securities broker licence.

  Since 2017, he has acted as a Member of the Supervisory Board of Grupa Kęty S.A., which contributed to extending his knowledge of the sector in which the Company operates.

- **Mr Wojciech Golak – Member of the Audit Committee**

  Mr Wojciech Golak fulfils the statutory independence criteria and possesses knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...].

In the period from 2018 to 2022, Mr Wojciech Golak acted as a Member of the Audit Committee of ROBYG S.A. He completed a post-graduate course in banking run by the Collegium of Management and Finance of the SGH Warsaw School of Economics. He also acted as a representative and receiver of KBC Securities N.V. (joint stock company) Branch in Poland.

Mr Wojciech Golak has been acting as a Member of the Supervisory Board of Grupa Kęty S.A. since 2020, which contributed to extending his knowledge of the sector in which the Company operates.

- **Mr Paweł Niedziółka – Member of the Committee**

Mr Paweł Niedziółka fulfils the statutory independence criteria and possesses knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...].

Mr Paweł Niedziółka has 25 years of experience in risk analysis and management with regard to financing business companies, financial assessment of investment projects, structuring of bank financing, and cooperation with financial institutions and auditors. He heads the Financial Risk Management Department at the Institute of Banking of the SGH Warsaw School of Economics, and manages the Structural Financing Team at Bank Millennium S.A. (previously, he was associated with Credit Lyonnais Bank Polska and Bankgesellschaft Berlin). Mr Paweł Niedziółka has been acting as an expert at the Polish Agency for Enterprise Development (PARP), where he has assessed dozens of investment projects. He has also prepared several expert opinions for courts, mainly related to corporate loans valuation. Moreover, he is an author of scientific publications and textbooks devoted to investment projects assessment.

Mr Paweł Niedziółka has been acting as a Member of the Supervisory Board of Grupa Kęty S.A. since 2014, being at the same time a Member of the Audit Committee and the Nomination and Remuneration Committee, which contributed to extending his knowledge of the sector in which the Company operates.

- **Mr Piotr Stępniak – Member of the Audit Committee**

Mr Piotr Stępniak fulfils the statutory independence criteria and possesses knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...].

He also sat at Supervisory Boards of a number of companies, including those listed at the stock exchange. He possesses theoretical expertise in accounting or financial audit within the meaning of Article 129.1 sentence two of the Act of 11 May 2017 on Statutory Auditors, Audit Firms and Public Supervision. He studied accounting and obtained the degree of a Master of Science in Management (MSM) at the Purdue University in the USA. Moreover, he has a Double Major B.A. degree in Management and Economics with Financial Accounting and an Executive Master in Business Administration degree.

Mr Piotr Stępniak has been acting as a Member of the Supervisory Board of Grupa Kęty S.A. since 2017, which contributed to extending his knowledge of the sector in which the Company operates.

- **Mr Przemysław Rasz – Member of the Audit Committee**

Mr Przemysław Rasz fulfils the statutory independence criteria and possesses knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...].

Mr Przemysław Rasz has many years of experience in working at the supervisory bodies of Polish and foreign commercial and production companies, including as the owner's representative. For more than twenty years, he has worked in Polish, European and American civil engineering companies dealing with production, trade and contract performance. He has also managed companies of the construction sector.

Mr Przemysław Rasz has been acting as a Member of the Supervisory Board of Grupa Kęty S.A. since 2020, which contributed to extending his knowledge of the sector in which the Company operates.

- **Ms Anna Włoszek – Member of the Audit Committee**

  Ms Anna Włoszek fulfils the statutory independence criteria, possesses knowledge in the sector of Grupa Kęty S.A. operation, and does not possess knowledge in accounting or auditing financial statements, as referred to in the Act on Statutory Auditors [...].

  Since the beginning of her career, Ms Anna Włoszek has occupied managerial positions at business companies and specialised in public procurement orders. Since 2019, she has been President of the Management Board of Agencja Rozwoju Małopolski Zachodniej S.A.

  Ms Anna Włoszek has been acting as a Member of the Supervisory Board of Grupa Kęty S.A. since 2022, which contributed to extending her knowledge of the sector in which the Company operates.

With regard to the lapse of the term of the Supervisory Board of Grupa Kęty S.A., on 29 May 2024 the Annual General Meeting appointed the Supervisory Board for a new joint term of three years. Post the Annual General Meeting, on 29 May 2024 the Supervisory Board of Grupa Kęty S.A. of the 12th term appointed the Audit Committee consisting of: Mr Wojciech Golak, Mr Piotr Kaczmarek, and Mr Marek Mikuć. From among themselves, the Audit Committee Members appointed Mr Piotr Kaczmarek Chairman of the Audit Committee.

In the period from 29 May 2024 to 31 December 2024, the Audit Committee was composed of:

- Mr Piotr Kaczmarek – Chairman of the Audit Committee
- Mr Wojciech Golak – Member of the Audit Committee
- Mr Marek Mikuć – Member of the Audit Committee

The independence of the particular Members of the Audit Committee, as well as their knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, have been described below.

As regards Mr Piotr Kaczmarek and Mr Wojciech Golak the information regarding fulfilment of the statutory independence criteria and possession of knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...] has not changed.

- **Mr Marek Mikuć – Member of the Committee**

  Mr Marek Mikuć fulfils the statutory independence criteria and possesses knowledge in accounting and auditing financial statements, as well as the sector of Grupa Kęty S.A. operation, as referred to in the Act on Statutory Auditors [...].

  Mr Marek Mikuć is experienced in working at Audit Committees of financial institutions, such as QSecurities or AgioFunds TFI. For over 20 years he has worked as an Asset Manager and Investment Director at investment companies. He possesses the licences of a securities broker and an investment adviser.

By the date of preparing this report, the membership of the Audit Committee has not changed.

Information about the particular Members of the Audit Committee of the Supervisory Board of Grupa Kęty S.A., including their qualifications and experience, is also presented on the Company's corporate website: https://grupakety.com/o-grupie-kety/o-nas/organy-spolki/.

2) The principles of appointing the Audit Committee have been provided in § 10 of the By-law of the Supervisory Board, available on the Company's corporate website: https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/

The principles of operation and the detailed duties of the Audit Committee are determined in the By-law of the Audit Committee of the Supervisory Board of Grupa Kęty S.A., available on the Company's corporate website: https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/

The Audit Committee consists of at least three Members appointed by the Supervisory Board for its term of office from among its Members. The Committee Members appointed by the Supervisory Board elect one of them as the Chairman of the Committee. The Committee Members receive monthly remuneration for the work on the Committee, in compliance with the Remuneration Policy. At least one Committee Member possesses knowledge

and qualifications in accounting or auditing financial statements. Most of the Audit Committee Members, including the Chairman of the Committee, fulfil the independence criteria specified in Article 129.3 of the Act of 11 May 2017 on Statutory Auditors, Audit Companies and Public Supervision, as well as in 'The Best Practice for GPW Listed Companies 2021'. The Audit Committee Members possess knowledge and qualifications related to the industry in which the Company operates. This condition is deemed fulfilled if at least one Committee Member has the knowledge and qualifications related to that industry, or individual Members – within certain areas – have the knowledge and qualifications related to that industry. A Committee Member may be dismissed from the Committee at any time by virtue of a Supervisory Board resolution.

The Committee meetings are opened and chaired by the Committee Chairman or in their absence by another Member of the Committee indicated by the Chairman. The Committee decisions are made in the form of resolutions. The resolutions are passed with an absolute majority of votes. In the event of an equal number of votes for and against a resolution, decisive is the vote of the Chairman, and in their absence – of the other person chairing the Committee meeting, as specified in § 9.1 of the Committee By-law. For the validity of the Committee resolutions proper invitation of all the Committee Members to the Committee meeting is required, or consent to holding a meeting of the Committee without formal convening, in accordance with § 8.7 of the Committee By-law, as well as the presence of at least half of the Committee Members at the Committee meeting. The Committee resolutions do not bind the Supervisory Board.

3) As at 31 December 2024, the tasks of the Audit Committee included supporting the Supervisory Board in the performance of its control and supervisory duties, as well as performance of tasks specified in the generally biding laws, and specifically as regards:

a) monitoring of the financial reporting process, which includes but is not limited to:

- verification of financial statements as to the correctness and completeness of the information provided therein;
- providing opinions on the principles of preparing financial statements and the accounting policy at the Company;
- analysing the reports on the audit of financial statements;

b) monitoring the effectiveness of the internal control, risk management and internal audit systems, which includes but is not limited to:

- assessment of the effectiveness of the particular elements of the systems, including those related to financial reporting and safety of the applied information technologies, and presenting recommendations in that regard to the Supervisory Board;
- analysis of the detected irregularities in the internal control systems and presentation of recommendations in that regard to the Supervisory Board;
- examining reports and recommendations issued by the external regulatory or control authorities, applicable to the compliance of the Company activities with the legal regulations as well as schedules for removing the irregularities detected;

c) monitoring the performance of financial audit activities, in particular carrying out of audits by an audit firm, taking into account any findings and conclusions of the Polish Agency of Audit Supervision arising from the audits carried out at an audit firm, which includes but is not limited to:

- recommending to the Supervisory Board the selection of an audit firm to carry out the audit or review of the Company financial statements;
- providing opinions on the proposed terms of contract with an audit firm with regard to carrying out the audit or review, including the value and limit of remuneration;
- assessing the type and scope of services ordered with an audit firm and the remuneration paid on that account, or other considerations for the benefit of the audit firm, with regard to the risk of a conflict of interest occurrence;
- presenting to the Supervisory Board the conclusions and recommendations resulting from the report on the audit of the financial statements of the Company prepared by an audit firm;
- expressing opinions regarding the activities undertaken by the Company Management Board in relation to the reservations to the financial statements reported by an audit firm or otherwise reported comments with regard to the correctness of the financial statements or the accounting principles of the Company;

- assessing and expressing opinions with regard to the information provided by the audit firm performing the financial audit activities at the Company in reference to major issues related to the activities, including major irregularities in the internal audit system at the Company as refers to financial reporting;

d) controlling and monitoring the independence of the statutory auditor and the audit firm;
e) informing the Supervisory Board about the audit results and explaining how the audit contributed to the fairness of the Company financial reporting, and about the role of the Committee in the auditing process;
f) assessing the independence of the statutory auditor and giving consent to the provision by them of the permitted non-audit services to the Company;
g) developing a policy of selection of an audit firm to carry out the audit of the Company financial statements;
h) developing a policy on the provision of the permitted non-audit services by the audit firm to carry out the audit, the entities related to that audit firm or a member of the audit firm's network;
i) preparing the procedure of selection of an audit firm to carry out the audit of the Company financial statements;
j) presenting recommendations to the Supervisory Board with regard to the selection of an audit firm;
k) presenting recommendations to ensure the integrity of the Company financial reporting process;
l) preparing opinions within the competencies of the Supervisory Board, subject that the generally binding laws and the internal regulations of the Company permit that;
m) performing other tasks resulting from the generally binding laws or tasks entrusted by the Supervisory Board (which may by way of resolution entrust the Committee with the performance of activities other than those specified above, subject that it does not prejudice the generally binding laws).

4) As regards the Audit Committee, the majority of its members, including the Chairman must fulfil the criteria of independence set out in Article 129.3 of the Act on Statutory Auditors, and at least one member of the Audit Committee must possess knowledge and skills in accounting or auditing financial statements.

The Audit Committee Members must also have knowledge and qualifications related to the industry in which the Company operates. The condition is deemed to be fulfilled if at least one Committee Member has the knowledge and qualifications related to that industry, or individual Members – within certain areas – have the knowledge and qualifications related to that industry.

The following Members of the Audit Committee met or still meet the independence criteria referred to in Article 129.3 of the Act on Statutory Auditors: Mr Wojciech Golak and Mr Piotr Kaczmarek – Members of the Audit Committee between 1 January 2024 and 31 December 2024; Mr Marek Mikuć – Member of the Audit Committee between 29 May 2024 and 31 December 2024; Mr Paweł Niedziółka, Mr Przemysław Rasz, Mr Piotr Stępniak, and Ms Anna Włoszek – Members of the Audit Committee between 1 January 2024 and 29 May 2024.

The following Audit Committee Members possess knowledge and skills in accounting or auditing financial statements: Mr Wojciech Golak and Mr Piotr Kaczmarek – Members of the Audit Committee between 1 January 2024 and 31 December 2024; Mr Marek Mikuć – Member of the Audit Committee between 29 May 2024 and 31 December 2024; Mr Paweł Niedziółka, Mr Przemysław Rasz, and Mr Piotr Stępniak – Members of the Audit Committee between 1 January 2024 and 29 May 2024.

The knowledge and skills in the above scope were acquired by the Audit Committee Members by way of graduating from university courses in economics and related fields, post-graduate courses, speciality training and professional experience related to the fulfilment of functions in governing and supervisory bodies of capital companies (which also included sitting at the Audit Committees of the supervisory bodies).

The following Members of the Audit Committee Members have knowledge and qualifications in the industry in which the Company operates: Mr Wojciech Golak and Mr Piotr Kaczmarek – Members of the Audit Committee between 1 January 2024 and 31 December 2024; Mr Paweł Niedziółka, Mr Przemysław Rasz, Mr Piotr Stępniak, and Ms Anna Włoszek – Members of the Audit Committee between 1 January 2024 and 29 May 2024.

In 2024, the Audit Committee held 9 meetings, in which 7 resolutions were passed. Additionally, outside of the meetings, in the voting ordered by the Chairman of the Audit Committee through the means of direct remote communication, 2 resolutions were passed. The Audit Committee passed the total of 9 resolutions. The Audit Committee Members maintained standing contacts with the Company. Moreover, there were held meetings and consultations outside of the formal sessions. The Audit Committee meetings were attended – apart from the

Committee Members – by the invited guests: the Management Board Member/Financial Director, Internal Audit Director, Compliance and Risk Management Director, President of the Management Board of Dekret Centrum Rachunkowe, CSR Director, the representatives of Ernst & Young Audyt Polska spółka z ograniczoną odpowiedzialnością sp.k. audit firm, and the invited employees of the Company. In addition to plenary meetings, the Audit Committee Members also held consultations as part of the Committee's ongoing work.

5) The main topics of the Audit Committee in 2024 included:

- detailed analysis of the draft separate and consolidated financial statements, as part of the public disclosure in the form of the Company interim reports, obtaining from the Management Board of additional information and explanations regarding the statements, and identification of the necessity for any correction, additional explanations or comments;
- monitoring the scope, course and methods of work of the audit firm in relation to the audit of separate and consolidated financial statements of the Company, and audit of the financial statements of the selected subsidiaries of Grupa Kęty S.A. for 2023, and also the review of interim condensed separate and consolidated financial statements of the Company, and review of consolidation packages of the selected subsidiaries of Grupa Kęty S.A. for the first half of 2024;
- monitoring the scope, course and methods of work of the audit firm in relation to the audit of the separate financial statements of Grupa Kęty S.A. for the year ended 31 December 2023, and consolidated financial statements of the Capital Group of Grupa Kęty S.A. for the year ended 31 December 2023, and audit of the financial statements of the selected subsidiaries of Grupa Kęty S.A. for the year ended 31 December 2023, and also the review of interim condensed separate and consolidated financial statements of the Company, and review of consolidation packages of the selected subsidiaries of Grupa Kęty S.A. for the first half of 2024;
- confirmation of the independence of the audit firm, the audit team and the statutory auditors delegated to carry out the audit of the financial statements of the Company for 2023 and the report on the operations of the Company and the Capital Group of Grupa Kęty S.A. in 2023, and review of interim condensed financial statements of the Company for 6 months ending 30 June 2024, and review of the report on the operations of the Capital Group in the first half of 2024;
- receipt from the audit firm of the independence declaration, as well as information on the possible circumstances which may result in an inability to carry out the audit of the Company financial statements;
- analysis of the results of the audit of the financial statements of the Company for 2023, and issue based thereon of a recommendation for the Supervisory Board of the Company with regard to acceptance of a positive opinion on the audit of the aforesaid financial statements, and a recommendation regarding the request of the Supervisory Board to the Annual General Meeting to approve the statements;
- review of ESG reporting and monitoring of works related to Sustainability Statement of Grupa Kęty S.A. attestation for the year ended 31 December 2024;
- report with regard to monitoring the implementation of recommendations issued within the 'Fire safety at GKK' audit task;
- analysis of results and recommendation of an independent company with regard to the performance of IT audit devoted to 'Cloud infrastructure security';
- analysis of the report on the review and update of the Risk Management System at the Capital Group of Grupa Kęty in 2024, including analysis of the updated risk map and justifications of the major changes in the measurement of the particular risks between 2023 and 2024;
- discussion of the status of the project of implementation of a new IFS IT system at the Capital Group of Grupa Kęty S.A.;
- monitoring the manner of the compliance function performance at the Capital Group of Grupa Kęty S.A. in 2024;
- passing of resolution concerning the work plan of the Audit Committee for the year 2025;
- cooperation and monitoring of the internal audit function within the Company organisational structure, and in particular:
- issue of an opinion on the drafted Annual Audit Plan for 2025;
- analysis of the annual Report on Internal Audit Activities in 2023 and semi-annual Report on Internal Audit Activities in 2024;
- discussion of post-audit conclusions and recommendations.

The detailed methods of the Audit Committee operation are determined in the Company Articles and the By-law of the Audit Committee of the Supervisory Board of Grupa Kęty S.A., passed by the Supervisory Board, available on the Company's corporate website https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/.

As at 31 December 2024, the Company had a policy with regard to the selection of and cooperation with an audit firm responsible for carrying out the statutory audit of financial statements, as well as a policy with regard to providing the permitted non-audit services by the audit firm carrying out the audit, the entities related to that audit firm or a member of the audit firm's network.

In accordance with the applicable laws, Grupa Kęty S.A. has its separate and consolidated financial statements reviewed and audited by an audit firm. The selection of an entity authorised to audit the Company financial statements should be carried out on the basis of the following principles.

1. The entity authorised to audit the financial statements shall be selected in a tender procedure by the Supervisory Board of Grupa Kęty S.A. The decision on the selection is taken in the form of a resolution of the Supervisory Board.
2. When selecting a firm authorised to audit the financial statements, the Supervisory Board of Grupa Kęty S.A. follows the binding Policy and Procedure of an audit firm selection.
3. When selecting the entity authorised to audit the financial statements, the Supervisory Board of Grupa Kęty S.A. focuses on the prior experience of the audit firm in auditing financial statements of companies with the profile of operation similar to those of the Grupa Kęty S.A. Capital Group.
4. The selection is made taking into account the principles of impartiality and independence of the audit firm as well as analysis of the projects carried out by the firm at the Company, going beyond the audit of the financial statements, in order to avoid a conflict of interest (preserving impartiality and independence).

The policy and procedure of Grupa Kęty S.A. with regard to the selection of an audit firm to carry out the audit of statutory financial statements are available on the Company's corporate website https://grupakety.com/polityki/.

Main assumptions of the policy on the provision of permitted non-audit services by the audit firm carrying out the audit, the entities related to that audit firm or a member of the audit firm's network

1. The Company does not order any prohibited non-audit services in the following periods:
   a. in the period from the commencement of the respective audited period to the issue of the audit report; and
   b. in the reporting year directly preceding the period referred to in letter a), in reference to the services listed in Section 3 letter e).
2. The Company may order non-audit services, other than the prohibited non-audit services, subject to their approval by the Audit Committee and after carrying out of the respective assessment of threats and assuring independence in compliance with Article 22b of Directive 2006/43/EC.
3. Prohibited non-audit services are understood to be the services listed below, in accordance with the **REGULATION (EU) No 537/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL**:
   a. tax services relating to:
      i. preparation of tax forms,
      ii. payroll tax,
      iii. customs duties,
      iv. identification of public subsidies and tax incentives unless support from the statutory auditor or the audit firm in respect of such services is required by law,
      v. support regarding tax inspections by tax authorities unless support from the statutory auditor or the audit firm in respect of such inspections is required by law,
      vi. calculation of direct and indirect tax and deferred tax,
      vii. provision of tax advice;
   b. services that involve playing any part in the management or decision-making of the audited entity;
   c. bookkeeping and preparing accounting records and financial statements;
   d. payroll services;
   e. designing and implementing internal control or risk management procedures related to the preparation and/or control of financial information or designing and implementing financial information technology systems;

f. valuation services, including valuations performed in connection with actuarial services or litigation support services;
g. legal services, with respect to:
   i. the provision of general legal advice,
   ii. negotiating on behalf of the audited entity; and
   iii. acting in an advocacy role in the resolution of litigation;
h. services related to the audited entity's internal audit function;
i. services linked to the financing, capital structure, capital allocation, and investment strategy of the audited entity, except providing assurance services in relation to financial statements, such as issuing comfort letters in connection with prospectuses published by the audited entity;
j. promoting, trading in one's name in, or underwriting shares of the audited entity;
k. human resources services, with respect to:
   i. management staff who can exert significant influence on preparing accounting records or financial statements subject to statutory audit, where such services involve:
      - searching for or seeking out candidates for such position; or
      - undertaking reference checks of candidates for such positions;
   ii. design of the organisational structure, and
   iii. cost control.

The current policy of Grupa Kęty S.A. with regard to providing the permitted non-audit services by the audit firm carrying out the audit, by entities related to that audit firm and by a member of the audit firm's network is available on the Company's corporate website https://grupakety.com/polityki/.

In 2024, the audit firm carrying out the audit of the financial statements of Grupa Kęty S.A. also provided permitted non-audit services. Following the analysis of the conclusions presented by the Internal Audit Director with regard to the particular non-audit services and getting acquainted with the statutory auditor's information on independence with regard to the provision of non-audit services, the Audit Committee did determine any risk of losing independence by the statutory auditor and issued its consent to the provision of the services.

Nomination and Remuneration Committee of the Supervisory Board

The Remuneration Committee of Grupa Kęty S.A. was established by way of Resolution of the Supervisory Board of 19 May 2005. By way of Resolution dated 5 June 2019, the Supervisory Board of Grupa Kęty S.A. changed the name of the Remuneration Committee into the Nomination and Remuneration Committee ('N&RC') and passed the Committee By-law. The main competencies of the Nomination and Remuneration Committee include the control and supervision of the system of remuneration of the Management Board of Grupa Kęty S.A., presenting recommendations to the Supervisory Board in reference to a candidate or candidates to act as the Management Board Members, as well as instigation and carrying out recruitment procedures with the aim to find candidates to act as the Management Board Members.

1) In the period from 1 January 2024 to 29 May 2024, the Nomination and Remuneration Committee was composed of:

- Piotr Stępniak – Chairman of the Nomination and Remuneration Committee
- Wojciech Golak – Member of the Nomination and Remuneration Committee
- Piotr Kaczmarek – Member of the Nomination and Remuneration Committee
- Paweł Niedziółka – Member of the Nomination and Remuneration Committee
- Przemysław Rasz – Member of the Nomination and Remuneration Committee
- Anna Włoszek – Member of the Nomination and Remuneration Committee

With regard to the lapse of the term of the Company Supervisory Board, on 29 May 2024 the Annual General Meeting appointed the Supervisory Board for a new joint term of three years. Post the Annual General Meeting, on 29 May 2024, the Supervisory Board of Grupa Kęty S.A. appointed the Nomination and Remuneration Committee consisting of: Mr Przemysław Gardocki, Mr Przemysław Rasz, and Mr Piotr Stępniak. From among themselves, the Nomination and Remuneration Committee Members appointed Mr Przemysław Rasz Chairman of the Committee.

In the period from 29 May 2024 to 8 October 2024, the Nomination and Remuneration Committee was composed of:

- Mr Przemysław Rasz – Chairman of the Nomination and Remuneration Committee
- Mr Przemysław Gardocki – Member of the Nomination and Remuneration Committee
- Mr Piotr Stępniak – Member of the Nomination and Remuneration Committee

On 8 October 2024, the Company received a resignation of Mr Przemysław Gardocki from the function of a Member of the Supervisory Board as of 8 October 2024. With regard to the necessity of supplementing the membership of the Nomination and Remuneration Committee, on 10 October 2024 the Supervisory Board passed a resolution on appointing Mr Wojciech Golak Member of the Nomination and Remuneration Committee of Grupa Kęty S.A.

Therefore, in the period from 10 October 2024 to 5 December 2024, the Nomination and Remuneration Committee was composed of:

- Mr Przemysław Rasz – Chairman of the Nomination and Remuneration Committee
- Mr Wojciech Golak – Member of the Nomination and Remuneration Committee
- Mr Piotr Stępniak – Member of the Nomination and Remuneration Committee

On 5 December 2024, Mr Wojciech Golak resigned from the membership at the Nomination and Remuneration Committee. With regard to the necessity of supplementing the membership of the Nomination and Remuneration Committee, on 5 December 2024 the Supervisory Board passed a resolution on appointing Mr Grzegorz Piwowar Member of the Nomination and Remuneration Committee of Grupa Kęty S.A.

Therefore, in the period from 5 December 2024 to 31 December 2024, the Nomination and Remuneration Committee was composed of:

- Mr Przemysław Rasz – Chairman of the Nomination and Remuneration Committee
- Mr Grzegorz Piwowar – Member of the Nomination and Remuneration Committee
- Mr Piotr Stępniak – Member of the Nomination and Remuneration Committee

By the date of preparing this report, the membership of the Nomination and Remuneration Committee has not changed.

2) The basis for appointing the Nomination and Remuneration Committee have been provided in § 10 of the By-law of the Supervisory Board, available on the Company's corporate website https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/.

3) The principles of operation and the detailed duties of the Nomination and Remuneration Committee are determined in the By-law of the Nomination and Remuneration Committee of the Supervisory Board of Grupa Kęty S.A., available on the Company's corporate website: https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/.

4) The tasks of the Committee include supporting the Supervisory Board in the performance of its control and supervisory duties, as well as performance of tasks specified in the generally biding laws, and specifically:

a) as regards the Management Board Members nominations:
   - carrying out recruitment procedures with the aim to find candidates to act as the Management Board Members;
   - presenting recommendations to the Supervisory Board in reference to the structure, size and membership of the Management Board;

b) as regards remuneration:
   - analysing the Management Board Members' remuneration system, which includes analysing all components of the remuneration due and paid to the Management Board members, as well as carrying out a comparative analysis in reference to other entities operating on the market of similar scale and profile of operation (if available), and presenting recommendations in that regard to the Supervisory Board;
   - if the General Meeting authorises the Supervisory Board to specify the elements of the Remuneration Policy with more detail in accordance with the binding laws, presenting recommendations and proposals of the detailed scope to the Supervisory Board;

– presenting recommendations and proposals to the Supervisory Board in reference to the data and information included in the annual report on remuneration prepared by the Supervisory Board in accordance with the applicable laws.

In 2024, the Nomination and Remuneration Committee held 7 meetings, in which 9 resolutions were passed. Additionally, outside of the meetings, in the voting ordered by the Chairman of the Nomination and Remuneration Committee through the means of direct remote communication, 5 resolutions were passed. The Nomination and Remuneration Committee passed the total of 14 resolutions.

The Nomination and Remuneration Committee Members maintained standing contacts with the Company. The Nomination and Remuneration Committee meetings were attended – apart from the Committee Members – by the invited guests: President of the Management Board, the Management Board Member/Financial Director, and the invited employees of the Company. In addition to plenary meetings, the Nomination and Remuneration Committee Members also held consultations as part of the Committee's ongoing work.

5) The main topics of the Nomination and Remuneration Committee in 2024 included:

- recommendation to the Supervisory Board with regard to voiding the former and adopting new Rules of the Management Options Plan Performance at Grupa Kęty S.A. with its registered office in Kęty in the years 2020–2028;
- recommendation to the Supervisory Board to adopt the incentive principles for the Members of the Management Board of Grupa Kęty S.A. for the year 2024;
- recommendation to the Supervisory Board with regard to amending the principles of remuneration of the Management Board Members in the year 2024, including:
  - determination of financial criteria for the particular Management Board Members depending on the level of exceeding the budgeted EBITDA and net profit of the Capital Group of Grupa Kęty S.A. (applicable to all Management Board Members) and the budgeted EBITDA and net profit of the respective Segments (applicable to the Management Board Members in charge of Segments);
  - determination of incentive criteria for the Management Board Members with regard to personal goals attainment and determination of incentive criteria for the Management Board Members on account of non-financial objectives performance;
- verification of the calculation of the annual incentive for the Members of the Management Board of Grupa Kęty S.A. for 2023 and submission of the related recommendation to the Supervisory Board;
- recommendation to the Supervisory Board regarding adoption of the Report on the Remuneration of the Management Board and Supervisory Board Members of Grupa Kęty S.A. for the year 2023;
- recommendation to the Supervisory Board of positive opinion with regard to the request of the Management Board applicable to the issue of E and F series registered subscription warrants entitling to the take-up of L series ordinary bearer shares of the Company, conditional increase of the Company share capital by way of issue of L series ordinary bearer shares, and exclusion of the rights issue for the existing shareholders in reference to both the shares and the warrants, in order to enable L series shares take-up by the Management Options Plan participants, as well as amendment to the Company Articles of Association by way of inclusion in the text of the Articles of the conditional share capital increase through the issue of L series shares;
- recommendation to the Supervisory Board with regard to adoption of the Rules of the Management Options Plan Performance at Grupa Kęty S.A. with its registered office in Kęty in the years 2023–2028;
- recommendation to the Supervisory Board with regard to the performance of the Management Options Plan at the Company;
- recommendation to the Supervisory Board with regard to amending the principles of remuneration of the Management Board Members;
- recommendation to the Supervisory Board with regard to appointment of Roman Przybylski President of the Management Board of the 12th term, and amendment to the principles of remuneration;
- recommendation to the Supervisory Board with regard to entering into a non-competition agreement with the President of the Management Board of the 12th term.

Competences of the Nomination and Remuneration Committee and information on the method of the Committee appointment and operation

The Committee consists of at least three Members appointed for the term of the Supervisory Board. The Committee Members are appointed by virtue of a resolution passed by the Supervisory Board, from among the Supervisory Board Members, and perform their functions until their resignation has been accepted or until their dismissal, in accordance with the appointment procedure. The Committee appoints a Chairman of the Committee

from among the Committee Members, by way of a resolution. The Committee Members receive monthly remuneration for the work on the Committee, in compliance with the Remuneration Policy.

The Committee meetings are opened and chaired by the Committee Chairman or in their absence by another Member of the Committee indicated by the Chairman. The Committee decisions are made in the form of resolutions. The resolutions are passed with an absolute majority of votes. In the event of an equal number of votes for and against a resolution, decisive is the vote of the Committee Chairman, and in their absence – of the other person chairing the Committee meeting, as specified in § 7.1 of the Committee By-law. For the validity of the Committee resolutions passed at the Committee meeting, proper invitation of all of the Committee members to the Committee meeting is required, or consent to holding a meeting of the Committee without formal convening, in accordance with § 6.7 of the Committee By-law, as well as presence of at least half of the Committee members at the meeting. The Committee resolutions do not bind the Supervisory Board.

The detailed methods of the Nomination and Remuneration Committee operation are determined in the Company Articles and the Nomination and Remuneration Committee By-law passed of the Supervisory Board, which are available on the corporate website at: https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/.

10.5 Management Board of Grupa Kęty S.A.

In the period from 1 January 2024 to 31 December 2024, the Management Board of Grupa Kęty S.A. was composed of:

- Dariusz Mańko – President of the Management Board
- Roman Przybylski – Vice President of the Management Board
- Rafał Warpechowski – Member of the Management Board
- Piotr Wysocki – Member of the Management Board
- Tomasz Grela – Member of the Management Board

The internal distribution of responsibility among the particular Members of the Company Management Board valid as at the date of this Report publication is presented in the chart below.

CHART 12: THE INTERNAL DISTRIBUTION OF RESPONSIBILITY AMONG THE PARTICULAR MEMBERS OF THE COMPANY MANAGEMENT BOARD VALID AS AT THE DATE OF THIS REPORT PUBLICATION

Internal distribution of responsibility for the particular areas of the Company operations among the Management Board Members

Dariusz Mańko	Roman Przybylski	Rafał Warpechowski	Piotr Wysocki	Tomasz Grela
President of the Management Board CEO	Vice President of the Management Board in charge of Investments and Development	Member of the Management Board in charge of Finance	Member of the Management Board in charge of the Extruded Products Segment	Member of the Management Board in charge of the Aluminium Systems Segment
• Directing the Management Board's work • Coordination of the operating segments activities • Sustainable development (ESG) • Human resources (HR) and occupational health and safety (OHS) • Internal audit • Legal service • Dialogue with the stakeholders • Supervision of strategic affairs at the Flexible Products Segment (FPS)	• Supervision of sales strategy implementation and creation of sales strategies in new areas • Creation of development strategies, including through mergers and acquisitions (M&A) projects • Creation and supervision of investment strategy • Cooperation with other operating segments	• Accounting and statutory reporting • Controlling and management reporting • Treasury and insurance affairs • IT • Risk (ERM) and compliance management • Investor relations (IR) • Corporate supervision and capital investments • Supervision of strategic affairs of the Shared Services Centre (accounting and payroll services) and cooperation with other operating segments	• Supervision and implementation of strategic and operational affairs at the Extruded Products Segment (EPS) • Energy policy • Cooperation with other operating segments	• Supervision and implementation of strategic and operational affairs at the Aluminium Systems Segment (ASS) • Cooperation with other operating segments

By the date of preparing this report, the membership of the Management Board of Grupa Kęty S.A. has not changed.

Detailed information about the particular Members of the Management Board, including their qualifications and experience is presented below as well as posted on the Company's corporate website https://grupakety.com/o-grupie-kety/o-nas/organy-spolki/.

Dariusz Mańko
President of the Management Board & Chief Executive Officer

Dariusz Mańko is a graduate of the University of Agriculture in Poznań and a post-graduate course in Company Finance Management at the University of Economics in Katowice. He also took part in a number of domestic and foreign courses in management and marketing. In the years 1993–1996 he worked for SAPA POLAND, a company owned by the Swedish SAPA concern, first as a Sales Representative and later as Sales and Marketing Manager. His career at Grupa Kęty S.A. started in 1996. In the years 1996–1999 he was Manager of Grupa Kęty S.A. Stamping Plant (former ZML Kęty). From 1999 to 2005 he held the position of the President of the Management Board and CEO of Aluprof S.A. In the years 2000–2005 he was also Member of Grupa Kęty S.A. Management Board. He was elected President of the Management Board on 3 August 2005.

Mr Mańko is a co-father of key investment programmes for the years 2004–2025, of the total value of PLN 4.3 billion, which brought Grupa Kęty S.A. not only fast engineering development, but also permanent competitive advantage, contributing to achieving record results in 2022. He has also been a co-creator of the Company's and Capital Group's development strategy thanks to which the image of Grupa Kęty S.A. as one of the fastest developing production companies in the aluminium sector has been built. His competence in management has been recognised in the most prestigious rankings (in 2024 he received the statue of the Bull and Bear from the editors of the *Parkiet* magazine in the category of the 'CEO of the Year', and in the ranking of the 'Polish Stock Exchange TOP30 CEOs Valuation' he was ranked 11th. In the category of managerial competences he was honoured with the highest rank of 10 points).

Roman Przybylski
Vice President of the Management Board, Investments and Development Director

Mr Roman Przybylski graduated from the Krakow University of Economics, Faculty of International Management. He also completed executive education programmes organised by Cambridge Judge Business School and Stanford University Graduate School of Business. In 2003 he joined the Nowy Styl Capital Group. In the years 2006-2009 he was Member of the Management Board of Baltic Wood S.A., Nowy Styl Strategy and Business Development Director, with duties that included building foreign sales structures, as well as Managing Director of the Nowy Styl brand in charge of the whole commercial area. In 2009, he became Member of the Management Board of Nowy Styl, responsible for all sales, marketing and product management functions. Moreover, he was co-responsible for acquisition processes, and further for restructuring and integration of the foreign companies taken over by the Capital Group (in Germany, Switzerland, the Netherlands, and France). In March 2023 he became Vice President of the Management Board of Nowy Styl International. Since 1 January 2024 he has been Vice President of the Management Board, Director for Investments and Development of Grupa Kęty S.A. On 5 December 2024 he was appointed President of the Management Board of the 12th term with effect on the day next following the expiry of the term of office of the Members of the Management Board of the current term, i.e. post the Annual General Meeting of the Company which is to approve the financial statements of the Company for the year 2024.

Rafał Warpechowski
Member of the Management Board, Financial Director

Mr Rafał Warpechowski is a graduate of the Warsaw University of Technology, Faculty of Civil Engineering. In 1996, he obtained a Master of Business Administration degree. In 2011 he completed the qualification process of ACCA (the Association of Chartered Certified Accountants). Mr Warpechowski has been gaining his professional experience in finance, planning, reporting, management information systems and investor relations for many years at international capital groups listed on the Warsaw Stock Exchange. He has been Member of the Management Board and Financial Director of Grupa Kęty S.A. since 1 October 2019. In the years 2008–2018 Mr Warpechowski was Executive Director for Planning and Reporting at Grupa ORLEN, in the years 2003–2008 he was responsible for the area of accounting at Telekomunikacja Polska (present Orange Polska), in the years 1998–2003 he was Financial Director for Planning and Development at Grupa Impexmetal, and in 1996–1998 he worked at PriceWaterhouse consultants. He held functions in the governing bodies of a number of companies of the aforesaid capital groups, including President of the Management Board of ORLEN Corporate Services Centre, Member of the Management Board of UNIPETROL Services, Deputy Chairman of the

Supervisory Board of ORLEN Paliwa, Member of the Supervisory Boards of UNIPETROL and TP Emitel. He has also been sitting at Supervisory Boards of the companies of Grupa Kęty Capital Group, namely Aluprof S.A., Alupol Packaging S.A., Selt Sp. z o.o., Aluform Sp. z o.o.

Piotr Wysocki
Member of the Management Board & Deputy Chief Executive Officer

Mr Piotr Wysocki has a master's degree in engineering. He graduated from the University of Agriculture and Technology in Olsztyn, Faculty of Civil Engineering. He also took a post-graduate course at the University of Economics in Katowice. Before joining Grupa Kęty S.A., in the years 1996–2000, he worked at Hydro Aluminium Chrzanów Sp. z o.o., a subsidiary of the Hydro Aluminium international concern. He joined Grupa Kęty S.A. in 2000, starting his career as Sales Director. Then, in the years 2002–2008, he held the position of Director of the Extruded Products Segment of Grupa Kęty S.A. Since 2008 he has been acting as Deputy CEO of Grupa Kęty S.A. Along with that function, he has been acting as President of the Management Board of the subsidiary Aluform Sp. z o.o. He has been Member of the Management Board of Grupa Kęty S.A. since 1 January 2018.
Mr Wysocki is a co-father and facilitator of key investment projects at the Extruded Products Segment where production capacity has grown to 125,000 tons a year. As a Deputy CEO of Grupa Kęty S.A. he has been one of the initiators of establishing the Polish Aluminium Association to represent the interests of the largest aluminium companies and associate dozens of partners from the Polish aluminium sector business environment.

Tomasz Grela
Member of the Management Board

Mr Tomasz Grela is a graduate of the Silesian University of Technology in Gliwice, Faculty of Civil Engineering, with major in Technology and Management in the Construction Business. He also took a post-graduate course in Business Management at the University of Economics in Katowice. Prior to joining the Capital Group of Grupa Kęty S.A. he worked as a Sales Director and Logistics Director at Farmacol S.A. and was Marketing Team Manager at DOMBUD S.A.
He started his career at the Grupa Kęty S.A. Capital Group in 2002. In 2002–2006 he was Director for Operations and Member of the Management Board of Metalplast Bielsko S.A. In 2004–2008 he acted as President of the Management Board of Metalplast Stolarka Sp. z o.o. He has been President of the Management Board and CEO of Aluprof S.A. since 2008. On 1 January 2018 he was elected Member of the Management Board of Grupa Kęty S.A.
Mr Grela has been in charge of many key projects at Aluprof S.A., including construction of an independent Research and Innovation Centre with the largest in Central and Eastern Europe chamber for testing the physical properties of curtain walls, and construction of fire-rated glass production plant under the brand of Glassprof Sp. z o.o. Under his rule Aluprof S.A. has been awarded the 'Market Leader in Joinery' title 15 times year over year, and also many times the title of 'Golden Building Brand'. His competences in management have been honoured in prestigious rankings ('Creator of the Construction Business' and 'Personality of the Sector' in the Poland-wide competition held by the Builder magazine for the construction, architecture and business sectors).

Competences of the Management Board and information on the method of the Board appointment and operation

The Management Board consists of two to five Members, including the President of the Management Board. The President of the Management Board and other Members of the Board are appointed and recalled by the Supervisory Board. The term of office of the Management Board Members is three years. The Management Board Members are appointed for a joint term of office. If the membership of the Management Board no longer complies with the requirements of the Articles, the Supervisory Board shall immediately pass a resolution on changing the membership of the Management Board.

The Management Board runs the affairs of the Company and represents it. The Company is represented by two Members of the Management Board or one Member of the Management Board jointly with a proxy. Any matters related to running the affairs of the Company, which have not been reserved by the Articles or by law for the General Meeting or the Supervisory Board, fall within the competencies of the Management Board.

The methods of the Management Board functioning are determined in detail in the Management Board By-law. The By-law is passed by the Management Board and approved by the Supervisory Board. Acting by the Management Board Members as members of the management boards or supervisory boards of companies outside of the Capital Group requires consent of the Supervisory Board.

The resolutions of the Management Board are passed with absolute majority of votes. In the event of an equal number of votes for and against a resolution, decisive is the vote of the President of the Management Board. The following matters require a resolution of the Management Board:

a) receiving and presenting to the General Meeting the annual reports on the operations of the Company and the Capital Group, financial statements, and consolidated financial statements of the Capital Group;
b) presenting motions to the General Meeting, along with the opinion of the Supervisory Board, in the following matters:
   - resolutions regarding profit distribution or loss coverage;
   - change of the Company line of business;
   - amendment of the Articles;
   - share capital increase or decrease if the increase or decrease takes place in the manner requiring a resolution of the General Meeting;
   - merger, split or transformation of the Company;
   - winding-up and liquidation of the Company;
   - issue of share-convertible bonds;
   - sale or lease of the enterprise or its organised part, or encumbering thereof with a limited right in property;
   - disposing of interest or shares vested in the Company of the value exceeding PLN 100,000,000 (say: one hundred million zlotys), including by encumbering them, except for disposal for the benefit of the companies within the Capital Group;
   - any provisions related to claims for damages incurred at the moment of founding the company, or management or supervision of the Company;
   - determination of the date of acquiring the right to dividend and dividend payout date;
   - passing resolutions regarding the Company shares redemption;
c) convening ordinary or extraordinary General Meetings:
   - on the Management Board's own initiative;
   - at a written request of the Supervisory Board;
   - at a written request of the shareholders representing at least one twentieth of the share capital;
d) division of duties among the Management Board members;
e) establishment of the Company organisational regulations or organizational structure, as well as creation or closure of branches, departments, plants and other separated business units of the Company as regards the level of positions or organisational units of the Company which report directly to a member of the Management Board;
f) granting and recalling proxy rights and powers of attorney;
g) adoption of the Company work regulations and rules applicable to the corporate payroll, awards and bonus systems as well as the Corporate Social Benefits Fund;
h) approval of consolidated budgets, the Company budgets, and strategy of the Capital Group;
i) granting donations;
j) making decisions on group redundancies;
k) disposing of or putting into use the Company assets of the net book value or market value exceeding PLN 200,000.00 (say: two hundred thousand zlotys) except for disposing of or putting into use any assets for the benefit of the companies of the Capital Group or within the ordinary course of business of the Company; as well as liquidation of property, plant and equipment (except for computer sets, laptops, dies, inserts, mounts, bolsters, rings, stamps, transfer moulds, adapters, sleeves and punchers) of the initial value exceeding PLN 10,000.00;
l) taking out cash liabilities in the value exceeding PLN 12,500,000 (say: twelve and a half million zlotys), except for liabilities provided for in the Company budget and liabilities taken out within the Company ordinary course of business, and referring to the purchase of primary aluminium, aluminium billets, electric energy, methane-rich gas, and heat;

m) taking out cash liabilities in the value exceeding PLN 1,000,000.00 (say: one million zlotys), in relation to activities which have not been listed in § 14.3 of the Articles, except for liabilities included in the Company budget and liabilities taken out within the ordinary course of business of the Company;

n) taking out cash liabilities in one-off value exceeding PLN 200,000.00 (say: two hundred thousand zlotys), under the agreements on providing advisory services to the Company, except for liabilities under the advisory agreements signed with the companies of the Capital Group;

o) any other matters requiring the consent of the Supervisory Board under § 14.3 of the Articles;

p) referring to the Supervisory Board with a request for opinion in any matter determined by the Management Board;

q) entering into significant transactions within the meaning of the Act on Public Offering, except for transactions for which the Act on Public Offering excludes the duty of obtaining the consent of the Supervisory Board or the General Meeting;

r) undertaking activities related to internal audit, whereas resolutions in the matters listed below are passed upon prior approval of the Supervisory Board in the respective matter:
   - approval of the Internal Audit Rules,
   - approval of the Annual Internal Audit Plan in reference to risk analysis,
   - approval of the Long-term Internal Audit Plan,
   - approval of the Internal Audit budget and plan of resources,
   - ordering an ad hoc audit task,
   - appointment and recall of the Internal Audit Director,
   - approval of remuneration or any other compensation for the Internal Audit Director which does not result from internal rules or other procedures binding at the Company;

s) approval of the Management Board assessment of the effectiveness of internal audit functioning at the Company, along with a respective report, and presenting it to the Supervisory Board.

For the Supervisory Board, the Management Board prepares information on:

a) the Management Board resolutions and their subject matter;

b) the standing of the Company, including the Company assets, as well as important circumstances with regard to running the Company affairs, particularly in the operations, investments and human resources areas;

c) progress in the execution of the set-out directions for the Company development, whereas the Management Board shall identify departures from the previously assumed directions, as well as provide the departure justification;

d) transactions and other events or circumstances, which have a major impact or may have a major impact on the financial standing of the Company, including its profitability or liquidity;

e) changes to the information previously provided to the Supervisory Board, if the changes have a major impact or may have a major impact on the standing of the Company.

Performance of the information duties referred to above takes place on the principles specified in the Management Board By-law. The Management Board prepares information regarding the remuneration of the Management Board and Supervisory Board members and forwards it to the General Meeting, in order to include the information in the remuneration policy of the Management and Supervisory Boards members.

The Management Board members act at the same time as managers in accordance with the scope of duties specified in the organisational regulations of the Company and assume full liability for the performance of the duties.

Unless the By-law provides otherwise, the Management Board acts within its competencies as a collective body and makes decisions in the form of resolutions, in accordance with the provisions of the By-law. The detailed method of conducting meetings and voting on the Management Board resolutions is determined by the Articles and the generally binding laws, in consideration of the provisions of the Management Board By-law.

The Management Board passes resolutions in open voting. Passing a resolution in secret voting is possible solely if so provided by the generally binding laws. An outvoted member of the Management Board may attach to a resolution of the Management Board passed with the majority of votes their written justified opinion contrary to the resolution passed.

The meetings of the Management Board are held when needed, but at least once a month. The Management Board meetings are convened by the President of the Management Board on their own initiative or at a request of another member of the Management Board. The President of the Management Board may authorise another member of the Management Board to convene the Management Board meetings on their behalf. In the absence of the President of the Management Board, the Chairman of the Supervisory Board may authorise another member of the Management Board to convene the Management Board meetings. The Management Board meeting may be held without formal convening if all Management Board members are informed about such meeting and its agenda in advance, and express their consent before the meeting commencement.

The Management Board members may participate in the meeting or vote through the means of direct remote communication, in a manner enabling simultaneous communication in real time and mutual identification among all Management Board members participating in the meeting and voting (e.g. a video conference, a teleconference).

The resolutions of the Management Board may be passed if at least half of the Board members are present at the meeting and all members of the Management Board have been invited. No resolution which has not been included in the meeting agenda may be passed, unless all Management Board members are present at the meeting and none of them objects against the matter in writing. The principles of holding the meetings and voting in them are regulated by the Management Board By-law.

The Management Board may pass resolutions outside of a meeting, in written mode or with the use of business e-mails, on the principles and in the manner specified in the Management Board By-law.

The By-law also comprises the principles of minutes taking in the Management Board meetings as well as passing resolutions. For the purpose of execution of the Management Board resolutions, the President of the Management Board may issue directives and procedures. The Management Board By-law imposes on the Management Board Members the duty to abide by the corporate governance procedures and principles adopted by the Company.

If a Member of the Management Board considers that any decision of the Management Board prejudices the interest of the Company, they shall request inclusion of their separate opinion in the respective matter in the Management Board meeting minutes.

A resolution of the Management Board may also be required for matters other than listed above, as proposed by the Management Board Members. The managing persons have no right to decide on the issue or redemption of shares but only to initiate actions in that regard.

In 2024, the Management Board held 48 meetings, in which 125 resolutions were passed.

The principles of the Management Board operation are regulated by the Code of Commercial Companies. The detailed methods of the Management Board operation are determined in the Company Articles and the Management Board By-law passed by the Management Board and approved by the Supervisory Board, available on the Company's corporate website at https://grupakety.com/relacje-inwestorskie/lad-korporacyjny/dokumenty-spolki/.

10.6 Amendments to the Company Articles of Association

Any amendment to the Articles of Association requires a resolution of the General Meeting passed with the majority of 3/4 of votes, and the amendment must be entered in the National Court Register (Article 430 of the Code of Commercial Companies). Reporting of the amendment to the Articles is the responsibility of the Company Management Board. The Management Board is obliged to report an amendment to the Articles within three months of the adoption of the respective resolution.

10.7 Information on the issued securities and limitations in the exercise of the right of vote, and transfer of ownership rights

Holders of securities with special control powers

The Company has not issued any securities with special control powers. The Company Articles of Association do not provide for any powers in that regard. The shares of Grupa Kęty S.A. are ordinary bearer shares. Each share entitles its holder to one vote at the General Meeting.

Indication of any limitations with regard to the exercise of the right of vote

The Company has not introduced any special limitations on the exercise of the right of vote. The Company Articles of Association do not provide for any limitations in that regard.

Restrictions on the transfer of securities ownership rights

The transfer of ownership rights with regard to the securities issued by the Company is not restricted. The Company Articles of Association do not provide for any limitations in that regard.

In 2024 the Company issued 88,000 D series warrants entitling to the acquisition of K series shares, as well as 90,000 E series warrants entitling to the acquisition of L series shares with regard to the performance of the incentive plan for the key employees of the Capital Group. The warrants were issued in the registered form without the right to dispose of them for the benefit of other people.

10.8 Diversity Policy with regard to the managing and supervisory bodies of Grupa Kęty S.A.

Grupa Kęty S.A. has not implemented a diversity policy with regard to the members of the Company managing and supervising bodies, which would be approved by the Supervisory Board and the General Meeting. The Company has not limited or discriminated the candidates to the said bodies in any respect. The appointment of the Management Board and Supervisory Board Members is made particularly based on their subject-matter knowledge, competence and experience.

10.9 Internal control and risk management systems in the process of financial statements preparation

The Management Board of Grupa Kęty S.A. is responsible for the development and implementation of appropriate, effective and efficient internal control and risk management systems in relation to the process of preparing financial statements. The Financial Division, supervised by the Member of the Management Board of Grupa Kęty S.A. acting as the Financial Director (CFO), is responsible for the preparation of financial statements, interim financial reporting and provision of management information.

The financial statements are prepared by Dekret Centrum Rachunkowe sp. z o.o., a wholly-owned subsidiary of Grupa Kęty S.A. Dekret employs accounting specialists whose knowledge is supported with the required certificates and education as well as adequate experience needed to properly keep the book of accounts and prepare statements.

Grupa Kęty S.A. adopted the Accounting Policy conforming to the International Financial Reporting Standards, the chart of accounts and reporting databases, having regard for the format and detailed nature of the financial figures presented in financial statements.

The aim of the internal control system within the process of preparing financial statements is to ensure accurate, complete and correct accounting for all business transactions in a given period. The system is based on the division of duties, the approval of transactions and data on multiple levels, and verification of correctness of data.

Additionally, in accordance with the binding legal regulations, the Company has its financial statements audited (annual statements) or reviewed (semi-annual statements) by an independent statutory auditor. The statutory auditor is selected by the Supervisory Board from among the established audit firms, based on the Audit Committee recommendations. Within the audit work, the statutory auditor provides an independent assessment of the fairness and correctness of separate and consolidated financial statements and takes into account the efficiency of the internal control and risk management systems.

The process of preparing financial statements comprises control mechanisms of technical nature (numerical and logical control formulas) and substantive nature (the analysis of control reports outcomes).

The following risks have been identified in the process of preparing financial statements:

- erroneous input data;
- faulty data presentation;
- application of erroneous estimates;
- missing IT systems integration.

The risks are mitigated by:

- maintenance of a uniform system of data mapping from the source systems to financial statements, which ensures the proper presentation of data;
- the designed process of sending and confirming data, starting from the person preparing the data, through the data approval, verification and inclusion in the books of account, and ending at completeness control (workflow, accounting orders, control mechanisms);
- periodical reviews of financial figures conducted by internal specialists, with the main purpose to confront their knowledge with the financial figures and detect any possible improper presentations of data and erroneous input data;
- making estimates based on the best knowledge of the Management Board, including also with the assistance of independent advisers (e.g. licensed actuaries or property appraisers), if needed;
- auditing the annual separate and consolidated financial statements as well as reviewing the semi-annual separate and consolidated financial statements of the Company and its Capital Group by an independent auditor, for the purpose of detecting the possible major irregularities, including omissions in the process of financial reporting;
- use of an in-house integrated IT system (ensuring data integration), which is subject to control in accordance with the Company security procedures binding for that system;
- application of uniform principles in the reporting process of the Capital Group companies, and compliance with the uniform chart of accounts binding at the Group.

Observance of the respective laws and regulations (compliance-related tasks)

The organisational structures of Grupa Kęty S.A. enable the coordination of measures aimed at ensuring compliance with the respective laws and regulations, both at the business segments and at the Company Capital Group level. The structures comprise the Compliance Department performing the function of regulatory environment monitoring and compliance management, the selected departments of Grupa Kęty S.A. responsible for separate areas, the corresponding structures at the Company Capital Group companies, the OrangeBook system of procedures, as well as defined competencies and responsibilities.

The OrangeBook – being an established system of procedures – enables the Capital Group companies to take advantage of the common knowledge and apply a homogeneous approach to any matters related to legal requirements and conducting business.

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11.3 Information on Alternative Performance Measures applied in this report

In this Report, there are used the terms of: EBITDA, net debt, ROA, ROE, quick liquidity ratio, current liquidity ratio, EBITDA margin, operating margin, and net margin, which have not been defined in the IFRS accounting standards and, therefore, represent an alternative measurement of results in accordance with the ESMA Guidelines on Alternative Performance Measures (ESMA/2015/1415).

In that respect, the Company provides the definitions of the terms and the assumed method of calculating them, as well as the value resulting from the separate and consolidated financial statements for 2023.

1) The 'EBITDA' parameter represents the total net profit on operating activities (an item of the profit and loss account for the respective reporting period) and depreciation (an item of the profit and loss account for the respective reporting period). The 'EBITDA' parameter is a measure presenting the capability of the Company to generate cash on basic activities. The 'EBITDA' ratio calculated in accordance with the above mentioned guidelines would amount to PLN 868 million in the consolidated financial statements for 2023, and PLN 667 million in the separate financial statements for 2023.
2) The 'EBITDA margin' parameter represents the percentage ratio of net profit on operating activities (an item of the profit and loss account for the respective reporting period) and depreciation (an item of the profit and loss account for the respective reporting period) to sales revenue (an item of the profit and loss account for the respective reporting period). The 'EBITDA margin' ratio calculated in accordance with the above mentioned guidelines would amount to 16.6% in the consolidated financial statements for 2023, and 34.3% in the separate financial statements for 2023.
3) The 'operating margin' parameter represents the percentage ratio of net profit on operating activities (an item of the profit and loss account for the respective reporting period) to sales revenue (an item of the profit and loss account for the respective reporting period). The 'operating margin' ratio calculated in accordance with the above mentioned guidelines would amount to 13.2% in the consolidated financial statements for 2023, and 31.2% in the separate financial statements for 2023.
4) The 'net margin' parameter represents the percentage ratio of net profit attributable to owners of the parent (an item of the profit and loss account for the respective reporting period) to sales revenue (an item of the profit and loss account for the respective reporting period). In the separate financial statements the item of net profit replaces the item of net profit attributable to owners of the parent. The 'net margin' ratio calculated in accordance with the above mentioned guidelines would amount to 10.3% in the consolidated financial statements for 2023, and 30.0% in the separate financial statements for 2023.
5) The 'ROA' (return on assets) parameter represents the percentage ratio of net profit attributable to owners of the parent (an item of the profit and loss account for the respective reporting period) to total assets (an item of the balance sheet at the end of the respective reporting period). In the separate financial statements the item of net profit replaces the item of net profit attributable to owners of the parent. The 'ROA' ratio calculated in accordance with the above mentioned guidelines would amount to 14.7% in the consolidated financial statements for 2023, and 35.6% in the separate financial statements for 2023.
6) The 'ROE' (return on equity) parameter represents the percentage ratio of net profit attributable to owners of the parent (an item of the profit and loss account for the respective reporting period) to equity attributable to owners of the parent (an item of the balance sheet at the end of the respective reporting period). In the separate financial statements the item of net profit replaces the item of net profit attributable to owners of the parent, and the item of equity replaces the item of equity attributable to owners of the parent. The 'ROE' ratio calculated in accordance with the above mentioned guidelines would amount to 28.5% in the consolidated financial statements for 2023, and 61.3% in the separate financial statements for 2023.
7) The 'current liquidity ratio' is calculated as current assets (an item of the balance sheet at the end of the respective reporting period) to short-term liabilities (an item of the balance sheet at the end of the respective reporting period). The 'current liquidity ratio' calculated in accordance with the above mentioned guidelines would amount to 1.3 in the consolidated financial statements for 2023 as at 31 December 2023, and 1.0 in the separate financial statements for 2023 as at 31 December 2023.

8) The ‘quick liquidity ratio’ is calculated as current assets (an item of the balance sheet at the end of the respective reporting period) less inventories (an item of the balance sheet at the end of the respective reporting period) to short-term liabilities (an item of the balance sheet at the end of the respective reporting period). The ‘quick liquidity ratio’ calculated in accordance with the above mentioned guidelines would amount to 0.7 in the consolidated financial statements for 2023 as at 31 December 2023, and 0.7 in the separate financial statements for 2023 as at 31 December 2023.

9) The ‘net debt’ parameter represents the total of long-term loan payables and long-term lease liabilities (items of the balance-sheet equity/liabilities), plus short-term loan payables and short-term lease liabilities (items of the balance-sheet equity/liabilities), less the value of cash and cash equivalents (an item of the balance-sheet assets). The ‘net debt’ ratio presents the value of bank loans and other interest-bearing liabilities, in consideration of the cash available, which may be allocated to the debt repayment. The ‘net debt’ ratio calculated in accordance with the above mentioned guidelines would amount to PLN 931 million in the consolidated financial statements for 2023 as at 31 December 2023, and PLN 423 million in the separate financial statements as at 31 December 2023.

10) The ‘net debt to EBITDA’ parameter is the ratio of net debt (compliant with the definition in item 9) to EBITDA (in compliance with definition in item 1). The ‘net debt to EBITA’ ratio calculated in accordance with the above mentioned guidelines would amount to 1.1 in the consolidated financial statements for 2023 as at 31 December 2023, and 0.6 in the separate financial statements for 2023 as at 31 December 2023.

11) The ‘debt/equity ratio’ represents the ratio of the total of short-term and long-term liabilities (items of the balance sheet at the end of the respective reporting period) to equity attributable to owners of the parent (an item of the balance sheet at the end of the respective reporting period). In the separate financial statements the item of equity replaces the item of equity attributable to owners of the parent. The ‘debt/equity ratio’ calculated in accordance with the above mentioned guidelines would amount to 0.9 in the consolidated financial statements for 2023 as at 31 December 2023, and 0.7 in the separate financial statements for 2023 as at 31 December 2023.

The presentation of the aforesaid ratios and parameters in the Statement by the Company results from their general application in financial analysis and valuation of the Capital Group by the Company stakeholders.

12. APPROVAL OF THE REPORT AND FAIRNESS DECLARATION

To the best of our knowledge, the annual financial statements of Grupa Kęty S.A. for the period from 1 January 2024 to 31 December 2024 and the annual consolidated financial statements of the Capital Group of Grupa Kęty S.A. for the period from 1 January 2024 to 31 December 2024 were prepared in accordance with the applicable accounting policies and they present a true, fair and transparent view of the assets and financial standing of Grupa Kęty S.A. and the Capital Group of Grupa Kęty S.A., including their financial results.

The report of the Management Board on the operations of Grupa Kęty S.A. and its Capital Group, presents a true view of the development and accomplishments as well as of the standing of Grupa Kęty S.A. and its Capital Group, including a description of the basic risks and threats.

The report of the Management Board of Grupa Kęty S.A. on the operations of the Company and the Capital Group in 2024 was approved by the Company Management Board on 27 March 2025.

Signatures of the Management Board Members:

Dariusz Mańko	**Roman Przybylski**
President of the Management Board	**Vice President of the Management Board**

Piotr Wysocki	**Rafał Warpechowski**	**Tomasz Grela**
Member of the Management Board	**Member of the Management Board**	**Member of the Management Board**

Kęty, 27 March 2025