Sustainability statement in 2024 - unofficial document, an extract from REPORT OF THE MANAGEMENT BOARD OF GRUPA KĘTY S.A. ON THE OPERATIONS OF THE COMPANY AND THE CAPITAL GROUP IN 2024

Grupa Kęty

Contents

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.

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[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 1: 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 2: MATERIAL ESG RISKS

1. Risk of loss of competitiveness as a result of the economic transition to zero emission			
Area: CSR	**Time horizon**	**Risk rating**	**New risk**
	Short-term	Medium	
	Medium-term	High	
	Long-term	High	
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.			
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.			
Place of risk origination within the value chain: • Upstream value chain – contractors • Own operations			
Risk-mitigating strategy (measures):			
• 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			

<table>
<tr><th colspan="4">2. Risk of breaching human rights in the value chain</th></tr>
<tr><td rowspan="4">Area:
CSR</td><td>Time horizon</td><td>Risk rating</td><td rowspan="4">New risk</td></tr>
<tr><td>Short-term</td><td>Medium</td></tr>
<tr><td>Medium-term</td><td>Medium</td></tr>
<tr><td>Long-term</td><td>Medium</td></tr>
<tr><td colspan="4">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.</td></tr>
<tr><td colspan="4">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.</td></tr>
<tr><td colspan="4">Place of risk origination within the value chain:
• Upstream value chain – contractors, suppliers’ employees</td></tr>
<tr><td colspan="4">Risk-mitigating strategy (measures):</td></tr>
<tr><td colspan="4">• 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</td></tr>
</table>

<table>
<tr><th colspan="4">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</th></tr>
<tr><td rowspan="4">Area:
CSR</td><td>Time horizon</td><td>Risk rating</td><td>Risk level change:</td></tr>
<tr><td>Short-term</td><td>Medium</td><td rowspan="3">Without change</td></tr>
<tr><td>Medium-term</td><td>High</td></tr>
<tr><td>Long-term</td><td>High</td></tr>
<tr><td colspan="4">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.</td></tr>
<tr><td colspan="4">Scenario adopted for risk assessment
Analysis of employee ethics surveys, historical data and guidelines of the new Act on Whistleblowers’ Protection.</td></tr>
<tr><td colspan="4">Risk-mitigating strategy (measures):</td></tr>
<tr><td colspan="4">• 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</td></tr>
</table>

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 3: MATERIAL ESG OPPORTUNITIES

1. Opportunity of higher demand for aluminium products with low carbon footprint			
Area: Sales	**Time horizon**	**Opportunity rating**	**Opportunity level change:**
	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: Production and quality systems	**Time horizon**	**Opportunity rating**	**Opportunity level change:**
	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: Production and quality systems	**Time horizon**	**Opportunity rating**	**Opportunity level change:**
	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			

<table>
<tr><th colspan="4">4. Opportunity of higher competitiveness compared with entities which do not adapt their operations to EU climate requirements</th></tr>
<tr><th rowspan="4">Area:
Sales</th><th>Time horizon</th><th>Opportunity rating</th><th>Opportunity level change:</th></tr>
<tr><td>Short-term</td><td>Low</td><td rowspan="3">New opportunity</td></tr>
<tr><td>Medium-term</td><td>Medium</td></tr>
<tr><td>Long-term</td><td>High</td></tr>
<tr><td colspan="4">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</td></tr>
<tr><td colspan="4">Place within value chain:
• Own operations
• Downstream</td></tr>
<tr><td colspan="4">Reasons for origination:
• Necessity to adapt to legal and environmental regulations
• Increased trust among contractors
• Strengthening of operational efficiency and competitiveness improvement
• Attracting investors</td></tr>
</table>

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.

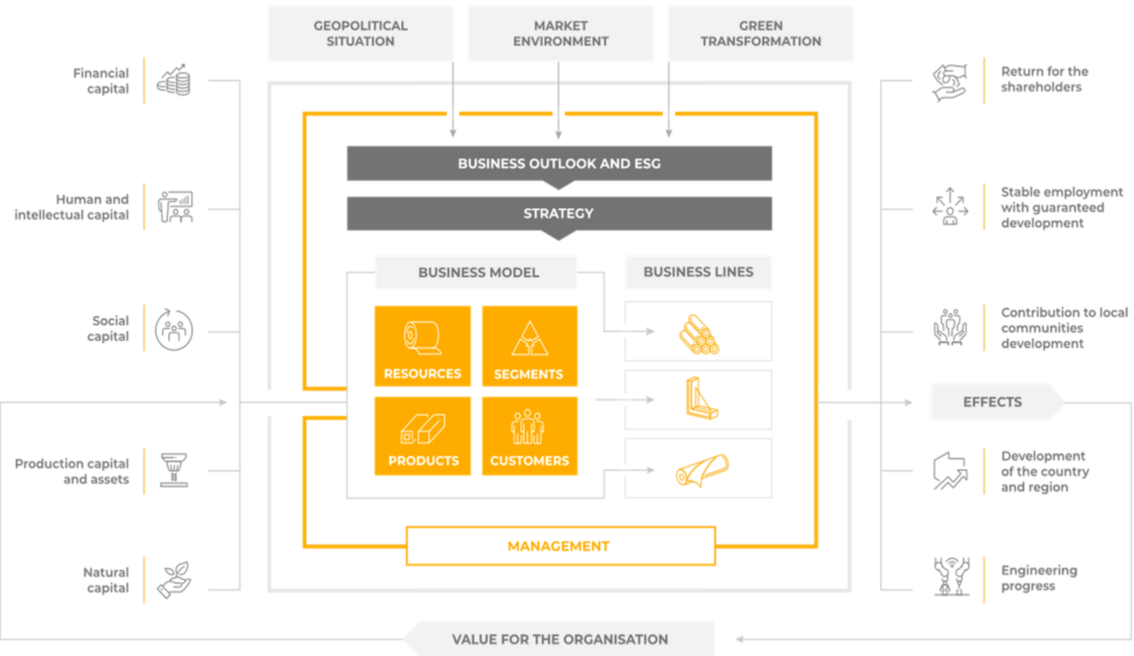
Waste management activities consist primarily in transferring as much waste as possible to entities which specialise in recycling. Virtually 100% of the aluminium waste generated in production processes is remelted within in-house operations (at the Foundry Plant) in order to obtain full-value semi-product 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 1: *[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 4: *[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 5: *[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	**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

	7) warehousing and logistics operations related to products and goods 8) sales office management 9) research and development activities in the areas of new products and technologies 10) research and certification	
	Downstream value chain	
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	**ASS:** Customers in the construction industry (100%)	**FPS:** Customers in food production industry (over 50%), BOPP films (nearly 40%)
	Supporting activities	
	IT services Security and cleaning services Insurance Consulting and training services Legal services	

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 6: 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 7: *[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 8: *[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 9: 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 10: 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 11: 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 12: 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 13: 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 14: 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)	{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	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 15: 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 16: 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 17: 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 18: 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 19: 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 20: 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 21: 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 22: 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 23: 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 24: 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 25: 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 26: 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 27: 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 28: 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 29: *[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 30: 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 31: 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 32: 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 33: 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 34: *[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 35: *[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 36: *[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 37: 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 38: 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 contributed to an

[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.

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.

Principles of Business Ethics and Conduct – the Code of Ethics

[8]The Procedure is based on the Polish law.

[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 39: 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
Preventive approach to natural environment	• Climate Policy • Code of Ethics • CSR Policy

Global Compact Principle	Related procedures/documents
	• 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

[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.

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.

[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 40: 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