

Sustainability Report



LUBIANA





Sustainability Report

Porcelain Tableware Factory

Lubiana SA

for the period: 2024

Prepared in accordance with international European standards Sustainability
Reporting Standards (ESRS)

March 31, 2025

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Ladies and Gentlemen,

We are pleased to present you the first ESG report of Porcelain Tableware Factory "Lubiana" SA. This document summarizes our activities in the area of the environment, social responsibility and corporate governance in 2024, and at the same time it sets directions for further development – according to the values that have been accompanying us for years.

As one of the leading producers of porcelain tableware in Europe, we feel a special responsibility for the impact of our activities on the environment. In the past year we have intensified our activities to increase energy efficiency, expanding the company in a sustainable and responsible way. Lubiana is a place where tradition meets openness to innovation and needs of changing world.

For us, the ESG report is not only a reporting element, but also, above all, an expression of commitment of creating a company that looks into the future with care for people and the environment.

We would like to thank all our Clients, Employees and Partners who are together with us in this journey.

With respect

Zbigniew Andrzejewski

President of the Management Board of ZPS Lubiana SA

Rafał Zimmermann

Member of the Management Board, Export Sales Director of ZPS Lubiana SA





About the report

Sustainable development as the foundation of our actions – the first ESG Report

We are proud to present **our first ESG (Environmental, Social and Governance) Report**, which is a comprehensive summary of our activities, initiatives and commitments in the area of sustainable development, social responsibility and corporate governance for the last year.

In the modern time of dynamic social, environmental and economic changes, we fully recognize the importance of responsible management of the impact of our activities on the environment. That is why we consistently implement a strategy that combines business goals with care for the natural environment, the common good of society and transparent management principles. This report is an expression of our commitment to building the future based on sustainable values. It shows how, by implementing sustainable business practices we create long-term value – not only for our organization, but also for a wide range of stakeholders: employees, customers, business partners and local communities with which we cooperate on a daily basis. We believe that the publication of our first ESG Report is an important step towards even greater transparency and accountability. It is not only a summary of so far taken actions, but also a foundation for further development in the spirit of sustainable development growth.



Additional information regarding data consolidation to the ESG report: Group Lubiana SA Capital Group includes the following companies, whose data was taken into account in the development of this ESG report:

**Porcelain Tableware Factory
"LUBIANA" SA**

Lubiana Hurt Sp z o. o.

Lubeko Sp z o. o.

**Polish Porcelain Factories
Ćmielów and Chodzież SA**

This annual report provides a comprehensive overview of our activities and achievements in the areas of environmental, social and corporate governance. All presented information has been prepared with the utmost care and reliability, in accordance with the current European guidelines Sustainability Reporting Standards (ESRS). Thanks to this, the report meets the highest standards of transparency and enables comparability data and ensures full compliance with applicable reporting sustainable development regulations.

Porcelain Tableware Factory "LUBIANA" SA

TRADITION, QUALITY AND INNOVATION IN THE SPIRIT OF SUSTAINABLE DEVELOPMENT

"LUBIANA" SA Porcelain Tableware Factory, with over half a century of experience, plays a key role in Polish ceramic industry as a producer of high-class porcelain tableware. The foundation of our activity is a harmonious combination of rich craftsmanlike tradition with modern production technologies and systematic implementing the principles of sustainable development.

Based in the picturesque region of Pomerania, "LUBIANA" SA for years has a reputation as a brand synonymous with reliability, aesthetics and functionality. Our products – from classic sets to innovative collections dedicated to gastronomy – reach clients in over 40 countries, serving both HoReCa sector and retail market.

SCOPE OF CONCEPTUALIZATION AND DATA COHERENCE OF THE CAPITAL GROUP

The descriptive indicators included in this report apply to both Porcelain Tableware Factory "Lubiana" SA, as well as Lubiana Hurt Sp. z o. o. Due to the ownership structure, this approach allows for a comprehensive and transparent presentation of the financial results and operational activities of the entire Capital Group. Taking into account both activities and core business and the operations of related companies allows for a better understanding synergies between segments and their contribution to the efficiency and development of the Group.

Polish Porcelain Factories Ćmielów and Chodzież SA, as a company belonging to the Group, developed their own detailed indicator analysis. This decision is due to the fact that this report is the first sustainable development report prepared at the level of the entire Group, and the need to take into account the specific nature of the activities of individual companies was crucial to ensure its reliability and transparency. Therefore, detailed ESG data and results of Polish Porcelain Factories Ćmielów and Chodzież SA were included in a separate indicator report, which was precisely and transparently reflected both the nature of the business and its impact on environment, society and corporate governance. The decision of such solution enabled the introduction and implementation dedicated indicators in key operational and management areas of the company. Thanks to this, it has become possible not only to continuously monitor the effectiveness of the activities in the field of sustainable development, but also the construction of a coherent collection data system, which will provide a solid basis for developing further, even more advanced ESG reports in the future. This is a significant step towards further professionalization of social and environmental responsibility management in the Group structure.

In the context of further changes in the Group's structure, it is worth noting that Lubeko Sp. z o. o. was not included in this report for 2024. The reason of this is the planned transaction of resale the shares of this company by ZPS Lubiana SA for the benefit of the Kościerzyna Commune Office – a minority shareholder. Conclusion of this transaction is expected to be completed in the first half of 2025.



Characteristics of subsidiaries

LUBEKO SP. Z O. O.

Registered on April 8, 2002, Lubeko operates within the Capital Group Lubiana SA, focusing on waste management, raw material recovery and sewage treatment. The company's activity is defined by the PKD code 37.00.Z, which includes collection, purification and delivery of water.

LUBIANA HURT SP. Z O.O.

Lubiana Hurt Sp. z o. o., which is 100% owned by Lubiana Porcelain Tableware Factory SA, specializes in comprehensive equipment for the HoReCa sector (hotels, restaurants, catering), offering a wide range of products, including porcelain tableware, glass, cutlery and kitchen accessories. The company cooperates with renowned manufacturers industry, such as ZPS Lubiana SA, Polish Porcelain Factories Ćmielów and Chodzież, Amefa, Krosno, Gerlach, Stalgast and Bohemia, which allows it to supply customers the highest quality solutions adapted to the specifics of professional gastronomy.

Founded in 1995, Lubiana Hurt has been consistently developing its offer for years, flexibly responding to changing market needs and growing customer expectations. A business model based on an individual, professional approach to the client consulting and providing comprehensive, tailored solutions, ensures the company has a strong position in the industry. At the end of 2024, Lubiana Hurt employed 10 full-time employees. The company operates as a one-person management board, without an appointed supervisory board.

In terms of sustainable development (ESG) activities, Lubiana Hurt has implemented uniform indicators and procedures in force in the structures of ZPS Lubiana SA. Adoption of common policies and standards in the areas of environmental, social and corporate governance enables the company to maintain consistency in management and communication with stakeholders, and also allows for effective monitoring of the impact of its activities. Financial data companies are fully included in the Group's consolidated financial statements, which ensures transparency and reliability of reporting.

As part of environmental reporting, greenhouse gas emissions in the scope 1 and 2 related to Lubiana Hurt's activities were calculated and included in the report carbon footprint prepared by ZPS Lubiana SA. Because Lubiana Hurt uses premises rented from ZPS Lubiana SA, which supplies media such as electricity, water and heating, an appropriate proportion of emissions resulting from the use of these resources was attributed to the company's activities. Thanks to this it was possible to accurately estimate the impact of Lubiana Hurt's activities on the environment. This data is monitored regularly and forms the basis for further analysis of efficiency, environmental protection and setting reduction targets that support the pursuit of sustainable development of operations.



Summary

The report is the first comprehensive sustainable development document created at the level of the entire Lubiana Capital Group. Including subsidiaries and diversified ownership and operational structures, using common ESG reporting standards, enables a full and consistent presentation of the Group's activities. This form of reporting emphasizes the commitment to transparency, responsibility, environmental and social protection and effective management in line with the principles of corporate governance. Thanks to this, the document is a tool for monitoring the Group's operations impact, identifying risks and opportunities and striving for sustainable development in all areas of its activities.



Summary of report objectives



Environment (E)

Our activities focus on minimizing the impact on the environment through responsible resource management, reduction CO₂ emissions and supporting pro-ecological innovations. In the report we present initiatives aimed at climate protection, effective waste management and sustainable use of natural resources.



Society (S)


We focus on creating a safe and inclusive working environment, supporting diversity and engaging in activities for local communities. The report shows our approach for human capital management, initiatives supporting employees' development and social programmes in which we are actively involved.



Corporate Governance (G)

We strive to maintain the highest ethical standards and full transparency in company management. The report contains details regarding our governance structure, compliance policies and anti-corruption practices. We also describe actions aimed at increasing responsibility and transparency towards our stakeholders.





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ESRS2 BP-1 – General basics

1. General basis for making a declaration about sustainable development

This sustainability statement has been prepared based on the accepted by Grupa ZPSCHIM Piotrowice Sp. z o. o. methodology, reporting standards and data consolidation principles, meeting with the best practices in ESG reporting.

The purpose of this disclosure is to provide transparency regarding how preparation of the report as well as demonstration of compliance with applicable regulations, including stakeholder requirements, national and EU legal frameworks. Statement includes information on the Group's impact on the environment and society and corporate governance.

2. The basis for making the declaration

- **Nature of the declaration:** Consolidated
- **Consolidation scope:** Consistent with the scope of financial statements – **Yes**
- **Obligation to prepare financial statements:** **Yes**

The Group prepares a statement based on internationally recognized reporting sustainable development standards. The adopted methodology ensures data consistency and enables year-on-year comparability of results. The report refers to the issue related to environmental protection, social responsibility, business activity ethics and corporate governance.

3. Scope of the value chain covered by the declaration

The statement includes a detailed analysis of the impact of the Group's activities on its entire environment, both in the context of the upstream (supplier) and downstream value chain (recipients), taking into account direct and indirect stakeholders.

STAKEHOLDERS INCLUDED:

- **Direct relationships:** The organization's closest environment includes members of Management Board, Supervisory Board, owners, employees, persons employed through temporary employment agencies and clients. These groups have a key influence on the daily functioning of the company and actively participate in its operational activities.
- **Value chain:** Includes suppliers and direct business partners, who co-create the value offered by the organization. Their actions are importantly crucial for the quality, timeliness and processes efficiency of the carried out projects.
- **Other stakeholders:** This group includes users of non-financial information, such as lenders, financial institutions, customers and others entities making decisions based on data related to the environmental impact, social and corporate governance (ESG). **Clients who are recipients of products and services, play a key role in evaluating transparency of activities and social responsibility of the organization.**

4. Scope of omission the information

- Omission the information regarding intellectual property, know – how or innovation: Not applicable
- Omission the information regarding future events or matters that are subject to negotiation (according to national law): Not applicable

5. Reporting period

Start date of the reporting period: 01.01.2024

End date of the reporting period: 31.12.2024

ESRS2 BP-2 – Disclosures regarding specific circumstances

Our sustainability statement is developed in accordance with acknowledged ESG standards such as the Global Reporting Initiative (GRI) and the UN Global Compact guidelines. In the process of its creation, we are guided by the principle of transparency, ensuring full information, verifying data for accuracy and compliance with legal regulations and internal procedures.

Consolidation of sustainability results

In Piotrowice Group, the consolidation process covers all companies, taking into account their specificity of each of them, while maintaining consistency and coherence with the overall sustainable development goals. In 2024, we did not encounter any circumstances that would require additional consideration in the reports. Our statement meets the requirements of stakeholders and applicable regulations, allowing ongoing monitoring of progress.

Time perspectives

- Medium term: 2030
- Long term: 2050

Value chain assessment

To precisely assess the impact of external factors on our value chain, we use various indirect sources such as:

- **Macroeconomic data** (GDP, interest rates, inflation, labour market volatility),
- **Industry data and analytical reports,**
- **Market reference indicators and forecasts,**
- **Mathematical and statistical models** for predicting changes in production costs and availability of raw materials.

Accuracy of indicators

Data from various indirect sources are verified for reliability and accuracy, using advanced analytical tools, which allows making good decisions.

Estimating uncertainty

Attention to data quality and estimation methodology allows precise forecasting and minimizing the risk of volatility. Any data subject to uncertainty is disclosed with an explanation of the sources of this uncertainty, which allows for informed decision-making strategic decisions.

ESRS2 GOV-1 – The role of the administrative, management and supervisory authorities in the scope of sustainable development

1. Structure of Administrative, Management and Supervisory Authorities

The company is represented by two main authorities: the Management Board and the Supervisory Board. The Management Board consists of the President and a Member of the Management Board, while the Supervisory Board consists of four members, 75% of whom are women. Such diversity in the composition of the authorities provides a wide variety of perspectives in the management and supervision process on the Company's activities.

2. Responsibilities of the Management Board and Supervisory Board

- **The Management Board** is responsible for the day-to-day management of the company, including making key strategic decisions. Regularly, every quarter, it provides information on the Company financial and economic situation to the Supervisory Board.
- **The Supervisory Board** plays a supervisory role, monitoring the Company's activities in all its aspects, including strategy development, risk management and assessment activities of the Management Board. In addition, the Supervisory Board actively supports the Management Board in the scope of sustainable development strategy, ensuring its compliance with ethical principles and long-term financial stability.

3. Expertise and Expert Knowledge

The Management Board and Supervisory Board have expert knowledge and experience in key areas of the Company's operations, including risk management and sustainable development strategy. The Board members exhibit in-depth knowledge of the industry, which allows them to effectively manage risk and introduce innovative solutions related to sustainable development.

4. Gender Diversity in Company Authorities

Gender diversity in the administrative, management and supervisory authorities of the Company:

- Management board: 0% women, 100% men.
- Supervisory Board: 75% women, 25% men. This structural arrangement ensures diversity of perspectives in decision-making and supports the introduction principles of sustainable development, taking into account various social aspects.

5. Management of Sustainability Risk Development (ESG)

The Company's authorities have the competences to effectively manage risks related to ESG. Knowledge of legal regulations regarding environmental protection, management waste, greenhouse gas emissions and workers' rights are crucial to respond appropriately to regulatory changes and to protect the interests of the Company in the context of global sustainable development trends.

6. Progress Monitoring and Reporting

The ESG team, led by ESG Coordinator, monitors the implementation of ESG-related objectives. The team is responsible for ongoing monitoring of progress and preparation reports on the implementation of the sustainable development strategy. ESG objectives are set quarterly and their implementation is analyzed on a monthly basis, which enables a quick response to possible difficulties and adapting activities to changing conditions. The ESG team, in cooperation with organizational units, ensures consistency of reporting and supports the effective implementation of assumed goals.

7. Sustainability Management in the Supply Chain

The management and supervisory authorities of the Company have knowledge about responsible supply chain management, minimizing the impact of production on the environment and ensuring ethical working conditions in partner companies. Thanks to this the Company effectively implements ESG standards throughout the supply chain.

8. The Management Role in Management Processes and ESG Monitoring

The Company has ESG team, headed by the ESG Coordinator. The team is responsible for coordinating activities related to the implementation of the sustainable development strategy development, including the implementation of ESG goals. Responsibility for the implementation of individual ESG goals are assigned to specific people in the organizational structure, which enables effective implementation and supervision of activities at all levels of the Company.

9. Remuneration Linked to ESG Objectives

At this moment, the remuneration of the Management Board Members is not directly related with the implementation of ESG objectives. However, the company monitors best market practices in this area and is considering the possibility of including such links in the future as an element supporting the sustainable development strategy.

10. Transparency and ESG Reporting

The company ensures full transparency in ESG reporting, presenting the impact, risks and opportunities related to sustainable development. This information is regularly disclosed in non-financial reports, which strengthens stakeholder trust and allows to closely monitor ESG performance.

ESRS2 GOV-2 – Informing on sustainable issues development

In our company, the administrative, management and supervisory authorities are regularly informed on issues related to sustainable development, which is an integral part of the decision-making process. Reports on ESG performance, environmental impacts, social and management data are forwarded to the relevant authorities within the reporting periods. These issues are discussed in details at the Management Board meetings and the Supervisory Board, which enables making informed decisions that take into account sustainable development goals.

This approach ensures transparency of management processes and accountability in implementation of ESG goals. It also enables effective monitoring of the impact of the Company business activities on the social and environmental ambience, which allows them to adapt on an ongoing basis strategies to minimize risks and take advantage of emerging opportunities.

Considered impact, risk and opportunity

Within our organization, the ESG Team meets once a month. At each meeting, the results and decisions are communicated to the Management Board, ensuring ongoing to monitor

the effectiveness of ESG activities. Thanks to this, the Management Board is able to take conscious decisions about the future of the Company, taking into account the impact on the environment, society and governance.

Administrative, management and supervisory authorities considered the compromises related to the impact, risks and opportunities of sustainable development activities development. It is important to constantly consider these aspects in the context of strategic decisions and transactions that may have a significant impact on the Company's activities.

Significant impacts, risks and opportunities

During the reporting period, administrative, management and supervisory authorities, as well as the relevant committees have considered the following impacts, risks and opportunities related to sustainable development:

IMPACT ON THE ENVIRONMENT (E):

- **Climate Change:** Temperature Rise, Climate Change, Droughts, Floods and other weather phenomena may affect the organization's operations, especially in the area of production and supply chain.
- **Natural Resource Management:** The use of natural resources such as water, energy and materials, has a significant impact on operating costs and reputation of the organization.
- **Environmental Pollution:** Greenhouse gas emissions, air, water and soil pollution, as well as waste management are risks that are ongoing monitored and managed.

SOCIAL RISKS (S):

- **Working Conditions and Human Rights:** Compliance with labor norms and standards, including gender equality, workers' rights and ensuring safe working conditions is a key aspect of social risk management.

SUSTAINABILITY OPPORTUNITIES:

- **Technological Innovation:** The use of new technologies such as renewable energy, energy efficiency and emission-reducing innovations is an opportunity to increase competitiveness and improve operational efficiency.
- **Sustainable Product Development:** Development of new, environmentally friendly products and services, responding to the growing demands of sustainable markets, is a significant opportunity for further development and growth of the market position.

These issues are regularly monitored and taken into account in the strategic decision-making process which allows minimizing risks and taking advantage of opportunities that promote long-term sustainable organization development.

Results monitoring mechanism

The meetings of the Supervisory Board are held once per quarter in accordance with the Regulations of the Supervisory Board. At each meeting, according to the established agenda, the Company's financial results are discussed in details, which enables the Supervisory Board to monitor the current situation of the company financial condition and the assessment of its activities in the context of achieving the planned strategic goals.

Key operational aspects related to the Company's activities are also discussed during Supervisory Board meetings, which may affect its financial results. Market changes, operational risks and new challenges that may affect the long-term stability and development of the organization, are analyzed in detail. Regular analysis financial results and other operational indicators allow the Supervisory Board to identify potential risks, opportunities and corrective actions that may be required in response to changing market and operational conditions.

ESRS2 GOV-3 – Motivational programmes

Our organization currently has no sustainability outcomes in place development of motivational programmes for members of administrative, management and supervisory authorities. Therefore, there are no motivational programmes or remuneration policies, which would be directly related to sustainable development issues. Results regarding sustainable development are not an element assessed within the framework of motivational programmes nor are they considered as reference points in the remuneration policy. There were also no variable remuneration components based on the sustainability objectives or impact, which means that the percentage of remuneration variable related to these issues is 0%. In the future, we are considering the possibility of integrating such aspects into the motivation system, to better support sustainable development goals within the organization.

ESRS2 GOV-4 – Due diligence

In our organization, we adhere to the principles of due diligence at every stage of activity, ensuring its reliable implementation in practice. This process includes a number of activities aimed at identifying and managing the potential negative impacts of our activities, both for people and the environment. In particular, we provide:

- precise contracts checking before signing,
- reliable analysis of contractors in economic transactions,
- compliance with safety procedures in the workplace,
- regular technical inspections of vehicles and machines.

We commit to responding immediately to any cases of violation, in an effort to clarify them and implement appropriate corrective actions where it is justified. Due diligence in relation to the human rights is treated as our highest priority. In this regard, we implement a number of activities, including:

- taking due diligence into account in the Code of Ethics and in risk management,
- identifying and assessing actual and potential negative impacts the company's activities for people and their hierarchy,
- preventing negative effects where possible,
- eliminating actual negative effects and taking corrective actions,
- constructive cooperation with stakeholders,
- implementation of complaint procedures enabling reporting of concerns about real or potential negative consequences of the company's activities,
- monitoring the effectiveness and adequacy of actions taken in the field of due diligence,
- publishing annual reports on the website regarding the social issues,
- adoption and implementation of a transformation plan aimed at mitigating climate changes that directly affect and burden people.

We understand due diligence as a process that allows an organization to identify actual and potential negative impacts of activities, prevent them, mitigate them and take responsibility for managing them within decision-making systems business and risk management. This process is carried out in accordance with international guidelines such as the UN Guiding Principles on Business and Human Rights and OECD Guidelines for Multinational Enterprises. Due diligence is an integral part of our organisation's practice and is consistent with changes in the context of the company's strategy, its business model, and the management system, operational activities, business relations and related activities with supply and sales. This process also includes identifying negative impacts related to its own operations and its value chain, both in the context of the impact on the natural environment and people. Collaboration with stakeholders that the company influences is subject to a due diligence process in the field of sustainable development. In connection with this, there was implemented complaints procedures to enable reporting concerns about actual or potential negative impacts which could affect the company's activities, in accordance with the Whistleblower Directive. In addition to this, we conducted training and communication for stakeholders in this area.

To effectively manage impacts and appropriately identify risks and opportunities, we assess and prioritize actions based on severity and likelihood their occurrences, in accordance with the principle of double diligence.

ESRS2 GOV-5 – Risk management and internal controls in terms of sustainable development reporting

In 2024, the Company has not yet implemented the Risk Management Policy. However, in the short term, the Group companies are planning to jointly development and implementation of a comprehensive risk management policy. This policy will include defining responsibilities for identifying, assessing and monitoring risks at the whole Group level. The aim of this activity is to ensure consistency in the approach to risk management and their effective management, which will allow minimizing potential threats and taking advantage of opportunities that support further development of the organization.

Scope, main features and elements of processes and systems risk management and internal control in relation to sustainability reporting

In 2024, the Risk Management Policy has not yet been implemented in the Company, however, Group companies plan to jointly develop and implement a policy that will regulate risk management and responsibility for identifying, assessing, monitoring and responding on risks. The aim of this initiative is to create a coherent and effective approach for risk management in all Group companies, which will enable better preparation to potential threats and take advantage of emerging market opportunities.

Approach to risk assessment in relation to the reporting sustainable development process

In 2024, the Risk Management Policy has not been implemented yet, however, the companies in the Group plan to develop in the short term a policy that will govern risk management and responsibility for identification, monitoring and minimizing risks. The purpose of this policy is to create a coherent approach to risk management within the Group, which will enable effective managing threats and using new development opportunities.

Main identified risks and strategies to mitigate them in relation to the sustainability reporting development process

As part of the sustainability reporting process, the following risks were identified: non-compliance with regulations, data inaccuracy and loss of reputation related with environmental and social issues. To minimize these risks, we have implemented following strategies:

- a management framework has been created to ensure compliance with international standards, such as ESRS,
- regular internal and external audits,
- training for employees in regulations and procedures,

- development of a reporting methodology in line with ESRS requirements, ensuring transparency in reporting,
- collaboration with external experts and stakeholders to stay up to date with ESG trends.

Integration of risk assessment results and internal controls in relation to sustainability reporting with internal functions and processes

In 2024, the Risk Management Policy has not yet been implemented, however, Group companies plan to develop a common management policy in the short term risk, which will determine the responsibility for identifying, assessing and managing risks. The aim of this activity is to create a coherent approach to risk management, which will enable effective threat management and the use of new development opportunities in the future.

Periodic reporting of risk assessment and control results internal administrative, management and supervisory authorities in relation to sustainability reporting development

In 2024, the Risk Management Policy has not yet been implemented, but The Group plans to develop a comprehensive risk management policy. It will be implemented in the short term and its aim will be to define the responsibility for identifying, assessing and managing risks. The development of this policy will enable effective monitoring of threats and use of new development opportunities, while ensuring a consistent approach to risk management across the Group.



ESRS2 SBM-1 – Strategy, business model and value chain

As part of our sustainable development strategy, our company focuses on minimizing the impact of our activities on the environment, society and the economy. The goals that we have set in this area, are an integral part of our business strategy and include the following areas:

- **Reduction of CO₂ emissions:** We strive to achieve carbon neutrality by reducing greenhouse gas emissions to levels consistent with international standards and climate regulations. Our ambitious goals aim to significantly reducing emissions over a period of time.
- **Responsible sourcing:** We focus on sourcing raw materials only from renewable sources or in a way that is minimized as much as possible in the context of their impact on the environment. We care about sustainable development throughout the entire supply chain.
- **Circular economy:** Achieving recycling targets, reusing materials and reducing waste is our contribution in building an effective circular economy system, in accordance with the assumptions of the sustainable development strategy.
- **Social goals:** Our company focuses on equality, diversity and compliance of human rights throughout the supply chain.

We strive to ensure social justice and responsibility towards all stakeholders. The sustainable development strategy has been developed in line with our commitments towards the environment, society and future generations. Timetable for achieving the goals and details of the strategy can be found in the attached document.

Business Model and Value Chain

MARKET SEGMENTATION

Our company precisely defines customer groups, taking into account geographical diversity, demographic and industry. We sell both premium products, and services tailored to the needs of small businesses. We take care of individual approach to each client.

DISTRIBUTION CHANNELS

Our products are available through various distribution channels, both traditional and digital. This includes stores, direct sales, e – commerce, mobile applications and social media, which allows us to reach a wide audience of recipients.

CUSTOMER RELATIONSHIPS

Building long-term relationships with our clients is a key element of our strategy. We personalize services, we offer loyalty programmes and ensure the highest quality customer service, which allows for increased satisfaction and loyalty.

INCOME STRUCTURE

Our main sources of income are product sales and additional services, such as supplying heat, water and steam. We are also involved in the activities related to water treatment, sewage treatment and raw material recovery.

PRODUCTS AND SERVICES

Our company specializes in the production of ceramic tableware and decorative products. According to the Polish Classification of Activities (PKD), our products are sold on domestic and international markets. Depending on the market needs, we offer a variety of designs and functionalities tailored to the requirements of our customers.

MARKETS AND CUSTOMER GROUPS

Our products are exported to 40 countries around the world and on the domestic market we focus mainly on the HoReCa industry, supplying porcelain to hotels, restaurants and catering companies.

INCOME AND COSTS

In 2024, we achieved total revenue of PLN 253 592 756. Our cost structure includes production, logistics, marketing, research and development costs and employee salaries. We are aware of the need for continuous optimization these costs to increase profitability.

CRUCIAL RESOURCES

Our key resources include a highly qualified team of specialists, modern production infrastructure and technologies that enable high-quality porcelain production. We also have valuable intellectual resources in the form of unique patterns and projects.

CRUCIAL ACTIVITIES

Our activities are based on production, distribution, marketing and product innovation. We regularly invest in the development of new designs and production technologies to maintain competitiveness in the market.

CRUCIAL PARTNERS

Our key partnerships include raw material suppliers, distributors and organizations supporting us in technological and ecological innovations. Thanks to these relationships we can ensure the high quality of our products and optimization costs.

COST STRUCTURE

Our cost structure includes the costs of raw material production, production operations, marketing, salaries and investment in research and development. Our goal is to continue optimizing these costs to increase operational efficiency.

INPUT DATA MANAGEMENT

We ensure full compliance with data protection regulations, including the GDPR policy and security and IT policy. We secure personal data and all company information resources in accordance with the highest security standards.

Our company's ESG report is not only a document presenting our achievements, but also shows our readiness to further development towards social responsibility, ecological and economic, while maintaining the highest transparency standards and ethics. Our sustainable development goals are an integral part of a long-term strategy aimed at bringing benefits not only to our stakeholders but also for the entire planet.

ESRS2 SBM-2 – Stakeholder expectations and views

Interests and opinions of interested parties

ESRS S1 OWN EMPLOYEE RESOURCES

In our company, taking into account the interests and views of stakeholders in the strategy and the business model is the foundation of the decision-making process and business goals implementation. We place particular emphasis on cooperation with various stakeholder groups, including employees, suppliers, customers and local communities. This type of approach promotes sustainable development and long-term value for all parties.

TAKING INTO ACCOUNT THE INTERESTS OF EMPLOYEES

Involving employees in decision-making processes and taking their needs into account and expectations in the business model is a priority. Our approach to employees is based on key principles such as:

- **Communication and dialogue:** Regular meetings and surveys allow to get to know employee's feedback and identifying areas for improvement. Such dialogue enables effective implementation of solutions that improve working comfort.
- **Collaboration in professional development:** We support the development of our employees through training and career development programmes. Our company offers the possibility of improving qualifications, which allows employees to better adapt to the changing market.
- **Safety and well-being:** We care about the safety and health of our employees, by offering them appropriate working conditions, health and safety training and support in terms of mental and physical health. We promote a balance between professional and private life.

STAKEHOLDER ENGAGEMENT IN THE COMPANY STRATEGY

Involvement of various stakeholder groups in decision-making processes and monitoring results are key to achieve our strategy and sustainable development goals. At every stage of our activity, we actively engage stakeholders in operational and strategic processes, which allow for a better understanding of their needs and responding to their expectations market.





CHANGES IN STRATEGY

Changes in strategy and business model are a response to dynamic market trends and the growing demands of stakeholders related to sustainable development. Crucial changes that have been introduced:

- **Increasing focusing on sustainability:** We have introduced technologies and processes that reduce the consumption of raw materials, energy and CO2 emissions. In addition, our cooperation with suppliers focuses on meeting high environmental and social standards.
- **Responsible sourcing of raw materials:** Our company focuses on raw materials from recycled and ecological materials, minimizing dependence on non-renewable raw materials.
- **Transparency and ESG reporting:** We regularly report on our ESG activities, environmental protection, social responsibility and corporate governance to build trust among stakeholders.

EMPLOYEE ENGAGEMENT

To effectively implement sustainable development goals, we engage employees at every stage of our activity. Through regular communication, consultations and providing opportunities for professional development, we create a working environment that is favorable for greater commitment and satisfaction.

STRENGTHENING THE ROLE OF STAKEHOLDERS IN THE DECISION-MAKING PROCESS

To better respond to stakeholder needs, we have increased their engagement in making strategic decisions. Regular consultations, participation in industry initiatives and organizing regular meetings allows us to continuously acquire new valuable information that allows us to adapt our activities to market expectations.

PLANNED FUTURE ACTIVITIES

In the coming years we plan to:

- **Develop a recycling and reuse program (2025–2026):** Development of programmes aimed at reducing waste and promoting recycling in production processes.
- **Periodic consultations with stakeholders (2025–2026):** We will continue organizing meetings with key stakeholders to ensure exchange information and respond to market needs on an ongoing basis.
- **Introduction of annual ESG reports (2025):** Publication of annual reports regarding environmental protection activities, social responsibility and corporate governance.

Strategy and business model (SBM-3) and the identification process and assessment of significant impact on environment (IRO-1)

The company is currently working on developing a comprehensive strategy and a business model that will take into account the objectives in a coherent and integrated sustainable development manner and regulatory requirements, including identification and assessment of significant environmental impacts (IRO-1). This process includes both analysis the current state of operations and setting strategic directions for the coming years, taking into account the risks and opportunities related to the climate and environmental and social transformation.

The adoption of the final version of the strategy and related risk analyses is planned for 2025. Until then, the company will continue a number of preparatory activities, including detailed reviews of key operational and management processes, identifying stakeholders and conducting consultations with them, as well as collecting and analyzing data on the impact of activities on the environment, society and the economy.

The results of these activities will provide a solid basis for making informed and strategic decisions and developing a long-term business model that responds to the challenges of sustainable development and at the same time strengthens organization's resilience to changing market and regulatory conditions.

Strategy and business model (SBM-3) ESRS2 RSK-1 – Strategy of risk and opportunity management

Regulatory Changes and Consumer Preferences

Growing sustainability regulations and changeable consumers preferences pose a risk of having to adapt operational processes, which is associated with additional costs. On the other hand, the growing demand for ecological products opens up opportunities for revenue growth. Monitoring is crucial in these trends to flexibly adjust our market strategy.

Technological and social changes

Technological progress, including automation and digitization, allows for improved efficiency operational, but it is associated with the risk of not achieving the expected

investment results. Social changes, such as an ageing population, may affect demand for specific products, especially those related to health and environmental and care consumption.

Risk management in the short term

In the short term, risks related to exchange rate fluctuations and price volatility of raw materials and accounting liquidity problems may affect the company's operations. In addition, regulatory changes and delays in payments from contractors may have a negative impact which might affect financial stability.

Risks and opportunities in the medium term

In the medium term, the risk may be increasing environmental protection requirements and the need for investment in sustainable development. On the other hand, changes in consumers preferences towards ecological products create new market opportunities. Changing market competitiveness requires adaptation of pricing and product strategy.

Estimated long-term financial impact

Long-term risks related to government policies, climate change and technology can affect a company's balance. Climate change may require strategy adjustments, and changes in environmental regulations are associated with costly investments in ecological technologies. In addition, the aging of the population will affect the demand for specific products, which requires adapting the marketing strategy and product.

Risk Management and Opportunity Strategy

The company monitors changes in regulations, consumer preferences and technology, adapting production, market strategy and product offer. The strategy is based on investments in sustainable development and technological innovation, minimizing the impact on the environment. Flexibility and adaptation to changing conditions are foundation of a long-term strategy.

ESRS2 SBM-1 – Business model and strategy

1. Changes in the business model

Changing regulations and growing market demands force us to evolve the model business, which takes into account aspects of sustainable development. Integration of sustainability principles in the operating model may require changes in the supply chain and production, which involves investments in innovation.

2. Investments in sustainable development

Increasing investment in green technologies and sustainable development is not only aimed at only improving efficiency, but also meeting the growing expectations of consumers. Changes in the business model will allow for better adaptation to market changes and will be the foundation for long-term growth.

3. Taking advantage of ecological consumer preferences

Growing ecological awareness of consumers creates opportunities for development of environmentally friendly product. These changes require continuous monitoring of trends market and adapting the product offer to take fully advantage of this opportunity.

ESRS2.IRO-1 Risk management and sustainable development in the organization

The organization implements a risk management process that integrates environmental aspects and governance (ESG) to minimize risks and leverage sustainability opportunities that impact long-term strategy organization.

1. Risk and Opportunity Analysis:

- **Risk assessment:** At every stage of activity (from raw material extraction to disposal) we analyze the life cycle of products, identifying potential risks associated with location, business relationships and other factors.
- **Impact on the environment:** An assessment of the impact on air, water and soil was carried out; environmental reports did not indicate significant threats.
- **Stakeholders:** We analyze the impact of the activity on stakeholders and the reference to the Sustainable Development Goals (SDGs), which allows for adjustment strategies for global challenges.

2. Decision-making Process and Risk Management:

- **Risk Management:** Our risk management process includes identifying risks, evaluation of alternatives, selection of solution, implementation of decisions and monitoring results. At each stage, we also consider ESG risks.
- **ESG Risk Assessment:** We treat identified ESG risks equally with other types of risks (financial, operational, strategic). We use SWOT analysis, risk matrixes, probability and impact assessments.





3. Stakeholder Engagement:

- **Consultation:** Regular consultation with employees, suppliers and local communities allows for a better understanding of their expectations and the impact of our activities on the environment. They are crucial for a responsible decision-making.

4. Risk Assessment Methodology:

- **Risk probability:** We assess risks based on historical analyses, forecast scenarios and expert consultations. We use the Envirly tool, which indicates that risks above a value of 1.5 are significant and require intervention.

5. Integration of Sustainable Development in the Strategy:

- **Sustainable Development Goals:** Alignment of actions with global and local sustainable development goals, taking into account legal regulations, technological changes, consumer preferences and demographics.
- **Impact assessment:** We make decisions based on cost-benefit analysis, assessing the long-term consequences for environmental protection and social impact.

6. Future Actions and Monitoring:

- **Monitoring:** The Sustainability Risk Management Process is constantly improved in response to changing conditions. We regularly evaluate the impact of our activities and identify new risks and opportunities, especially in the context of climate and social change.

ESRS2.IRO-2 ESRS Requirements regarding disclosure of information in the sustainable development declaration

Our Sustainability Statement details our policies and approach to key issues such as board diversity and corporate governance.

We also disclosed our policies related to identifying, assessing and mitigating ESG (Environmental, Social and Governance) risks, which ensures effective management these aspects in the daily activities of the company. The declaration also included progress in implementing the sustainable development strategy, in line with the requirements of the European Sustainability Reporting Standards Development (ESRS) and the CSRD directive.

Pertinence assessment and compliance with ESRS requirements

When preparing the sustainability statement, we conducted a detailed assessment of pertinence, taking into account key indicators and requirements included in the ESRS. Based on this assessment, we ensured compliance with the requirements for disclosures in the following areas.

- **Pertinence principle:** We have identified the key issues that have the greatest impact on the organization, its stakeholders and the environment.
- **Environmental indicators:** We disclosed data on CO2 emissions, energy consumption, water and waste management.
- **Social indicators:** Information on gender equality, working conditions and commitment to social responsibility.
- **Corporate governance:** We presented the adopted policies and transparency of management.
- **ESG Risk Management:** We have included processes for identifying, assessing and managing risks related to sustainable development.
- **Stakeholder Engagement:** We actively engage employees, suppliers, customers and other stakeholder groups in decision-making processes.
- **Long-term goals:** We have described the goals of sustainable development, including protection of the environment, social justice and responsible management.
- **Value Chain Management:** We have included supplier monitoring in terms of compliance with the principles of sustainable development.
- **Impact monitoring:** We have described the mechanisms for assessing the impact of our actions on the environment, society and the economy.
- **Compliance with regulations:** We have ensured compliance with applicable standards of data environment protection, labor regulations and corporate governance regulations.

Disclosure of data points from other EU regulations

In accordance with the NFRD and CSRD Directives, we have disclosed detailed data on environmental and social issues indicators such as greenhouse gas emissions, energy consumption, water and waste management and data on employment, gender equality, working conditions and compliance with workers' rights. This data is available in the relevant sections of our report.

Topics rated as irrelevant

After conducting a pertinence assessment, we found the following topics not to be crucial in the current reporting year, but will be subject to further verification in the future.

- **Biodiversity and ecosystems** (ESRS E4)
- **Affected Communities** (ESRS S3)
- **Climate change** (ESRS E1) – identified as a key area with further analysis planned for the future.
- **Pollution** (ESRS E2) – analysis planned in future reports.
- **Circular Economy** (ESRS E5) – analysis will be included in the next reports.

- **Human Resources Management** (ESRS S1) – full analysis will be carried out in the future.
- **Employees in the value chain** (ESRS S2) – analysis will be included in future reports.

Identifying relevant information

The process of determining material information was based on an analysis of impacts, risks and opportunities, which are crucial both from the perspective of the organization and stakeholders. For this purpose we identified key stakeholder groups, understood their expectations and conducted detailed analysis of risks and opportunities. Thanks to this we were able to adjust the organization's activities to their needs and values, focusing on areas that have the greatest potential for positive change.

ESRS2.MDR-P.1 Minimum requirement disclosure of information – policies

Policies that have not yet been adopted

Our organization has not yet adopted policies for managing risks related to corruption and cybersecurity. We plan to implement them in 2025 to better manage these areas. The delay is due to the current stage of construction risk management structures. These policies will be fully developed and implemented by third quarter of 2025.

Actions that have not been taken yet

Sustainable production and consumption is an area where we have not yet made sufficient efforts activities. Although we implement initiatives to reduce waste and promote circular economy, we miss a comprehensive strategy. In Q4 of 2025, we plan to develop a full strategy that will allow for more effective management resources and limiting the negative impact of our activities on the environment. We will also conduct trainings for the employees.

Goals that have not yet been adopted

Currently, we do not have specific goals set in the areas of biodiversity protection, reducing greenhouse gas emissions or sustainable management of water resources. The lack of set goals is due to the stage at which we are in the process of implementing tools to monitor the impact of our activities on the environment. Final sustainable development goals will be defined by the end of Q3 of 2025.

Our organization has implemented a number of policies to ensure compliance with applicable standards and promoting responsible and sustainable business practices. Here are the key policies that are a base for our actions.

1. Environmental and Climate Policy

This policy sets out our commitments to protect the environment and counteract climate change. Actions under this policy include reducing greenhouse gas emissions, effective management of natural resources and promoting sustainable development in operational processes.

2. Code of Ethics

It contains the principles of ethical conduct in the organization, emphasizing honesty, transparency and responsibility. The Code of Ethics also covers issues of counteracting corruption and avoiding conflicts of interest by defining expectations towards employees, partners and other stakeholders.

3. Social Policy

Focuses on the social responsibility of the organization, taking into account the impact on local communities, employees and other stakeholders. This policy supports equal opportunities, employee well-being and involvement in social projects aimed at improving the quality of life.

4. Supplier Selection and Evaluation Policy

It defines the principles of cooperation with suppliers, taking into account the selection and evaluation criteria and their activities in the context of social responsibility, sustainable development and ethics. The purpose of this policy is to ensure that cooperation with suppliers is carried out in accordance with the values of the organization.

5. Personal Data Processing Security Policy

This policy ensures compliance with personal data protection regulations, especially in the field of collecting, storing and processing our employees data, customers and other stakeholders, taking care of privacy and security information.

6. IT Security and Privacy Policy

It defines the principles of protecting IT systems against threats, ensuring data security and user privacy. As part of this policy, we implement procedures of protection against cyber threats and we control access to sensitive information.

Related Impacts, Risks and Opportunities

All our policies relate to important sustainability issues including:

- **Impact on the natural environment** – related to environmental and climate protection policy, including actions to reduce greenhouse gas emissions and improving energy efficiency.
- **Social risk management** – related to social policy, including issues of equal opportunities, diversity and improving the quality of life in local communities.
- **Ethical risk and corruption** – linked to ethics policy, aimed at counteracting of corruption and ensuring transparency and honesty in organization operations.
- **The risk of selecting the wrong suppliers** – related to the suppliers selection and evaluation policy, regarding managing risks related to supplier selection, who do not meet sustainability standards.
- **Risk related to personal data protection** – related to security policy processing of personal data in order to ensure protection privacy of employee, customer and partner data.

Scope of policies

Our policies are implemented across the organisation, both nationally and internationally. They apply to all organizational units, and their effective implementation is supervised by the Board. It is responsible for the compliance of policies with regulations laws, industry standards and organizational goals.

Stakeholder Engagement

Our policy development process takes into account the needs of key stakeholders, such as employees, customers, suppliers and local communities. We work with stakeholders, that our policies meet their expectations and meet their requirements.

Sharing Policies

The policies are available to all interested parties on our website, which ensures full transparency and compliance with applicable regulations. Regularly we update documents to respond to changing requirements and market conditions.

All these policies are an integral part of our organization, supporting our strategy in sustainable development and social responsibility.



ESRS2.MDR-A.1 Minimum requirement disclosure of information – actions

No specific targets have been set for the 2024 reporting year, which makes impossible a clear assessment of the effectiveness of the taken actions.

ESRS2.MDR-A.2 Minimum requirement disclosure of information – resources

Sustainable development policy goals will be set in 2025, and the company is currently implementing appropriate tools and systems to define and monitor their progress. In 2025, a detailed strategy will be developed, including goals, resources, time frames and responsible to implement the activities.

No significant operating expenses were incurred in the 2024 reporting year (Opex) or capital (Capex) related to the implementation of the action plan. Delays may result from the preparation stage for full implementation, including strategy development and implementing the necessary tools. These expenses have not been assigned to the taxonomy sustainable development in 2024, but are planned for future years, in accordance with the progress of the plan.

Classification of financial and other resources related to the implementation of the plan activities according to the sustainable development taxonomy has not yet been carried out. Work on developing appropriate mechanisms to monitor allocation financial resources in the context of financial reporting are ongoing. In the future we plan to integrate these resources with financial reporting items, ensuring full transparency and compliance with reporting requirements.

FINANCIAL RESOURCES ALLOCATED TO THE ACTION PLAN:

- OpEx: 0 PLN
- CapEx: 0 PLN

ESRS2.MDR-T.1 Minimum requirement disclosure of information – purposes

For the reporting year 2024, the targets have not been set yet, which makes impossible to accurate assessment of the effectiveness of the taken actions.

ESRS2.MDR-T.2 Minimum requirement disclosure of information – objectives not accepted

In the reporting year 2024, no targets have been set, which makes it impossible to assess precisely effectiveness of the implemented activities.

ESRS2.MDR-M.1 Minimum requirement disclosure of information – metrics

In the reporting year 2024, no metrics have been set, which makes it impossible to precisely measure the effectiveness of the actions.

- The measurement of quantitative metrics is validated by an external body other than Certifying institution: **No**
- Minimum Disclosure Requirement – Metrics – Additional or Entity Specific metrics
- In the reporting year 2024, no metrics were set, which makes it impossible to accurately assess the effectiveness of implemented activities.

Other important information regarding sustainability

The Unit regularly monitors the effectiveness of its policies and activities by carrying out quarterly updates on progress in the areas of impact, risk and opportunity related to sustainable development. It measures, among others, the reduction of greenhouse gas emissions, the increase use of sustainable materials and a decrease in water consumption. It also reviews annually their policies, assessing their impact and identifying areas for improvement.

1. IMPACT ON SUSTAINABLE DEVELOPMENT

Organizations impact the environment, society and economy by creating both challenges and opportunities:

- **Environment:** CO₂ emissions, resource consumption, waste, biodiversity
- **Society:** Working conditions, human rights, impact on communities
- **Economy:** Business ethics, innovation, stakeholder value

2. SUSTAINABILITY RISKS

Failure to consider ESG issues can lead to:

- **Regulatory risks:** New regulations on emissions, circularity, social responsibility
- **Operational risks:** Problems with access to raw materials, increasing energy costs, disruption in the supply chain
- **Reputational risks:** Negative perception by customers and investors
- **Financial risks:** Sanctions, higher insurance costs, difficulties in capital obtaining

3. OPPORTUNITIES ARISING FROM SUSTAINABLE DEVELOPMENT

Ecological and socially responsible actions bring benefits:

- **Innovation:** New sustainable products and technologies
- **Cost-effectiveness:** Savings due to lower energy and water consumption and raw materials
- **Attractiveness for investors:** Increased preferences for ESG funds
- **Loyalty:** Increased customer and employee loyalty

Reporting Basics

The entity is guided by the CSRD Directive (Corporate Sustainability Reporting Directive), GRI (Global Reporting Initiative) standards and TCFD (Task Force on Climate -related Financial Disclosures). Also includes Sustainable Development Goals UN (UN SDGs) and the principles of the UN Global Compact, committing to high standards in the field of environmental protection, human rights and business ethics. Thanks to these regulations it ensures transparent reporting and effective management risks and opportunities related to sustainable development.



An aerial photograph of a village nestled between a large blue lake and a dense forest. The village features numerous houses with red and grey roofs, some with solar panels. A church with a red roof and a yellow building are prominent. A road and railway line run along the left side of the village. The background shows a vast forest under a clear blue sky.

Environment (E)



Climate change (E1)

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Policies related to mitigation climate change and adaptation to it (E1-2) 52

Activities and resources in relation to climate policy (E1-3) 53

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Internal fee setting for greenhouse gas emissions (E1-8) 58

Anticipated financial consequences resulting from significant physical risks and risks of transition and potential climate opportunities (E1-9) 59

E1.GOV-3 Taking the results into account related to sustainable development in motivational programmes

Disclosure of Sustainability Performance in motivational programmes

Currently, the organization does not have any performance-based motivational programmes related to sustainability, but it plans to consider including them in the future. Climate-related issues are taken into account in the remuneration of members administrative, management and supervisory authorities. As part of the development strategy, in the future it is possible to include indicators related to sustainability development and environmental protection in the remuneration system.

Impact, Risks and Opportunities in the Context of Strategy and Model business

Increased environmental regulations may require adapting company processes to new legal requirements. The volatility of natural resource prices may affect profitability, especially with changing weather conditions. However, the growing demand for ecological products creates an opportunity to develop new product lines, which can increase the company's competitiveness.

Our strategy regularly includes an analysis of the risks and opportunities related to sustainable development. Thanks to its flexible approach, the company can adapt to changes, and to take advantage of emerging opportunities. In 2025, we will conduct a detailed assessment of the strategy's resilience to market, regulatory and technological changes.

Types of climate-related risks

We identify different types of climate-related risks, such as:

- 1. Physical Risk:** Extreme weather events and climate change can disrupt operations, including infrastructure and supply chain.
- 2. Regulatory risk:** Increased CO₂ and environmental regulations can force investments in low emission technologies.
- 3. Reputation risk:** Lack of pro-ecological activities may have a negative impact on the company's image and loss of customers.

Climate-related opportunities include innovations in sustainable development, increased investments in ecological technologies and the possibility of obtaining subsidies.

Identifying climate-related physical risks

Risks related to extreme weather conditions have been identified and may affect our infrastructure and supply chain. Climate change can also influence the demand for our products.

Climate risk assessment

The process of identifying climate risks in our company includes an assessment of physical risks, regulatory and reputational. We include high emission scenarios, to adapt the strategy to changing conditions. We have identified assets and activities that may be sensitive to climate change, such as infrastructure, natural resources and production processes. Physical risks such as extreme weather conditions were assessed on different time horizons (short term, medium term, long term) to ensure appropriate adaptation and organizational resilience.

We have evaluated how the assets and economic activities are exposed to climatic conditions threats and what sensitivities may occur.

1. Physical Risk Analysis:

- **Short term (1–3 years):** Risks related to extreme weather conditions have been identified as weather phenomena (e.g. floods, hurricanes) that may affect for the company's operations.
- **Medium term (3–10 years):** Climate changes that could lead to a reduction in the availability of natural resources such as water, and influence production processes.
- **Long term (10–30 years):** The effects of climate change have been predicted, such as increasing of sea levels and changes in natural resources, developing adaptation strategies.

2. Transition Risks and Opportunities:

- **Risks:** Regulatory changes (e.g. new regulations for emission) and changes in consumer preferences for ecological products are emerging.
- **Opportunities:** Development of green technologies and expansion into markets for ecological products and services.

3. Future analysis of transition events:

- The process of assessing transitional events, taking into account the 1.5°C scenario, will be developed by 2025, focusing on regulatory changes, technological and market.

4. Assessment of exposure to climate change:

- It is expected that changes related to the transformation to a low-emission economy will have an impact on the company's operations. Adaptation strategies will be developed in 2025 to minimize risk and leverage potential opportunities.

In short, our organization uses climate scenario analysis to assess risks physical and transitional, developing adaptation strategies on different horizons temporary.

Transformation plan for the needs of climate change mitigation (E1-1)

Climate Change Transition and Mitigation Plan

The company currently has no formal sustainable transformation plan for economy and climate change mitigation. The plan will be developed in the future.

Target in line with the Paris Agreement

We have not yet set a goal to limit global warming to 1.5°C. It will be defined in the future to align activities with the requirements of the Paris Agreement.

Decarbonization mainspring

At this point, we have not identified key decarbonization mainsprings or reduction targets of greenhouse gas emissions. Plans for 2025 include launching a photovoltaic farm, which will contribute to the increased use of renewable energy.

Climate change mitigation actions

The company has not yet set directions for climate change mitigation, but it in the budget funds for a photovoltaic farm have been secured for 2025.

Capital and operating financial expenses

Currently, the capital and operational costs related to decarbonisation have not been determined or compliance with EU regulations. These plans will be developed in the future.

Blocked greenhouse gas emissions

Potentially blocked emissions from natural gas and electricity consumption can affect the achievement of greenhouse gas emission reduction targets. However, we plan increasing the share of renewable energy sources such as wind and solar energy.

Adaptation to EU regulations

At this time, the company has not adjusted its operations to the requirements of the Commission regulation EU 2021/2139, but plans for this area will be developed in the future.

Business Strategy Transformation Plan

Currently, the transformation plan is not included in the overall business strategy, but this will be regulated in the future.

Progress in implementing the plan

Although a formal transformation plan has not been developed yet, the company has been introduced energy-saving measures such as the installation of LED lighting and management of energy systems. In 2024, we started building a photovoltaic farm that will cover 10% of our electricity needs.

Date of adoption of the plan

As of today, no date has yet been set for the adoption of the transformation plan.

Policies related to mitigation climate change and adaptation to it (E1-2)

Impact, Risk and Opportunity Management Policy with mitigating and adapting to climate change

Our company has implemented an **Environmental and Climate Protection Policy** aimed at minimizing the negative impact of our activities on the environment and promoting responsible climate practices. This policy is in line with the requirements of **the Green EU Deal** and **the Paris Agreement**.

It assumes a comprehensive approach to sustainable development, including the following areas:

1. Waste management
2. Sustainable use of raw materials
3. Minimizing the impact on the aquatic environment and nature
4. Protection of natural resources
5. Energy efficiency
6. Reducing greenhouse gas emissions
7. Reducing carbon footprint

Climate change mitigation policies and adapting to them

The company currently has no formal policies related to climate change mitigation and adaptation to their effects. In the future, we plan to develop and implement policies that will focus on reducing greenhouse gas emissions and adapting activities to the challenges of climate change.

Responsibility for implementing the policy

The Company Board – is responsible for implementing the policy and is responsible for:

- Development and adoption of policy, setting strategic goals and binding principles internally and in contacts with stakeholders.
- Implementation of the policy, including effective communication of the policy and ensuring appropriate resources to implement them.
- Supervision and control over the implementation of the policy, monitoring its effectiveness and implementing possible corrections.
- Ensuring compliance with applicable legal regulations and industry standards.

Policy Availability:

The Environmental Protection and Climate Policy is made available to interested parties and to those who helps implement it. You can find it on our website: www.lubiana.com.pl.

Activities and resources in relation to climate policy (E1-3)

Disclosure of climate change mitigation actions and adaptation to them

During the reporting year, the company did not undertake any activities that required disclosure in relation to mitigation or adaptation to climate change, nor has allocated resources for their implementation.

As a result of the analyses, we found that no specific initiatives were implemented during this period in this area.

Although climate change is a key issue, our company has not taken action activities that are not yet in line with legal reporting requirements, nor have they been important for our business in a given period. However, we plan to introduce appropriate actions in the future, in accordance with regulations and our obligations in the field of sustainable development.

Future activities and plans: So far, the company has initiated several key activities, aimed at reducing the carbon footprint, including:

- Replacing lighting with energy-saving LEDs
- Modernization of machines to optimize energy consumption (20% reduction)
- Implementation of heat recovery from the porcelain firing process
- Photovoltaic installation with a capacity of 37.44 kW

The activities planned for 2025 include the launch of a photovoltaic farm with a **capacity of 998.44 kW**, which will allow for further reduction of greenhouse gas emissions (**expected 568tCO₂e**).

Resources for implementation of activities: At this stage, the company has not defined a dedicated resources plan or budget for climate change policy. The ability to implement the activities will depend on the available financial resources and the adopted budget. However, we plan to develop these activities in the future, in accordance with the sustainable development requirements.

Mitigation goals of climate change and adaptation to it (E1-4)

Climate change mitigation and adaptation actions

During the reporting year, the company did not undertake any activities that required disclosure in relation to mitigation or adaptation to climate change, nor has it allocated resources for their implementation. However, in the future we plan to implement appropriate actions in accordance with legal regulations and our obligations in the field of sustainable development.

Current activities:

- **Replacing lighting** with energy-saving LEDs and optimizing energy consumption on isostatic presses, what allowed to reduce the consumption of electricity by about 20%.
- **Heat recovery** from the porcelain firing process.
- **Photovoltaic installation** with a capacity of 37.44 kW at the factory store, which contributed to the carbon footprint reduction.

Planned activities for 2025:

- **Completion of the construction of a photovoltaic farm with a capacity of 998.44 kW, which is to produce 920,000 kWh per year, which will reduce emissions by 568 tCO₂e.**
- **Resources allocated for activities:** The company currently has no expenditure plan of operational or capital in the context of the policy of counteracting climate changes. These activities will be planned in the future, depending on available financial resources.



Energy consumption and energy basket (E1-5)

Disclosure of energy consumption and energy basket

In recent years, the company has been taking steps to improve its energy efficiency and increasing the share of renewable energy. As part of these activities, we installed LED lighting and photovoltaic system at the factory store. We buy electricity from renewable sources at 50% in 2023, with the intention to further increase this share in the future.

Energy consumption data (2024):

- **Total energy consumption:** 147.22 GWh
- **Fossil energy consumption:** 139.95 GWh (95% of total consumption)
 - **Natural gas consumption:** 132.54 GWh
 - **Fossil energy consumption (purchased energy):** 7.42 GWh
- **Renewable energy consumption:** 7.27 GWh (5% of total consumption)
 - **Purchased renewable energy:** 7.23 GWh
 - **Own renewable energy production:** 0.03 GWh
- **Percentage share of renewable energy sources:** 5%

Energy production:

- **Renewable energy production:** 33.11 MWh

Energy intensity of activities (industry and transport):

- **Energy intensity:** 1 kWh/PLN net revenue

Net income: PLN 253,592,756

Our company undertakes a number of activities aimed at reducing energy consumption and increasing the share of renewable energy in the energy basket, including the replacement LED lighting, installation of recuperators, construction of a photovoltaic farm and selection of suppliers with renewable energy sources.

Greenhouse gas emissions scope 1, 2 and 3 gross and total gas greenhouse emissions (E1-6)

Disclosure of greenhouse gas emissions

INFORMATION ON THE REMOVAL AND STORAGE OF GREENHOUSE GASES

During the reporting year, our company did not implement any actions related to the removal or storage of greenhouse gases in metric tons of carbon dioxide equivalent carbon (tco2e) from projects implemented within own operations or in projects, in which it participated as an upstream or downstream level in its value chain. Specific targets related to greenhouse gas emissions have been identified and their designation is planned for 2025.

PROJECTS OF THE MITIGATION CLIMATE CHANGE BEYOND THE VALUE CHAIN

In terms of climate change mitigation projects outside our own value chain, our company did not carry out any activities financed or planned to be financed in the form of purchasing carbon dioxide emission units. The company uses a certified **Envirly's** tool, based on **Greenhouse Gas Protocol (GHG Protocol)** for estimating emissions and removals of greenhouse gases.

CARBON CREDIT INFORMATION OUTSIDE THE VALUE CHAIN

- Total CO₂ emission units outside the value chain: 0 tCO₂e
- Share of emission reduction projects: 0%
- Share of emission removal projects: 0%
- Share of units removed from EU projects: 0%
- Percentage of carbon credits cancelled (qualifying as appropriate correction): 0%
- Total number of carbon dioxide emission units planned for cancellation in the future: 0 tCO₂e

The company has not implemented any projects related to the removal of greenhouse gases as part of climate change mitigation actions.

CO₂ EMISSION UNIT CANCELLATION

- Carbon credits scheduled for cancellation in the future based on agreed contracts: No
- Carbon credits used separately from greenhouse gas emissions and greenhouse gas emission reduction targets: No.

Greenhouse gas removal projects and reduction of emission financed using units of emission carbon dioxide (E1-7)

Information on the removal and storage of greenhouse gases in metric tons of carbon dioxide equivalent

During the reporting year, our company did not implement any actions related to the removal of and storage of greenhouse gases in metric tons of carbon dioxide equivalent carbon (tCO₂e) from projects carried out within own operations or in projects, in which it participated in its value chain at an upstream or downstream level.

Specific targets related to greenhouse gas emissions have been identified and their designation is planned for 2025.

Climate change mitigation projects outside the value chain

The company did not conduct any mitigation climate change projects during the reporting year outside its own value chain, which would be financed or planned for financing through the purchase of carbon dioxide emission units. In order to calculate greenhouse gas emissions, the company uses a certified tool from the company Enviroly, **Greenhouse Protocol compliant Gas Protocol (GHG Protocol)**, which includes standards for the entire value chain (Scope 3).

Carbon credits outside the value chain

- Total amount of CO₂ emission units outside the value chain (verified according to recognized quality standards and canceled): 0 tCO₂e
- Share of emission reduction projects: 0%
- Share of emission removal projects: 0%
- Share of units removed from EU projects: 0%
- Percentage of cancelled CO₂ emission units that qualify as entitled correction: 0%
- Total number of CO₂ emission units planned to be cancelled in the future: 0 tCO₂e

CO₂ emission unit cancellation

- Carbon credits scheduled for cancellation in the future, based on agreed contracts: No
- Carbon credits used separately from greenhouse gas emissions and greenhouse gas emission reduction targets: No

Absorption and storage of greenhouse gases

The company does not carry out any activities related to the capture or storage of greenhouse gases.

Therefore:

- Total greenhouse gas capture and storage: 0 tCO₂e
- Greenhouse gas emissions from removal: 0 tCO₂e
- Amount of greenhouse gases removed: 0 tCO₂e
- Percentage of cancelled CO₂ emission units for recognized quality standards: 0%

Internal fee setting for greenhouse gas emissions (E1-8)

Carbon Pricing Schemes Disclosure

CO₂ PRICING SYSTEMS

Our company **does not** currently have an internal carbon pricing system for carbon dioxide.

CARBON EMISSION PRICE

Due to the lack of a pricing system, the CO₂ emission price for each metric ton of greenhouse gases is: **0 PLN**.

ASSUMPTIONS FOR SETTING A PRICE FOR CO₂ EMISSIONS

The company **does not have** a description of the critical assumptions used to determine the issue price of carbon dioxide.

GREENHOUSE GAS EMISSIONS

Gross greenhouse gas emissions:

- **Scope 1:** 23,397 tCO₂e
- **Scope 2 (location):** 17,217 tCO₂e
- **Scope 2 (market):** 9,403 tCO₂e
- **Range 3:** 26,329 tCO₂e

TOTAL GREENHOUSE GAS EMISSIONS

- **Location-based greenhouse gas emissions:** 59,129 tCO₂e
- **Total market greenhouse gas emissions:** 59,129 tCO₂e



Anticipated financial consequences resulting from significant physical risks and risks of transition and potential climate opportunities (E1-9)

Disclosure of financial impacts related to risks and climate opportunities

PHYSICAL RISKS

In our organization, we systematically assess physical risks that may affect our business, including:

- **Climate change:** extreme weather phenomena and long-term climate changes that could impact our infrastructure, supply chain and accessibility resources.

TRANSITIONAL RISKS

We monitor regulatory, technological and market changes related to transformation for a low carbon economy. We analyze the impact on our business, including emission costs, changing consumer preferences and technological progress.

POTENTIAL TO TAKE ADVANTAGE OF OPPORTUNITIES

We will identify opportunities related to:

- Development of the market for ecological products and services,
- Innovations in energy efficiency,
- Adaptation to sustainable market trends.

EXPECTED FINANCIAL IMPACT

We are currently working on a detailed analysis of the physical and transitional risks that may affect our financial results. As this work progresses, we will be able to more precisely determine their potential impact on our business.

PHYSICAL RISK – FINANCIAL DETAILS:

- **Assets:** 183,585,251 PLN
- **Assets exposed to physical risk:** 0 PLN
- **Net income:** 253,592,756 PLN
- **Net income with physical risk:** 0 PLN
- **Assets exposed to transition risk:** 0 PLN
- **Net income with transition risk:** 0 PLN

EXPECTED FINANCIAL IMPACT OF RISKS

In the reporting year we did not perform a financial taxonomy related to physical and transitional risks.



Pollution (E2)

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Identification and assessment impact processes, risks and opportunities related with pollution

Our organization has implemented a multi-step process to identify, assess and disclose material impacts, risks and opportunities related to pollution, including:

- 1. Review of operational activities** – analysis of sources of contamination in production processes, supply chain, product use and external influences (e.g. legal regulations, community expectations).
- 2. Consultation with stakeholders** – collecting opinions from employees, management, clients, investors and social organizations through surveys, workshops and public communication.
- 3. Risk assessment** – a risk assessment tool that takes into account the probability, scale and impact on the environment and society, which allows for the determination of significance and prioritizing actions.
- 4. Impact management strategy** – development of goals, performance indicators and remedial actions related to pollution.

Stakeholder consultations were conducted to identify risks and opportunities. Information about the conducted process and identified issues are regularly disclosed in the sustainability report and available on the company website.

Policies related with contamination (E2-1)

Disclosure of the policies adopted to manage its significant impacts, risks and opportunities related to pollution prevention and control

Currently, our company does not have a formal revenue management policy, risks and opportunities related to pollution, but its development is planned for the years 2025–2026. Currently, as part of the environmental protection policy, we are implementing activities to support reduction of environmental impact, such as consumption monitoring of raw materials, energy media and hazardous substances and periodic assessment of progress in achieving environmental objectives.

MINIMUM DISCLOSURE REQUIREMENT:

Aspects of pollution prevention and control have been taken into account in the Environmental and Climate Policy, which assumes effective management of substances hazardous substances and reducing emissions into air, water and soil.

- The policy covers activities in accordance with applicable permits (e.g. gas emissions into the air, sewage discharge), but does not yet address the replacement hazardous substances or the prevention of environmental incidents.
- The Board is responsible for developing, implementing and supervising the policy and its effectiveness will be monitored and corrected as necessary.
- In the future, stakeholder consultations are planned, as well as regular training for employees to effectively implement the policy.

Compliance with EU Policies: Currently, the company does not have detailed information about any relations between politicians and the EU Pollution Action Plan. This issue will be taken into account in future stages of policy work, especially when defining objectives and performance measures.

Activities and resources related to contamination (E2-2)

Disclosure of Pollution Activities and Resources linked to their implementation

In 2024, we started the process of analyzing pollution-related indicators. The aim of this analysis is to identify key emission sources, types of pollution and their impact on the environment. We review available data, measurement methods and applicable regulations.

In the next reports we will present the monitored indicators in details and actions to minimize our impact on the environment. We also plan to define specific reduction targets and resources allocated to their implementation, including investments in technologies that reduce emissions and improve energetic efficiency.

Air, water and soils pollution (E2-4)

Revealing the pollutants factors that are emitted as a result of own operations, as well as microplastic that is produced or used

AIR, WATER AND SOIL POLLUTION – ACTIONS AND REPORTING

In our company, as part of our operational activities, we do not generate any air, water or soil pollution. We do not produce microplastic or other materials that could cause their emission into the environment. In accordance with our environmental practices, we strive to minimize the impact of our activities on the environment. All production processes are in accordance with the applicable environmental protection standards.

POLLUTION – STATUS AS OF 2024

- **Total amount of microplastic produced or used:** 0 kg
- **Microplastic produced:** 0 kg
- **Microplastic used:** 0 kg

According to the adopted approach, 2025 will be the base year for monitoring these indicators, and for the current year we do not yet have comparative data. In 2024, we started the process of diagnosing pollution-related environment indicators, including identification of emission sources, types of pollution and their impact on the environment.

As part of this process, we review available data, measurement methods and applicable regulations.

In future reports, we will precisely define the scope of monitored indicators and actions taken to minimize our impact on the environment. We also plan to set specific reduction targets and dedicated for their implementation funds.

NO POLLUTION EMISSIONS

- Percentage of total water pollutant emissions in areas at risk water pollution: 0%
- Percentage of total water pollutant emissions occurring in areas with high water tension: 0%
- Percentage of total pollutant emissions to soil in areas at water pollution risk: 0%
- Percentage of total pollutant emissions to soil in areas of high water tension: 0%

We are currently focusing on setting appropriate indicators and collecting data regarding environmental pollution within our operations. The process includes analysis of resource consumption, air emissions, waste management and considering potential actions to minimize our impact on the environment.

NO SECTOR DIVISION

In 2024, the company did not segment its business based on air, water and soil pollution according to **the ESRS SEC 1 Sectors classification**. For this reason we do not have detailed data in this regard. We plan to implement such a division in the future, and details of these activities will be included in next reports.

ACTIONS ACCORDING TO THE REGULATIONS

The activities are subject to the Industrial Emissions Directive (IED) and the documents Reference for Best Available Techniques (BREF): No

SUMMARY

At the moment, we are focusing on defining environmental indicators and collecting data necessary to evaluate our environmental protection activities. In the coming years, we plan to gradually collect comparative data and introduce further actions to reduce pollution and minimize the impact of our activities to the environment.

Anticipated financial consequences resulting from significant risk and important opportunities related to contamination (E2-6)

The Company identifies pollution risks that may have long-term impacts financial consequences, especially in the context of water, soil or air. Although no significant incidents affecting on financial results, future events may involve remediation costs, penalties administrative and reputational risk.

The company currently does not use any substances of very high concern (SVHC) and does not generates revenue from products containing them, therefore it does not identify financial risks related to their use.

The company also sees opportunities in pro-ecological activities, such as improving operational efficiency, reduced raw material consumption and increased recycling, which can reduce operating costs and improve financial results. Further investments in environmental control systems to better identify risks and financial opportunities.

In terms of pollution, the company conducts analyses of risks and opportunities, taking into account costs related to regulations, emission fees and investments in technologies that reduce pollution. Analysis of these risks allows the effective risk management and identification of cost optimization opportunities.

Despite the lack of detailed quantitative data, the company is adjusting its financial forecasts for changing regulations and environmental technologies. The identified risks include increased operating costs and investments in technology, environmental and reputational risks, while opportunities are related with operational savings, increased competitiveness and increased incomes thanks to ecological products.

The company regularly updates its forecasts to take into account changes in climate policy and technologies, minimizing uncertainties and maximizing opportunities related with ecological transformation.





Water and marine resources (E3)

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E3.IRO-1 Identification processes and assessment of significant effects, threats and opportunities connected with water and marine resource

The process of identifying impacts, risks and opportunities related to water resources

In our company, identifying the impacts, risks and opportunities related to water is a key element of environmental management. We focus on water resources, which directly impact our business and this process includes the following steps:

1. IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES:

- **Impacts:** We monitor water consumption (including ground and surface water intake) and potential impacts on local water resources, including water pollution.
- **Risks:** Potential risks include excessive water consumption, contamination of local water resources and changes in legal regulations.
- **Opportunities:** There are opportunities to implement water-saving solutions such as recycling and process optimization to reduce water consumption and to lower the costs.

2. ASSESSMENT OF IMPACTS, RISKS AND OPPORTUNITIES IN THE BUSINESS:

The analysis covers our operational activities and elements of the value chain (production, logistics, sourcing of raw materials, distribution of products). We focus on assessing impact of activities on the environment, health, finances and relations with stakeholders. Risks and opportunities are analyzed for their financial, operational and reputational potential.

3. METHODOLOGY OF THE ANALYSIS:

- **Risk-based approach:** We assess threats and opportunities using analytics qualitative and quantitative.
- **Scenario analysis:** We consider different scenarios of how the situation could develop, taking into account changes in legal regulations, raw material prices and technological changes.
- **Life Cycle Analysis (LCA):** When assessing products and processes, we consider their impact on the environment throughout the entire life cycle.

4. VARIABILITY OF EXTERNAL AND INTERNAL FACTORS:

We take into account changes in legal regulations, fluctuations in raw material prices and market trends, while analyzing possible changes in the risk management strategy and optimization of operational processes.

SUMMARY:

Our analysis of water assets and activities aims to identify and assessment of risks and opportunities, which allows for conscious management of the impact of our activities on the environment and taking actions that save water and minimize risks associated with its use.

Water and marine resource policies (E3-1)

Disclosure of the policies adopted to manage its crucial impacts, risks and opportunities related to water and marine resources

WATER RESOURCES MANAGEMENT AND ENVIRONMENTAL PROTECTION POLICY

Our company, although it does not operate in maritime areas, is actively implementing environmental and climate protection policy that focuses on sustainable water resources management. We strive for rational use of water, pollution reduction and implementing circular economy solutions.

POLICY OBJECTIVES:

- **Effective water management:** Optimization of water consumption in operational processes, reducing waste and implementing technologies that reduce water footprint.
- **Education and cooperation:** Employee training programmes and cooperation with suppliers to promote responsible environmental practices.
- **Reducing water consumption:** Using solutions that enable water reusing and loss reduction.

RISKS AND OPPORTUNITIES:

- **Risks:** Increased costs of access to water, shortages in the operation region, changing legal regulations.
- **Opportunities:** Reduction of operating costs, implementation of innovative saving water technologies, improving the company's image.

RESPONSIBILITY:

- **The Company's Management Board** is responsible for the development, implementation and supervision of the policies implementation, ensuring compliance with legal laws.

EXTERNAL ACTIVITIES:

Our company complies with external standards and initiatives related to environmental protection, such as certifications and industry standards to ensure responsible approach to water and natural resources management.



TRANSPARENCY:

The policy is publicly available on the company website and employees will be regularly trained in its implementation in the operational practice.

POLICY TOWARDS AREAS OF HIGH WATER STRESS:

Our operations are not located in regions with high water stress, therefore this policy does not cover such areas.

OCEAN SUSTAINABILITY:

The company has not adopted policies regarding the sustainable development of oceans and seas because it does not conduct any maritime activities.

Activities and resources related to water and marine resources (E3-2)

Currently, our company does not conduct any activities related to water and marine resources, because our operations are mainly focused on land and our business does not have any direct impact on marine resources. However, as part of the conservation in environment policy, we monitor changes in the water area, especially in the context of the climate changes that may impact our operations.

In terms of water resources, we consider the following activities:

- 1. Impacts:** Water consumption in production, water pollution and changes in water availability caused by climate change.
- 2. Risks:** Increased water regulation, reputational risk related to water resources management and potential operational problems related with water availability.
- 3. Opportunities:** Investments in water-saving technologies, development of purification technologies and recycling of water and the growing interest in ecological practices among consumers.

The goals of our strategy include:

- Reduction of water consumption,
- Improving water quality,
- Adaptation to climate change.

Although we currently have no operating or capital expenses related to water management, we plan to invest in purification and recycling technologies and water monitoring systems for 2025 and beyond.



Water and marine resources goals (E3-3)

Our company has not set yet marine resource targets because our activities are mainly focused on land and we do not have direct access to seas. However, we monitor changes in the water area and marine resources, especially in the context of climate change.

In terms of water resources, the company has set targets for 2025, including recording of water collection and consumption of water for production, social and living purposes, which will allow for more effective water management. We will monitor water emissions, water consumption and rainwater runoff.

In 2024, the company focused on setting appropriate indicators and developing reporting system to closely monitor progress in the future in terms of achieving environmental goals. The goals for 2025 focus on protecting climate, resource saving and sustainable water management.

Thanks to investments in water purification and rainwater recovery technologies, we plan to minimize the consumption of water resources, improve operational efficiency and adapt to environmental regulations.

Water consumption (E3-4)

Disclosure of information on water consumption results related to significant impact, risk and opportunities

In our company, we pay special attention to effective water resource management, treating them as a key element of sustainable development. We regularly monitor water consumption to optimize its use and to minimize impact on the environment. Implemented water recycling technologies allow us to reduce our water footprint and increasing operational efficiency.

In 2024, our total water consumption was 213,090 m³. We monitor also the consumption in areas with high water stress, which is currently 0 m³. We are taking actions for further optimization, including developing new water management indicators that will be introduced in the future.

Despite the lack of detailed indicators at present, we are working towards better monitoring and reporting water consumption, which will allow us for more comprehensive management of this resource in the coming years.

Anticipated financial consequences resulting from impacts, risks and opportunities related to water and marine resources (E3-5)

At this time, we have not yet classified expenses according to the EU taxonomy. However, we focus on identifying key indicators and collecting necessary data that will enable us to precisely determine the scale of operating expenses and capital related to the implementation of pro-ecological activities in the future.





Resource utilization and circular economy (E5)

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E5.IRO-1 Identification processes and assessment of resource material use and influence, risks and opportunities related to a circular economy

Circular economy impacts, risks and opportunities (GOZ) within E5.IRO-1 includes key stages:

- 1. Identification of material resources** – analysis of raw materials, materials and products used in the business, including the life cycle of materials and sources of their acquisition.
- 2. Assessment of impacts on the environment and economy** – assessment of carbon footprint, energy and water consumption and emissions related to resource circulation, as well as the impact on natural resources and waste management.
- 3. Risk identification** – operational (e.g. unavailability of raw materials), regulatory (changes in regulations) and reputational (negative impact on the organization's image).
- 4. Identification of opportunities** – process optimization towards recycling, innovation related to the circular economy model and financial opportunities (subsidies, tax relief).
- 5. Assessment of the significance of impacts, risks and opportunities** – defining priorities by analysis for risk and impact actions, selection of key areas for intervention.
- 6. Actions and monitoring** – development of plans to reduce the negative impact and to increase efficiency, regular monitoring and reporting of results in line with ESG.

In 2025, we plan to conduct a comprehensive review of assets and operations to identify the real and potential impacts, risks and opportunities related to circular economy and sustainable development.

Consultations – No consultations were carried out in the reporting year.

Policies related to the use of resources and circular economy (E5-1)

Currently, the company does not have formal policies regarding resource management, risks and opportunities related to resource use and the circular economy. However, we plan to develop and implement such policies in the coming years, which will aim to effectively manage resources, minimize waste and promoting sustainable business practices.

These policies are not yet shared with stakeholders nor do they include moving away from the use of primary resources towards increased use secondary resources.

Related activities and resources connected with using resources and circular economy (E5-2)

In our organization, we undertake a number of activities aimed at effective resources use and implementing the principles of a circular economy. Key initiatives include:

- **Optimization of raw material consumption** – implementation of processes that minimize production waste and increasing the efficiency of raw material use.
- **Recycling and reusing materials** – waste segregation, recovery of secondary raw materials and reuse of production parts in operational processes.
- **Emissions and waste reduction** – implementation of technologies that reduce pollutant emissions and waste reduction programmes throughout the product life cycle.
- **Sustainable water and energy management** – investments in renewable energy sources and process of water recirculation systems aimed at reducing water and energy consumption.
- **Education and environmental awareness** – organizing training and campaigns for employees and business partners in the principles of circular economy.

We are currently in the implementation phase of these activities, focusing on solutions that will allow us to reduce our impact on the environment and increase energy efficiency and promote responsible resource management. The undertaken initiatives contribute to the implementation of the Sustainable Development Goals and their results will gradually documented and supplemented after the admission of the budget for 2025.

Purposes related to resources use and circular economy (E5-3)

We currently do not have specific goals set for our resources use and circular economy. However, we are aware of their importance and we strive to achieve the following goals:

1. **Promoting circular economy practices** – The aim is to minimize waste and increasing resource efficiency throughout life cycle product.
2. **Recycling used water in the production process** – We are looking for new solutions enabling the recovery and reuse of water process, which aims to reduce our impact on the environment.

Our environmental and climate policy focuses on protecting natural resources, reducing greenhouse gas emissions and promoting sustainable development. Our goal for 2025 is to set specific goals related to efficient use of resources and striving for sustainable development in caring for future generations.

In 2024, we did not yet have any goals set in the area of sustainable development but for 2025 we intend to set goals including:

- Protection of the environment,
- Efficient use of resources,
- Reduction of greenhouse gas emissions.

Progress towards achieving these goals will be monitored and adjusted on an ongoing basis as needed. These goals are a step towards supporting sustainable development and caring for the future of our planet.

Resource influences (E5-4)

Disclosure of information on the inflow of resources related to significant impact, risk and opportunity

Our company's priority is to provide full transparency of information to investors and other interested parties regarding factors influencing our business and potential opportunities arising from future development. Below here is how we disclose this information:

THE INFLOW OF RESOURCES

The main sources of resources in our company come from both operational activities and external sources of financing. The most important of them are:

- **Revenues from export sales:** As much as 62.5% of our revenues come from export, which provides us with a stable inflow of resources. Activities on over 40 foreign markets allow us to diversify the revenue sources, which is crucial for the financial stability of our company.

INFLUENCE OF THE RESOURCES

Currently, our company does not keep detailed records or analysis of the inflow of resources in relation to products, materials, water and tangible assets used in operational activities and in the upstream value chain. However, we are aware of the importance of monitoring resource usage in the context of sustainable development. In the future, we do not rule out the implementation of appropriate reporting mechanisms as our environmental processes and systems improve data management will evolve.

USE OF MATERIALS

Our company does not use biological materials in the production process and its complete consumption of products and technical materials in the reporting period amounted to **26,037,999.98 kg**.

We strive to continue to monitor and optimize resource utilization with a view to implementing solutions that support sustainable development and minimization of negative impact on the environment.

Resource outflows (E5-5)

Disclosure of information on outflows of resources related to significant impact, risk and opportunity

Our company places great emphasis on transparency in resource management, which have a significant impact on the environment, risks and potential benefits. This is a key element of our sustainable development strategy. We support the economic circular model, focusing on creating products and materials that are compliant with its assumptions. We strive to reuse, process and give them new functions (upcycling).

PROJECT APPROACH AND RESOURCE MANAGEMENT

Already at the design stage, our design team puts strong emphasis on the aspects such as recycling and reuse. We work closely with suppliers to limit packaging to the necessary minimum, ensuring that it is fully recycled.

INFLUENCE OF THE RESOURCES

The waste generated in our company during the reporting period amounted to:

- **Total amount of waste generated:** 4,108,696.5 kg
- **Waste sent for disposal:** 866,820 kg
- **Non-recycled waste:** 934,349 kg (22% of total waste)

TYPES OF WASTE GENERATED

Hazardous waste:

1. **07 01 04 *** – Other organic solvents (acetone, turpentine), properties: flammable
2. **07 02 08 *** – Distillation residues (polyol, butane-1,4-diol), properties: easily oxidized
3. **08 01 11 *** – Waste paints containing solvents (2,2-oxydiethanol), properties: flammable
4. **12 01 09 *** – Waste emulsions from metal processing (mixture of hydrocarbons, H₂O)
5. **13 01 13 *** – Other hydraulic oils (mixture of hydrocarbons), properties: flammable
6. **15 01 10 *** – Packaging with residues of hazardous substances (Fe, PE)
7. **16 06 01 *** – Lead batteries and accumulators (Pb, PbO₂)

Non-hazardous waste:

8. **03 01 05** – Sawdust, wood, chipboard
9. **07 02 13** – Plastic waste (PU, PE, PP)
10. **10 12 06** – Used forms (CaSO₄, H₂O)
11. **15 01 01** – Paper packaging (cellulose, CaCO₃)

WASTE MANAGEMENT

Currently, our company does not conduct any dedicated activities related to waste management of end-of-life products. Responsibility for products management after their use is completed is the responsibility of the final user, in accordance with applicable law.

HAZARDOUS AND RADIOACTIVE WASTE

- **Hazardous waste:** 2,171 kg
- **Radioactive waste:** None

RECORDS AND CALCULATION METHODS

We keep records of waste in the BDO system, in accordance with applicable regulations rights. Data is entered into the system on an ongoing basis in the form of electronic cards waste transfer (ΚΡΟ) and waste registration cards (ΚΕΟ). Weight tickets and internal documentation is the basis for determining the amount of information transferred waste.

RESOURCES OUTFLOWS

- **Non-hazardous waste:** 6,752.9 kg sent for disposal
- **Hazardous waste:** 2,171 kg sent for disposal
- **Total amount of generated waste sent for disposal:** 3,174,347.5 kg

FUTURE ACTIVITIES

Despite the lack of current end-of-life products waste management activities, we are aware of the growing importance of the circular economy and we are considering future steps that may increase our involvement in this area.

SUMMARY

Our company is committed to sustainable development, ensuring that products were designed in accordance with the principles of circular economy. Although currently we do not carry out any activities related to the collection of products after their use has ended. We are open to future initiatives that can contribute to further development of our ecological responsibility.

Anticipated financial consequences resulting from the impacts, risks and opportunities related to using resources and circular economy (E5-6)

In the context of resource use and the circular economy, we predict, that actions related to responsible resource management will have a significant impact on our financial results – both in terms of risks and opportunities. We expect that the implementation of the strategy for sustainable use of resources and the approach to the circular economy will contribute to reducing operating costs by reducing the consumption of raw materials,

optimizing production processes and reducing waste. In the long term, this could lead to a cost reduction in purchasing new resources and waste management, which will affect improving profitability.

Disclosure of quantitative information about expected significant financial effects, risks and opportunities arising from the pollutants impact:

In the context of the pollution impact on our organization, we anticipate that the actions to reduce pollutant emissions and optimize production processes will have both cost and profit consequences.

CHANCES:

- **Reduction of operating costs:** Investments in mitigating pollutant emissions technologies can lead to lower costs associated with fines for exceeding emission standards and environmental fees.
- **Increased revenues:** Increased awareness of consumers and business partners on sustainable development creates an opportunity of growth demand for our products and services. Companies that implement pro-ecological technologies, can count on greater interest on the market.

EXPECTED FINANCIAL IMPACTS RELATED TO RISKS AND OPPORTUNITIES:

On the one hand, investments in technologies that reduce pollutant emissions can lead to increase operational efficiency, reduce raw material and energy costs and waste management. Improving the efficiency of production processes can also increase the company's competitiveness, especially in sectors where sustainable development becomes a key element.

On the other hand, the risks related to the impact of pollution include the adapting need to changing legal regulations regarding environmental protection, which may involve high investments in new technologies and production reorganization processes. Although the initial costs may be high, these investments will help avoiding fines related to violating emission standards and improve compliance with regulations. In addition, failure to comply with standards may lead to increased operational costs related to environmental fines and fees and potential decline in the company's reputation, which will negatively impact its financial results.

Revealing critical assumptions used to quantify the expected financial impact and the level of uncertainty:

In the process of determining the expected financial impacts related to the impact of pollution we have made several key assumptions. First, it is assumed that the reduction of pollutant emissions and efficient waste management will lead to a reduction in operating costs, including savings on raw materials and energy.

In relation to risks, it was assumed that changing legal regulations in the field of environmental protection may lead to increased costs related to adaptation of production processes to new emission standards.

THE UNCERTAINTY OF THE ASSUMPTIONS RESULTS FROM SEVERAL FACTORS:

- The variability of legal regulations and the pace of their implementation may affect the amount of potential fines and costs of adapting to new standards.
- Changes in raw material and energy prices may affect the accuracy of estimated savings related to improved operational efficiency.
- Fluctuations in the organic products market, depending on changing consumers preferences and the economic situation, may affect the actual sales growth.

Due to these variables, the level of uncertainty associated with the financial forecasts is high. Actual results may differ from assumptions, therefore forecasts should be treated as indicative, taking into account changes in the regulatory and market environment.

Expected financial impact of using material resources and the threats and opportunities associated with the circular economy – time horizons:

At this stage, the company has not carried out a detailed analysis of the financial impact resulting from risks and opportunities related to resource use and the circular economy in different time horizons. Therefore, there is no precise estimates of potential costs and benefits in the short and long term.





Society (S)



Own employee resources (S1)

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S1.SBM-3 Significant impact, risk and opportunities and their interaction with strategy and business model

Our strategy and business model are closely linked to the growing regulation of sustainable development, which requires adapting processes to new legal and environmental standards. Increased regulation is both a risk and an opportunity. The risk is volatility of economic situation, including fluctuations in commodity prices and exchange rates, which may affect operating costs. In turn, technological progress creates an opportunity to optimize processes and increasing efficiency, but it is also associated with the risk of high investments.

Changing legal regulations, changing market conditions and the development of new technologies have a key impact on our business. These changes may involve costs, but also create opportunities to improve the company's reputation and access to new markets. Social growth and consumer expectations related to social responsibility and environmental protection influences our strategy, leading to more responsible activities in the area of employment and offered products.

These activities have a significant impact on our manpower, supply chain, affected communities and consumers. We are committed to improving working conditions throughout the supply chain, introducing ethical standards and ensuring responsibility. These changes rearrange into our strategy, enabling better alignment to market expectations and social values.

Policies related to own working power (S1-1)

The Social Policy at the "Lubiana" SA Porcelain Tableware Factory includes the Social Personal Policy, Health and Safety Policy and the Management Board's approach to social issues, with emphasis on relationships with employees, stakeholders and local communities. This is the Company commitment to implement the principles of sustainable development, ensuring systematic and mature approach to social issues. The policy applies to all departments and employees of the Company, as well as to suppliers, business partners and other stakeholders.

The company respects international guidelines, including the UN Guiding Principles for Business, human rights and conventions of the International Labour Organization (ILO), obliging to respect human rights, including the right to association, the elimination of forced children labour, slavery and discrimination. The policies are fully consistent with international standards and legal regulations.

In addition, the Company has implemented policies to prevent accidents and eliminate discrimination and promoting equal opportunities and diversity. There is also a reporting system for irregularities, ensuring confidentiality and protection of whistleblowers. Poli-

cies are available for all stakeholders, including employees and are made available on the Company's website, with the possibility of translation into the employees' native language.

Cooperation procedures with the unit's employees and employee representatives in impact matters (S1-2)

Our Company regularly cooperates with employees through various channels, including team meetings, anonymous surveys and implementation of the ideas program. Employee perspective has a key impact on the decisions made and activities related to the management of efficiency and quality of work, verification skills through annual assessment and a competency matrix.

Stages of cooperation with employees:

Collaboration with employees takes place at various stages of the decision-making process in order to ensure their perspective is taken into account. This includes pre-implementation stages, such as the development of new policies, projects and initiatives, and implementation steps, where employees are involved in various project groups.

Type and frequency of engagement:

Employee involvement in decision-making processes is achieved through:

- **Direct cooperation** with employees,
- **Indirect cooperation** through employee representatives.

Contact with employees begins from the first day of their employment, daily meetings, regular team meetings (monthly) and annual surveys assessing employee satisfaction and their concerns.

Responsibility for the engagement process:

The following subjects are responsible for ensuring appropriate employee engagement:

- President of the Management Board,
- Member of the Management Board,
- Management.

Framework agreements and arrangements:

At the global level, we do not have framework agreements, but the company has **The Company's Collective Labour Agreement**, which regulates the issue of respect for human rights in the context of employee resources.

Evaluation of the cooperation effectiveness:

We regularly evaluate the effectiveness of cooperation with employees based on:

- Achieving quarterly goals,
- Regular feedback,
- Annual assessments,
- Anonymous employee surveys.

Cooperation with particularly vulnerable groups:

To take into account the views of employees who are in a particularly difficult situation, we conduct anonymous surveys that include questions about needs of different social groups. In this way we ensure that all employees feel comfortable in their workplace. So far we have not noticed any deficiencies in this scope.

Help in crisis situations:

We have **the Company Social Benefit Fund Regulations**, which provide assistance for employees in particularly difficult situations, including the random welfare.

Barriers in employee engagement:

Regularly conducted surveys help us identify potential barriers in employee engagement. At this stage, we have not monitored any significant difficulties in this area.

Information availability:

In order to provide access to information in an understandable and accessible manner, we use various communication channels:

- Communications,
- Team meetings,
- Information boards,
- Intranet,
- Company leaflets.

Resolving conflicts of interest:

In the event of interests conflict among employees, a procedure The Regulations for accepting applications has been established, which ensures transparency and honesty in the process of resolving such situations.

Respect for human rights:

Our Company strives to respect the human rights of all parties involved, including the right to privacy, freedom of expression and the right to peaceful assembly and protest. These activities are carried out in accordance with the provisions of **the Code of Ethics, Social Policy** and applicable law.

Effectiveness of collaboration processes:

Since 2024 as the first reporting year, we do not have any data yet about the effectiveness of collaboration processes in previous reporting periods.

Processes of elimination negative impacts and channels of reporting problems by employees (S1-3)

Our Company has implemented clear policies to respond the concerns and negative impacts within own staff resources. We have created a comprehensive mechanism for submitting complaints, available to all employees, which is described in details in **the Code of Ethics** and **the Rules for Receiving Reports**. This mechanism enables employees to report any issues or concerns which are then analyzed and investigated by a designated team. **The DHR department** ensures that every doubt is resolved in a fair and timely manner, and the reporting person is kept informed of progress in the process. In addition, we have an internal communication channel – **Intranet, Announcements, Notice Boards, Board of Directors, Telescreens, E-mail** which are used to convey information.

Processes to remedy situations related to a negative impact on employees:

Our Company has established a comprehensive approach to addressing the negative impact of our activities on employee resources. We have implemented a solid mechanism for submitting complaints, which allows employees to anonymously report their concerns, in details specified in **the Code of Ethics** and **the Regulations for Accepting Applications**. This mechanism is available to all employees who are encouraged to express their opinions without fear of retaliation. We also have **third party liability insurance**. As of today, we have not monitored any infringement in this regard.

Evaluation of the effectiveness of corrective measures:

Our Company regularly assesses whether the corrective measures taken in connection with a material negative impact on employees are effective. As of today, we have not monitored any infringement in this regard.

Specific channels for reporting concerns:

Our company has special communication channels that allow employees reporting concerns, suggestions and needs directly to the company. We care to ensure that every

employee has the opportunity to express their opinions in a safe and effective manner. In addition, there is an external grievance mechanism that provides employees a way to report concerns and seek a solution resulting from the adopted **Regulations for Receiving Reports and Taking Follow-up Actions**.

According to these regulations:

1. Persons having knowledge of violations of the law in the scope referred to in Chapter III. point 2, should report irregularities immediately.
2. Applications may be submitted via:
 - **Mailbox** operated by the person receiving the notification: **sygnalista@mmp.pl**.
 - **By post** to the registered office address: Misiewicz, Mosek and Partners Law Firm, 12/2 Stągiewna Street, post code 80–750 Gdansk.
 - **By phone** at 886 310 071 (with the option of recording the conversation by the whistleblower's permission).
 - **Directly** during meetings organized at the whistleblower's request.
 - **By letter or e-mail** to the President of the Management Board, if the notification concerns the recipient registration.
3. Submissions should include:
 - Personal data of the reporting person.
 - Description of the irregularity and the circumstances related to it.
 - Evidence supporting your application.

Availability of mechanisms for reporting concerns:

- **All employee resources** and **employee representatives** have full access to communication channels at the level of the unit in which they are employed or for whom they perform work.
- Our company has an external complaint mechanism which is additional method for reporting the concerns.

Complaint mechanism:

The mechanism for handling complaints and grievances related to employee matters is fully implemented and operating effectively. Each operational unit has designated contact persons who help in resolving reported problems. Additionally, there is a monitoring system in place to ensure that all reported issues are appropriately documented, analyzed and resolved in a timely manner.

Tracking and monitoring reported issues:

The company is implementing a system for monitoring issues reported by employees in order to ensure that they are effectively resolved. Employees are encouraged to use dedicated reporting channels available 24/7, without fear of retaliation. Employee representatives are also involved in the review and improving these processes to make them as user-friendly and accessible as possible.

Protection for those raising concerns:

The company has implemented a policy to protect people using channels to report concerns, including employee representatives, against retaliatory actions.

Implementation time frame

The mechanism for reporting concerns was implemented in 2022 and was updated in 2024.



Taking action regarding significant impacts on own employees and the use of approaches that serve management of significant risks and the use of important opportunities related to own employees and effectiveness of these activities (S1-4)

In our organization we focus on effective management of employee resources, minimizing risk and taking advantage of opportunities related to human capital. Our plan includes:

- 4. Employee Resource Management** – Recruitment, Development, Motivation and Retention employees who support the organization's goals.
- 5. 2. Risk Identification and Management** – minimizing threats such as: turnover, lack of competence or decline in commitment.
- 6. 3. Taking advantage of opportunities** – building competitive advantage through development talents, supporting an innovative organizational culture.
- 7. 4. Evaluation of the effectiveness of activities** – monitoring employee satisfaction, productivity and retention rates.

As part of our preventive measures, we offer development programmes and take care of our employees well-being through flexible working hours, motivation system and we also improve internal communication. We work with industry organizations to reduce together the risks of employment and inequality.

Our initiatives include training, supporting competence flexibility, pension plans and pro-ecological activities. Additionally, we engage employees in decision-making processes. Our programmes support mental and physical health.

We undertake CSR activities, implementing Sustainable Development Goals, improving working conditions, supporting professional development and taking care of employee health.

We regularly monitor the effectiveness of these activities through satisfaction surveys and analysis of risks and opportunities. Our practices are ethical and ensure safety and development of employee resources.

Our company focuses on the development of human resources through training, satisfaction assessments and cooperation with employees in terms of engagement and feedback. All these activities are aimed at increasing work efficiency, engagement and reducing rotation.

Goals of significant negative impacts management, increasing positive impacts and management of significant risks and significant opportunities (S1-5)

In our organization, we put particular importance to managing both negative and positive impacts and the positive influences that may result from our activities. We strive to minimize negative effects, promote positive aspects of work, and effectively manage risks and opportunities. Key areas of our activity include:

1. Managing significant negative impacts

- **Minimizing employee rotation** – We implement professional development programmes, attractive motivational systems and we improve working conditions to ensure employment stability.
- **Preventing burnout** – We promote work-life balance between professional and private through flexible working hours and programmes of psychological support.
- **Elimination of barriers in employment** – We counteract all forms of discrimination and we focus on building an inclusive organizational culture.

2. Goals for the future

By the end of 2025, our goal is to provide competence training to as many employees as possible. We also strive to increase employee engagement, improving internal communication so that everyone feels valued and involved in the development of the company.

3. Collaborative approach

Managing important sustainability issues is based on permanent cooperation with employees, trade union representatives and external experts. We regularly organize meetings, both daily and monthly to discuss progress, gather feedback and set new goals.

4. Engage stakeholders in the goal setting process

Our company actively cooperates with stakeholders, including employees and trade unions representatives to set goals for Sustainability managing issues. We regularly engage our employees to track achieving goals and making suggestions for improvement.

5. Risk and opportunity management

Our company works to eliminate risks related to equal opportunities and professional development, ensuring that every employee has equal opportunities for promotion and access to training. In the area of risk management, we regularly comply with the labor regulations law and international standards to avoid consequences of legal risks.

6. Striving for equal opportunities

We pursue the goal of promoting equal opportunities and supporting employee development, which has a positive impact on the organizational culture and employee motivation. We want to increase diversity in our team to fully utilize the potential of our employees. We strive to create a work environment that supports their professional development.

7. Related Policies

Our activities are consistent with the following policies:

- Social Policy
- IT Security and Privacy Policy
- Supplier selection Policy
- Environmental and Climate Policy

8. Measuring progress

Our Company has set specific goals related to improving employee well-being, such as: how to reduce work stress and promote a healthy life balance between professional and private. We plan to provide employees with at least 6-8 hours training each year to enhance their skills and professional opportunities.



9. Monitoring progress

We are constantly monitoring the implementation of the set goals. The company plans to set new goals by 2025, while this process will include stakeholder participation throughout consultations, dialogue and analysis of expectations

Units employee characteristics (S1-6)

Key Characteristics of Employees in Human Resources

Our Company is dominated by women, many of whom hold management positions, which demonstrates our commitment to promoting gender equality in governance structures. Most of our employees are in the age group of 30-49 years old, which reflects the specificity of the industry, in which the pursuit of excellence requires both big experience and continuous education. The vast majority of employees are Poles, which results from the national nature of our activities. At the same time, we undertake various initiatives aimed at promoting integration and equality opportunities, including actions aimed at increasing the representation of men and people from ethnic minorities in our industry.

Characteristics of the company employees

- **Number of employees at the end of the period: 1,323**
- **Number of employees who left during the reporting period: 100**
- **Employee rotation rate: 0.8% (annual average)**

The figures are calculated based on the average value for the entire reporting period, which allows for a comprehensive view of the manpower. Employee rotation is tracked every month and calculated on the basis of the number of employees under an employment contract.

DATA FOR THE REPORTING PERIOD:

- **Stability of the number of employees:** The number of employees remained stable throughout the year.
- **Category "others" (gender):** Due to differences in the definitions of the category "others" depending on country, this data has not been disclosed. This category may include non-binary, genderqueer and other gender identities.

Division of employees by gender

- **Female:** 824 employees
- **Male:** 499 employees



Number of employees in countries with 50 or more employees

- **Poland:** 1,323 employees

Characteristics of company employees – information about employees by type of contract and gender

MEN:

- **Part-time employees**
 - Number of employees: 4
 - Total number of employees (full-time equivalent) at the end of the period: 4
- **Full-time employees**
 - Number of employees: 391
 - Total number of employees (full-time equivalent) at the end of the period: 391
- **Employees without guaranteed working hours**
 - Number of employees: 104
 - Total number of employees (full-time equivalent) at the end of period: 104
- **Permanent employees**
 - Number of employees: 360
 - Total number of employees (full-time equivalent) at the end of period: 360



- **Temporary workers**
 - Number of employees: 35
 - Total number of employees (full-time equivalent) at the end of period: 35

WOMEN:

- **Part-time employees**
 - Number of employees: 1
 - Total number of employees (full-time equivalent) at the end of period: 1
- **Full-time employees**
 - Number of employees: 627
 - Total number of employees (full-time equivalent) at the end of period: 627
- **Temporary workers**
 - Number of employees: 37
 - Total number of employees (full-time equivalent) at the end of period: 37
- **Employees without guaranteed working hours**
 - Number of employees: 196
 - Total number of employees (full-time equivalent) at the end of the period: 196
- **Permanent employees**
 - Number of employees: 591
 - Total number of employees (full-time equivalent) at the end of the period: 591

Characteristics of company employees – information about employees by type of contract and region

POMERANIAN:

- **Employees without guaranteed working hours**
 - Number of employees: 299
 - Total number of employees (full-time equivalent) at the end of period: 299
- **Full-time employees**
 - Number of employees: 983
 - Total number of employees (full-time equivalent) at the end of period: 983
- **Permanent employees**
 - Number of employees: 924
 - Total number of employees (full-time equivalent) at the end of period: 924
- **Part-time employees**
 - Number of employees: 5
 - Total number of employees (full-time equivalent) at the end of the period: 5
- **Temporary workers**
 - Number of employees: 64
 - Total number of employees (full-time equivalent) at the end of period: 64

ENTIRE COUNTRY (MOBILE):

- **Full-time employees**
 - Number of employees: 8
 - Total number of employees (full-time equivalent) at the end of period: 8
- **Permanent employees**
 - Number of employees: 8
 - Total number of employees (full-time equivalent) at the end of the period: 8

ŚWIĘTOKRZYSKIE:

- **Full-time employees**
 - Number of employees: 16
 - Total number of employees (full-time equivalent) at the end of period: 16
- **Permanent employees**
 - Number of employees: 15
 - Total number of employees (full-time equivalent) at the end of period: 15
- **Temporary workers**
 - Number of employees: 1
 - Total number of employees (full-time equivalent) at the end of the period: 1

MASOVIAN:

- **Temporary workers**
 - Number of employees: 1
 - Total number of employees (full-time equivalent) at the end of period: 1
- **Employees without guaranteed working hours**
 - Number of employees: 1
 - Total number of employees (full-time equivalent) at the end of period: 1

- **Full-time employees**
 - Number of employees: 4
 - Total number of employees (full-time equivalent) at the end of period: 4
- **Permanent employees**
 - Number of employees: 3
 - Total number of employees (full-time equivalent) at the end of period: 3

SILESIA:

- **Temporary workers**
 - Number of employees: 4
 - Total number of employees (full-time equivalent) at the end of the period: 4
- **Full-time employees**
 - Number of employees: 4
 - Total number of employees (full-time equivalent) at the end of the period: 4

MAŁOPOLSKIE:

- **Permanent employees**
 - Number of employees: 3
 - Total number of employees (full-time equivalent) at the end of period: 3
- **Full-time employees**
 - Number of employees: 3
 - Total number of employees (full-time equivalent) at the end of period: 3

All employee data was prepared in accordance with the Chief Executive Officer's methodology of Statistical Office (GUS) and takes into account all forms of employment, both full-time and part-time as well as temporary and contract work.

Characteristics of non-members employees who are the unit's own employees (S1-7)

Key characteristics of Non-Employees in their own employee resources

The manpower that is not directly employed by our company consists mainly of people providing services on commission and employees of outsourcing companies. These associates work closely with our full-time employees, supporting daily operations and contributing to the smooth functioning of the company. Approximately 23% of the total manpower consists of people from the outside of our organization who perform a key role in implementing various business functions, especially in the production area.

Characteristics of non-employees who constitute own employee resources

- **Total number of non-employees:** 313
- **Self-employed:** 0
- **People employed by outsourcing companies:** 313

Our methodology for collecting data on non-employees is based on a thorough analysis of various sources, such as personal files, contracts with contractors and third party service agreements. The cooperating companies provide data at the end of each month, and the number of non-employees is reported at the end of the monthly reporting period.

Methodology and assumptions

- **Data submission:** The number of non-employees is provided at end of the month as a number of employees.
 - **Changes in the number of non-employees:** During the reporting period there was a 27% increase in the number of people providing outsourcing services compared
- Types of non-employees:** Most often, these are people working on contract of mandate and persons providing outsourcing services.

A manpower differentiation

Our company has a diversified manpower that includes different groups of people who are not permanently employed. Each of these groups plays an important role in the implementation production and operational processes, working closely with our full-time employees. Data regarding people from outside of our organization are estimated, because obtaining complete and accurate information can be difficult.

Scope of collective parley and social dialogue (S1-8)

Disclosure of the extent to which working conditions and terms of the employees employment is determined or influenced by collective agreements and the extent to which employees are represented in social dialogue in the European Economic Area (EEA)

WORKING AND EMPLOYMENT CONDITIONS IN THE EUROPEAN ECONOMIC AREA (EEA)

The working and employment conditions of our employees in the EEA are mainly determined based on **the Collective Labour Agreement, Work Regulations** and others regulations that have been agreed with our national union partners. They represent approximately **77% of our manpower**.

The Agreement and regulations cover a number of important issues, including:

- working hours,
- remuneration,
- holidays,
- health and safety issues.

SOCIAL DIALOGUE

In terms of social dialogue, our employees are represented by **Trade Unions** on the factory level. Meetings with the trade union representatives are held every quarter, during which crucial issues are discussed, such as:

- working conditions,
- employee well-being,
- company policy.

In addition, we engage to regular dialogue with employees through various communication channels, including team meetings.

SCOPE OF COLLECTIVE PARLEY AND SOCIAL DIALOGUE

- Total number of employees: 1,361
- Number of employees covered by collective agreements: 1,048
- Percentage of employees covered by collective agreements: 77%

COLLECTIVE LABOR AGREEMENTS

Yes, our unit has concluded **a collective parley agreement** (and other collective agreements) within the framework of EEA.

WORKING AND EMPLOYMENT CONDITIONS FOR NON-EMPLOYEES

Working conditions and employment rules for non-employees in our own employee resources are specified in each individual contract. There is no notation in collective agreements and regulations that would relate to working conditions and the employment of non-employees within our manpower.

- Percentage of non-employees whose working conditions are determined by collective agreements: 0%.

DIVISION OF EMPLOYEES COVERED BY COLLECTIVE AGREEMENTS BY A REGION POLAND:

- Total number of employees: 1,361
- Number of employees covered by collective agreements: 1,048
- Coverage rate: 60% to 79%.

Diversity indicators (S1-9)

Revealing the gender breakdown at the highest management level and the age distribution among employees

Our Company strives to maintain a diverse and inclusive environment. To this end, we have implemented policies that provide **equal opportunities** for all employees.

GENDER BREAKDOWN IN MANAGEMENT

- **Top and lower level management:**
 - **69% of men**
 - **31% of women**
- **Overall gender breakdown among employees:**
 - **62% of women**
 - **38% of men**

This demonstrates our efforts to promote **gender equality** within the company.

AGE DISTRIBUTION AMONG EMPLOYEES

The age distribution among our employees is quite diverse, which is a testament to our ability to attract and retain talent in different age groups.

- **15% of employees aged 18–30 years,**
- **51% of employees aged 31–50 years,**
- **34% of employees are over 51 years old.**

DIVERSITY METRICS – AGE DISTRIBUTION

- **Number of employees under 30 years of age: 210**
 - **Percentage: 15%**
- **Number of employees aged 30 to 50: 687**
 - **Percentage: 51%**
- **Number of employees over 50 years of age: 454**
 - **Percentage: 34%**

DIVERSITY METRICS – GENDER DISTRIBUTION AMONG MANAGEMENT STAFF

In our company, **top management** is defined as **the board of directors companies**.

- **Number of men in the board: 2**
- **Total number of employees: 1,323**
- **Percentage of men in top management: 0.15%.**





Adequate wages (S1-10)

Disclosure of whether employees receive adequate salary, and if not all employees receive appropriate remuneration, countries and percentage of employees to which it applies.

EMPLOYEE SALARY

In our Company, all employees receive appropriate remuneration in accordance with applicable legal regulations. We employ workers only in Poland.

WAGES ADEQUACY

- **Non-employees:**
All employees or non-employees (depending on the chosen options) receive appropriate remuneration in accordance with the applicable reference indicators: **Yes.**
- **Employees:**
All employees or non-employees (depending on the chosen options) receive appropriate remuneration in accordance with the applicable reference indicators: **Yes.**

APPROPRIATE REMUNERATION BY COUNTRY

Poland

- **Non-employees:**
 - Total number of non-employees: **313**
 - Number of non-employees who receive salary below reference: **0**
 - Percentage of non-employees who receive a salary below reference: **0%**
- **Employees:**
 - Total number of employees: **1,048**
 - Number of employees who receive wages below the reference rate: **0**
 - Percentage of employees who receive wages below the reference: **0%**

Social protection (S1-11)

Disclosure of whether employees are covered by social protection before loss of income due to major life events and countries where this is not the case.

SOCIAL PROTECTION

In our Company, we take care to ensure adequate social protection for employees in the event of loss of income due to serious life events. We offer life insurance and participation in the Employee Pension Program (PPE), which includes benefits in the event of accidents, births, deaths, hospitalizations and serious illnesses – both for employees and their families.

In the face of important life events such as the birth of a child, marriage or death of a close relative, our employees are entitled to paid leave that allows them to take care of family without worrying about their income. Additionally, in the event of the employee's

death, his family receives a one-time financial benefit which is equivalent to a certain number of months of salary.

SOCIAL PROTECTION OF EMPLOYEES

- **Disease:**
All employees are covered by social protection in the event of loss of income due to illness, both through public and private benefit programmes.
- **Unemployment:**
Employees employed for an indefinite period are covered by social protection in the event of loss of income due to unemployment. Fixed-term employees cannot be entitled to unemployment benefits if the contract is terminated before the required contribution period.
- **Accident at work and disability:**
All employees are covered by social protection in the event of loss of income caused by an accident at work or acquired disability.
- **Parental leave:**
Employees are covered by social protection against loss of income related to parental leave.
- **Pension:**
Employees are covered by social protection in the event of retirement.

SOCIAL PROTECTION FOR NON-EMPLOYEES

- **Illness and accidents:**
Non-employees (e.g. independent contractors or outsourcing services) are covered by social protection in the event of loss of income due to accidents at work, but the decision to pay contributions for sickness and accident insurance is voluntary.
- **Unemployment:**
Independent contractors of mandate contracts and outsourcing services may not be entitled to unemployment benefits if their period of employment was too short to meet the contribution requirements. Additionally, employees from outside the EU may not meet the eligibility criteria for benefits.
- **Disability:**
Non-employees are not covered by social protection for loss of employment, income in the event of acquired disability, unless they decide to voluntarily pay for the contributions.
- **Parental leave:**
Independent contractors of mandate contracts and outsourcing services are not covered by social protection in terms of loss of income due to parental leave.
- **Pension:**
Independent contractors of mandate contracts and outsourcing services are not covered by social protection in terms of retirement because they are not treated as permanent employees.

SUMMARY

All our employees, employed under an employment contract, are fully socially protected. For non-employees, social protection is dependent on individual decisions on paying contributions and specific employment conditions.

People with disabilities (S1-12)

Percentage of own employees with disabilities

In our company 10% of employees employed under an employment contract are people with disabilities. In total, we employ 104 people with disabilities out of 1,048 employees, which represents 9.9% of the total number of employees.

Data regarding people with disabilities are collected only in relation to employees employed under an employment contract, in accordance with the rules of PFRON. Due to legal restrictions related to the collection of sensitive data, we do not have such data in relation to other forms of employment.

Percentage of employees with disabilities by gender

- **Women**
 - Number of women with disabilities: 73
 - Total number of employees: 646
 - Percentage of women with disabilities: 11%
- **Men**
 - Number of men with disabilities: 31
 - Total number of employees: 403
 - Percentage of men with disabilities: 8%

Training indicators and skills development (S1-13)

Training and development of employee skills

Our Company invests in the professional development of employees through regular trainings, courses and skills development programmes that are defined within the Training Plan. Every employee has access to tools and resources that support career development and professional development. These initiatives include both internal and external training programmes, covering a wide range of topics. Training plans are designed in such a way as to meet the needs of employees at various levels – from new hires to senior management, ensuring everyone's opportunity for development and promotion.

Training and skills development metrics

- Total number of employees: 1,048
- Number of employees participating in regular performance and development reviews careers: 1012

- Percentage of employees participating in performance and development reviews careers: 97%
- Total number of training hours for employees: 6,591
- Average number of training hours per employee: 6

Training and skills development metrics by gender category

- **Women**
 - Total number of employees: 1,048
 - Number of women participating in performance and career development reviews: 620
 - Percentage of women participating in performance and development reviews careers: 96%
 - Total number of training hours for women: 2264
 - Average number of training hours per woman: 3
- **Men**
 - Total number of employees: 1,048
 - Number of men participating in performance and development reviews careers: 392
 - Percentage of men participating in performance and development reviews careers: 98%
 - Total number of training hours for men: 4327
 - Average hours of training per man: 11

Industrial safety indicators (S1-14)

Disclosure of the extent to which own employee resources are covered with occupational health and safety management system

OCCUPATIONAL HEALTH AND SAFETY

In our organization employee resources are fully covered by health and safety work. This includes all stages of the company's operations, starting from the introduction appropriate security procedures, up to ongoing monitoring and risk assessment related to occupational health and safety.

Occupational health and safety monitoring is in line with applicable legal and industry standards and regularly updated to ensure employee safety on work site. As part of this monitoring, we conduct periodic health and safety training, internal audits and analysis of occupational risks, with the aim of identifying and minimizing threats.

In addition, we ensure that procedures are regularly updated depending on changes in legal regulations, technological and specific business activities. Thanks to this, all our employees are subject to effective and comprehensive safety supervision and occupational hygiene.

HEALTH AND SAFETY MEASURES

- The occupational health and safety management system or its elements subjected to internal audit or external certification: Yes
- Number of employees covered by the health and safety management system: 1361
- Percentage of employees covered by the health and safety management system that has been developed on the basis of legal requirements or recognized standards or guidelines and which have been subject to internal audit or certification external: 100%

HEALTH AND SAFETY REGULATIONS – DETAILED

- Number of employees covered by the health and safety management system: 1361
- Percentage of employees covered by the health and safety management system of an individual based on legal requirements or recognized standards or guidelines: 100%
- Number of fatalities due to work-related injuries: 0
- Number of fatalities among our own manpower as a result of work related injuries: 0
- Number of fatalities connected to work-related illnesses: 0
- Number of fatalities due to work-related injuries and illnesses of other employees working at the company's site: 0
- Number of reportable work-related accidents: 8
- Total number of hours worked by employees: 1,714,773
- Number of accidents: 8
- Reportable work-related accident rate: 4
- Number of reportable work-related illnesses cases: 0
- Number of days lost due to work-related injuries and fatalities due to work-related accidents and illnesses: 233

Professional and private life balance indicators (S1-15)

Family leave

Employees are entitled to family leave, in accordance with applicable law regulations in Poland. The company has not implemented additional rights in this regard. Family leave allowance is granted to employees in accordance with the regulations contained in the labor law, which allows them to reconcile professional duties with private life.

Work-life balance metrics

- Total number of employees: 1,048
- Number of employees entitled to family leave: 1048
- Percentage of employees entitled to family leave: 100%

- Number of employees who took family leave: 25
- Percentage of employees who took family leave: 2%
- All employees are entitled to family leave as part of the social policy and/or collective labor agreements: **Yes**

Percentage of employees entitled to take a family leave by gender

- **Men**
 - Total number of employees: 1,048
 - Number of employees who took family leave: 4
 - Percentage of employees who took family leave: 1%
- **Women**
 - Total number of employees: 1,048
 - Number of employees who took family leave: 21
 - Percentage of employees who took family leave: 3%

Salary indicators (gap salary and total remuneration) (S1-16)

Percentage difference in wages between employees female and male

Percentage pay gap between female and male employees is 14.6%. This difference is largely due to the greater representation of men in senior management positions where salaries are much higher and specialist and technical positions. The ratio of the salary of the highest paid person to the median salary of all employees is – **classified data**.

The calculations do not include retirement severance pay, the remuneration of the President of the Management Board and the salaries of people who did not receive their salaries in some months (e.g. for unpaid leave, zus benefits, or incomplete year of employment).







Compensation indicators (pay gap and total compensation)

- Average gross hourly rate of male employees: 37 PLN
- The difference between the average gross hourly rate of male employees and female employees: 5 PLN
- The gender pay gap: 895 PLN
- Median annual total employee compensation (excluding top earning person): confidential data.
- Annual total compensation of top earner: confidential data.
- Ratio of the highest earner's annual salary to the median salary of all employees (except the highest earner): 3
- Wage index adjusted for differences in purchasing power between countries: 0 (activity conducted only in Poland)

The gender pay gap by gender professional groups

- **Management**
 - Average gross hourly rate of male employees: **data classified.**
 - The difference between the average gross hourly rate employees – men and women employees: 2 PLN
 - Gender pay gap: 571 PLN
- **White-collar workers**
 - Average gross hourly rate of male employees: **data classified.**
 - The difference between the average gross hourly rate employees – men and women employees: 6 PLN
 - The gender pay gap: 1,314 PLN
- **Manual workers**
 - Average gross hourly rate of male employees: **data classified.**
 - The difference between the average gross hourly rate employees - men and women employees: 3 PLN
 - The gender pay gap: 606 PLN

Incidents, complaints and serious impact on compliance human rights (S1-17)

Disclosure of the number of work-related incidents and/or complaints and serious impact on human rights in its own resources employees and any related fines, sanctions or compensation

SECURITY AND RESPECT FOR HUMAN RIGHTS

In our Company, the priority is the safety and well-being of our employees. There were no incidents or complaints reported during the past reporting period related to the workplace. All potential situations are monitored using incident reporting system, employee surveys and clearly defined procedures. Employees have access to policies, code of ethics and regulations both in the form of training and via the website.

SUMMARY FOR THE REPORTING PERIOD:

- Reported incidents of discrimination or harassment: **0**
- Complaints reported by employees: **0**
- Complaints to OECD National Contact Points: **0**
- Serious violations of human rights: **0**
- Amount of fines, penalties or compensation: **0 PLN**
- Cases where the Company provided remedies: **0**

No violations of the UN Guiding Principles were reported during the reporting period, ILO or OECD on human rights and responsible business conduct.







Consumers and final users (S4)

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S4.SBM-3 Significant impact, risk and opportunities and their interaction with strategy and business model

Impact, Risk and Opportunity Analysis

During the reporting year, the Company did not conduct a full analysis of significant impacts, risks and opportunities resulting from the strategy and business model. Planned analysis in 2025 will enable the identification of key factors influencing business activities and better aligning strategies with the challenges and opportunities of sustainable development.

Impact on stakeholders

There was also no comprehensive analysis of the actual and potential impact on own employees, people in the value chain, communities and consumers. This analysis, planned for 2025, will allow for a better understanding of the interaction between strategy and the impact on stakeholders, and manage risks and opportunities more effectively.

Scope of disclosure according to ESRS 2

The Company recognises that its activities may have a significant impact on various stakeholder groups, including:

- **Own employees** – employed full-time, crucial to achieving companies goals.
- **External collaborators** – performing tasks based on contracts
- civil law.
- **Employees of the value chain** – suppliers and subcontractors, on whom working conditions and ethics are influenced by the Company.
- **Local communities** – affected by the company's activities, including in the field of the environment or public health.
- **Consumers and final users** – who are affected by quality, safety and product responsibility.





Sale

Austria, Belgium, Brazil, Bulgaria, Croatia, Czech Republic, Denmark, Estonia, Finland, France, Greece, Spain, Iceland, Canada, South Korea, Lithuania, Latvia, Malta, Mexico, Moldova, The Netherlands, Germany, Norway, Poland, Portugal, South Africa, Serbia, Slovakia, Switzerland, Sweden, Türkiye, Ukraine, The USA, Hungary, Great Britain, Italy.



Company headquarters



Purchases

The Czech Republic, Spain, Mexico, The Netherlands, Germany, Poland, Italy



Company headquarters

Consumer related policies and final users (S4-1)

Approach to consumers and final users

Our company does not currently have a formal consumer and user policy. However, we operate on the basis of applicable legal regulations, principles business ethics and an internal Code of Ethics, which includes, among others, respect for human rights and responsibility towards stakeholders. Personal data protection is carried out in accordance with applicable regulations (including GDPR), although not it functions as a separate policy, but as a set of specific internal procedures.

We strive to build lasting relationships with our clients by providing high quality products and services, as well as professional customer service. Transparent communication and easy access to contact with the company, e.g. in case of complaints or to express opinions, they have a positive impact on the consumer experience. As a result our activities bring benefits not only to direct users but also local communities in which we operate.

However, the lack of a formal policy creates certain risks, such as an inconsistent approach for customer service or lack of clear complaint procedures, which may lead to dissatisfaction consumers. Moreover, despite the procedures in place, there is no provision for protection personal data within the policy framework may pose a risk to compliance with international guidelines in this regard.

At the same time, we see great potential development in this area. Implementation of a formalized policies towards consumers and end users could contribute to greater transparency and compliance with international standards, as well as strengthen customer trust and increase their loyalty. Improve complaint processes and communication with customers would allow us to manage risk even better and the company's reputation.



Consumer engagement processes and final users in revenues matters (S4-2)

Collaboration with consumers and final users

Our company is actively engaged in cooperation with consumers and final users, using various communication channels to better understand their needs and expectations. One of the key elements of this approach is the systematic collection opinions – both through surveys, social media and direct conversations during trade fairs. Thanks to this, we can effectively identify both potential, as well as, the actual impact of our actions on the recipients of our products and services.

Our involvement takes place at different stages of the product life cycle – from design and prototyping, through user testing and qualitative interviews, to evaluation product after its introduction to the market. Regular cooperation with customers allows not only do we collect valuable information about usability and user experience, but also adapt solutions to the changing needs of consumers.

In order to assess the effectiveness of cooperation with consumers, we use a set of key performance indicators (KPIs) that allow us to measure the results of implemented initiatives. This allows us to continually improve our stakeholder engagement process and respond to their needs even better.

In 2024, however, we did not conduct any activities aimed at obtaining opinions from consumers or end users who might be particularly susceptible to negative impacts or marginalized. This is an area that we plan to address in the future to develop.

Currently, there is no formalized, general process in our organization regarding cooperation with consumers and final users. However, its implementation is planned for 2026, which will allow for even more complete consideration of the consumer voice in the company's strategy and activities.



Repair processes of negative influence and consumer channels and final users to reporting concerns (S4-3)

Complaint Management and Corrective Action Process towards consumers and final users

Our company has implemented a comprehensive control and repair process aimed at minimizing and eliminating the negative effects of our actions on consumers and final users. A key element of this process is a dedicated quality control department, which is responsible for analyzing and resolving all quality issues reported by the customers.

There is a transparent and structured procedure for corrective actions handling complaints and claims. It includes a thorough investigation of each case, quick providing a response to the reporting person and implementing an appropriate solution, tailored to her needs.

To ensure the effectiveness of our reporting channels, we regularly analyze the feedback, we implement improvements and support our employees in conducting the complaint process in a fair and customer focused manner.

Reparative actions in the event of a significant negative impact

We consciously identify and remedy any adverse effects of our actions on consumers. If a problem is detected, we conduct a thorough investigation, we determine the causes and implement appropriate remedies. We ensure transparency, responsibility and clear communication with injured parties, and we also cooperate with stakeholders to increase the effectiveness of our activities.

Evaluation of the effectiveness of countermeasures

In each situation, a comprehensive analysis is carried out, including identification root causes of the problem and assess the extent of its impact. Based on this, in collaboration with relevant stakeholders, countermeasures are being developed, tailored to the specific needs of the parties affected by a given situation.

After their implementation, the effectiveness of the actions taken is systematically monitored using appropriate performance indicators and feedback mechanisms. The team responsible for the process regularly reviews the implemented solutions, formulates conclusions and makes necessary corrections, which allows for maintaining high effectiveness of actions in the long term.

Channels for reporting concerns and needs

We provide consumers and final users with a variety of channels to enable reporting concerns and needs directly and get a quick response. The main channels are:

- dedicated e – mail address: **reklamacje@lubiana.pl**,
- contact forms and information on the website: **www.lubiana.pl**,
- Customer Service Office (BOK), which provides ongoing support.

We make sure that all channels are accessible, transparent and user-friendly.

Channel independence and effectiveness

Our company does not rely solely on information provided by business partners in the functioning of reporting channels. We have established our own, independent mechanisms for reporting irregularities and we provide access to them to all potentially affected parties, including:

- consumers and final users,
- individuals and organizations acting on their behalf,
- affected communities,
- employees and entities in the value chain.

We also provide access to external reporting mechanisms.

Report monitoring and tracking system

Our company has a detailed system for monitoring and tracking reported cases, described in the "**Regulations for Receiving Reports and Taking Follow-up Actions**", serviced by the Misiewicz, Mosek and Partners Law Firm, ul. Stągiewna 12/2, 80–750 Gdańsk – described in details in **Chapter IV – Reporting irregularities**.

Consumer and final-user trust

Yes – despite the lack of formal tools to measure the level of trust, we are constantly taking steps actions to build it through transparency and effectiveness of processes. There were no complaints from consumers and/or final users (**number of reports: 0**).

Protection of reporters

- We guarantee protection against retaliatory actions against users from our reporting channels.
- We ensure full confidentiality, privacy and protection of personal data.
- It is possible to report concerns and needs anonymously.

Framework response time for notifications

Zgodnie z regulaminem, wstępna analiza zgłoszenia następuje niezwłocznie, nie później niż w terminie 7 dni od jego otrzymania. Jeśli zgłoszenie spełnia wymogi formalne, wszczynane jest postępowanie wyjaśniające, a sygnalista informowany jest o podjętych działaniach w wybrany przez siebie sposób.

Taking action against significant impact on consumers and final users, approaches to minimize significant risks and taking advantage of important opportunities related to consumers and final users and effectiveness of these activities (S4-4)

Information about the company's activities in terms of impact on consumers and final users

During the reporting year, the company did not undertake any activities in scope of management in significant impact, risk or opportunity related to consumers and final users. No appropriate policies, action plans or industry initiatives were implemented. The company also did not use leverage in its business relations to limit the negative impact on stakeholders.

Despite the lack of formal actions, the company recognizes the importance of responsibility towards consumers. In 2025, an impact analysis and assessment of risks and opportunities are planned in this area.

In the future, activities aimed at:

- identification of consumer needs and expectations,
- development of products and services adapted to market trends (personalization, digitalization, sustainable development),
- improving the quality of service and customer satisfaction,
- monitoring the effects of activities (response time to notifications, number of complaints, increase sales, pro-ecological indicators).

The company assumes that effective management of the impact on consumers will require broader industry collaboration and a systematic, analytics-driven approach risks, prevention and corrective actions.

Management goals significant negative impacts, promoting positive revenue and management significant risks and opportunities (S4-5)

We did not set any negative impact management goals during the reporting year, risk management and opportunities related to consumers and final users. However, we plan developing and implementing such goals in the future to better meet the needs of our stakeholders and contribute to sustainable development.

Also in the context of own resources, value chain employees and affected community, we did not set specific goals in the reporting year results-oriented.

In the future, we plan to set goals that will support our responsibility social and sustainable development. The goal setting process will include identifying key areas of impact, establishing measurable indicators, implementation schedule, consultations with stakeholders and regular monitoring of progress. We also plan to engage more consumers and end users in setting and monitoring goals to better adapt our activities to their needs and expectations.

In the reporting year, we did not take into account the opinions of consumers or their representatives in setting goals or tracking results. In the future, we plan to develop mechanisms enabling their active participation in these processes, which will allow increase transparency of activities.

Although we have not set any reduction targets for the current period for negative impact or increase positive impact on consumers in the future, we plan to set appropriate, measurable goals that will have clear objectives specific success indicators. Identified risks and opportunities, such as changes in regulations legal or increasing ecological awareness, will be the basis for the development specific goals and policies in these areas.

To manage risks and opportunities related to consumers and final users, we plan to develop appropriate policies that will support us in the realization of future goals. Our organization sets year 2024 as the base year for monitoring progress in these activities.

In the future, we aim to set measurable, results-oriented goals, that will adequately support our sustainable development and responsibility social strategy.











Corporate governance (G)



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G1.GOV-1 The role of the administrative authorities, management and supervisory

Information on the roles and responsibilities of administrative authorities, management and supervisory

The authorities authorized to represent the Company are the Management Board and the Supervisory Board. The Management Board consists of the President of the Management Board and a Member of the Management Board, while the Supervisory Board consists of four members. The Management Board is responsible for preparing quarterly reports on the Companies financial and economic situation that then submits to the Supervisory Board. The Supervisory Board plays an active role in permanent supervision over the Company activities, covering both its day-to-day operations and key strategic decisions. In addition to monitoring finances and analyzing financial statements, The Council actively participates in shaping the development strategy and risk management and evaluation of the Management Board's activities.

The Supervisory Board plays an important role in ensuring compliance with the Companies business strategy with sustainable development and ethics, ensuring long-term stability and responsible business management.

Administrative, management and supervisory authorities in business conduct

1. ADMINISTRATIVE AUTHORITIES

Administrative authorities are responsible for the day-to-day operation of the enterprise, ensuring effective work organization, coordination of internal activities and compliance of procedures with legal regulations. Their task is also to conduct documentation, formal and legal support, as well as contact with external institutions, such as tax offices or regulatory authorities. They support the Management Board in implementing the operational strategy.

2. GOVERNING AUTHORITIES

The management authorities, headed by the Management Board, are responsible for shaping and implementing the business strategy of the company. Their main tasks include:

- Making operational and strategic decisions,
- Management of company resources,
- Monitoring financial and operational results,
- Representing the company externally,
- Identifying and managing business risks.

The Management Board manages the Company's operations, implementing its long-term goals, taking into account the interests of owners, employees and stakeholders.

3. SUPERVISORY AUTHORITIES

Supervisory authorities, such as the Supervisory Board, play a key role in supervising the activities of enterprises. Their tasks include:

- Monitoring the compliance of the Management Board's activities with the strategy and legal regulations,
- Analysis of financial statements and operational efficiency,
- Ensuring an appropriate risk management system,
- Supporting the Management Board in making key strategic decisions,
- Control over the implementation of the principles of sustainable development and business ethics

The Supervisory Board acts in the interest of the Company and its stakeholders, ensuring transparency and stability of the enterprise's operations.

Expertise of administrative authorities, management and supervisory authorities in matters related with business conduct

1. EXPERTISE OF ADMINISTRATIVE AUTHORITIES

Administrative authorities are responsible for the day-to-day functioning of the enterprise and their competences include:

- **Documentation and procedure management** – knowledge of legal regulations regarding document circulation, GDPR and ISO standards,
- **Administrative and economic law** – ability to interpret regulations regarding the functioning of the company, conducting business activities and relations with state institutions,
- **Financial and accounting services** – basic knowledge of accounting, taxes and liabilities to tax authorities,
- **Human resources management** – ability to apply labor law regulations, organizing HR processes and building personnel policy

2. EXPERTISE OF THE MANAGEMENT AUTHORITIES

The management authorities, including the Board, are responsible for making key decisions regarding the development of the enterprise. The knowledge of the Management Board includes:

- **Strategic business management** – knowledge of planning using long-term methods, market analysis and building competitive advantage,
- **Finance and economics – ability to analyze financial results, budgeting and profitability management,**
- **Risk management** – identification of threats (operational risk, market risk, financial risk) and implementing loss minimization strategies,
- **Commercial and corporate law** – knowledge of regulations regarding the functioning of companies, concluding contracts and the responsibility of Management Board Members,
- **Human resource management and work organization** – the ability to build effective teams and the implementation of modern talent management models.

3. EXPERTISE OF SUPERVISORY AUTHORITIES

The Supervisory Board, performing its control and advisory functions, must have extensive knowledge in the scope of:

- **Financial analysis and accounting** – the ability to assess the enterprise's financial condition, financial statement analysis and internal audit,
- **Risk management and compliance** – monitoring legal, regulatory threats and strategic and supervising their minimization,
- **Corporate governance** – knowledge of best practices in corporate governance, transparency of management and business ethics,
- **Corporate and capital market law** – understanding the regulations in governing of functioning public companies, information obligations and stock exchange regulations,
- **Sustainable development strategy** – the ability to assess the impact of business activities companies on the environment, society and long-term value for stakeholders.

Thanks to its knowledge, the Supervisory Board ensures that the Management Board's actions are in compliance with the adopted strategy and ensures transparency of decision-making processes, minimizing the risk of actions inconsistent with the interests of the Company.

Identification of impacts, risks and opportunities and their assessment

1. IDENTIFICATION OF IMPACTS, RISKS AND OPPORTUNITIES

The identification process includes the analysis of internal and external factors that may affect the company's operations.

- **Influences** – factors that shape the functioning of the company, such as political changes, legal regulations, technological innovations, changing consumer preferences, organizational structure or financial condition,
- **Risks** – threats that may negatively impact the company's operations, e.g. changes in regulatory provisions, technological failures, human errors, fluctuations exchange rates or media crises,
- **Opportunities** – factors that support the growth of the company, such as new markets, technological progress, innovation, strategic partnerships or beneficial changes regulatory.

2. ASSESSMENT OF THE SIGNIFICANCE OF IMPACTS, RISKS AND OPPORTUNITIES

Each identified factor is assessed for its probability occurrence, potential effects, and the degree of control a company can perform over it. Evaluation methods include:

- **SWOT analysis** – classification of factors as strengths, weaknesses, opportunities and threats,
- **Risk matrix** – risk assessment by probability and impact,

- **Scenario analysis** – development of various possible scenarios and their effects,
- **Quantitative methods** – statistical modeling, sensitivity analysis.

3. TAKING ACTION BASED ON THE PERTINENCE ASSESSMENT

After assessing pertinence, the company takes appropriate actions, such as:

- Risk minimization (e.g. implementation of contingency plans, diversification of suppliers),
- Taking advantage of opportunities (e.g. investments in new technologies, expansion into new markets),
- Monitoring key factors (e.g. constant analysis of legal and market changes).

In our company, we take great importance to the effective identification and evaluation of impacts, risks and opportunities that may impact our business. This is a key element in our management strategy, which allows us to make aware decisions, minimize threats and take advantage of emerging development opportunities.

Business conduct policies economic and corporate culture (G11)

Disclosure of Business Conduct Policies and how to support corporate culture

In our company, we put great importance to ethical conduct in business and building a strong corporate culture based on values and principles that support sustainable development and long-term success. Therefore, we implement transparent policies that define standards of conduct and support mechanisms desired behaviors in the organization.

We have implemented a number of policies that govern how we conduct our business in accordance with the highest ethical, social and environmental standards. Each of them aims to support our corporate culture and ensure responsible and transparent company management.



1. Environmental and Climate Policy

We are committed to minimizing our impact on the environment through effective resource management, reducing CO₂ emissions and implementing sustainable business practices. Our activities include optimizing energy consumption, economy waste and cooperation with suppliers and partners to promote ecological solutions.

2. Code of Ethics

Our Code of Ethics defines the fundamental principles of honesty, transparency and responsibility, which we follow in our daily work. It contains guidelines for relationships with clients and business partners, counteracting corruption, eliminating conflicts of interests and fair competition.

3. Polityka Społeczna

We care about creating an inclusive and supportive work environment that promotes diversity, equal opportunities and respect for all employees. We are committed also in social and charitable initiatives, supporting local communities and activities for education and development.

4. Supplier Selection and Evaluation Policy

We place high demands on our suppliers in terms of quality, ethics and sustainability development. Each supplier is a subject to a detailed assessment for compliance with our standards, including environmental protection, workers' rights and security of supply.

5. Personal Data Processing Security Policy

We provide the highest level of protection for the personal data of our clients and employees and partners, acting in accordance with GDPR regulations. We have implemented strict procedures for processing, storing and securing data in order to prevent unauthorized access and privacy violations.

6. IT Security and Privacy Policy

We protect our IT systems against cyber threats and ensure security information and data confidentiality. We use modern technological solutions, we regularly conduct security audits and train our employees to increase awareness of digital threats.

Minimum Disclosure Requirement – Related Policies with Business Conduct

In our company we have implemented a comprehensive policy for reporting irregularities, whose aim is to promote transparency and accountability within the organization. This policy sets out in details procedures for reporting misconduct, including cases of corruption, bribery and other unethical activities.

We have ensured that all employees, contractors and external suppliers are aware of their duties and responsibilities in maintaining the culture integrity in the organization. All reports of irregularities are treated with the utmost seriousness and the process of their consideration is carried out in accordance with the highest ethical and legal standards.

The policy is regularly reviewed and updated to ensure compliance with applicable regulations and industry best practices, which helps maintain high levels of trust and compliance among our stakeholders.

Suppliers relationship management (G1-2)

Disclosure of supplier relationship management and impact on supply chain

SUPPLY RELATIONSHIP MANAGEMENT

The entity actively manages relationships with suppliers to ensure sustainable and responsible supply chain. The cooperation is based on the principles of transparency, long-term partnership and compliance with ethical standards and environmental.

In the process of selecting suppliers, the entity is guided by clearly defined criteria, such as compliance with ESG principles, obey to quality and safety standards and operational efficiency. Suppliers are required to use environmentally friendly practices, ethical working conditions and minimizing the negative impact on the environment.

Thanks to these actions, the entity not only reduces negative environmental effects, but also strengthens its position as a responsible participant in the global supply chain supplies.

Policy to prevent late payments, especially for SMEs

As a large entrepreneur, we are obliged to report payment defaults and taking action to prevent them from occurring. In our company, we make special emphasis on timely settlement of liabilities, especially towards small and medium-sized enterprises (SMEs) to support their financial stability and reduce delays risks. In order to prevent payment backlogs, we constantly monitor settlement processes, we implement modern payment automation systems and we apply clear and transparent principles of cooperation with our suppliers. We maintain also a constant dialogue with business partners, which allows for faster identification and solving potential payment problems. Thanks to these actions,

not only we meet legal reporting requirements, but we also build lasting relationships based on trust with our contractors.

Supplier relationships

The unit put great importance on managing supplier relationships, treating them as a key element in ensuring operational stability and achieving sustainable development goals. Cooperation is based on the principles of transparency, responsibility and long-term partnership, which allows for minimizing risk and increasing the efficiency of the entire supply chain. Thanks to a responsible approach to manage the supply chain, the entity not only reduces potential threats, but also contributes to promoting sustainable business practices among their partners.

Social and environmental criteria when selecting contractual partners on the supply side

In the reporting year, social and environmental criteria were not yet taken into account in selecting suppliers. Work on the report has only just begun in the last quarter of 2024, which means that these issues have not yet been fully resolved implemented in the supplier selection process.

However, we plan to take these criteria into account in the coming periods, striving for a balanced development and responsible approach in selecting our business partners.

Preventing and detecting corruption and bribery

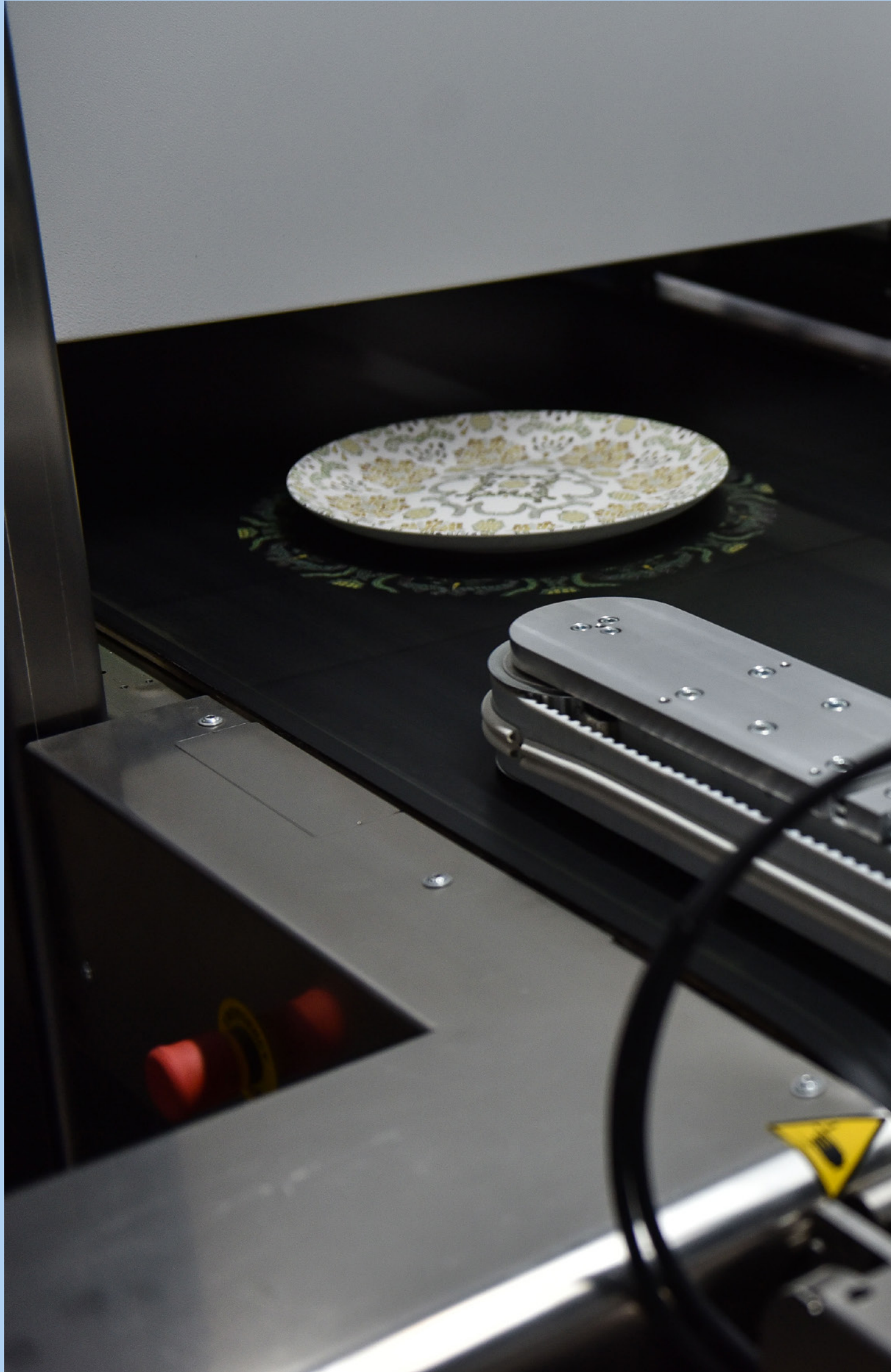
The company has not yet implemented a comprehensive anti-corruption policy. Currently, the basic principles in this area are included in the Code of Ethics (Section 11 – Client, Point 5) and in the Supplier Selection and Evaluation Policy. These documents are available in the company's headquarters, published on the Company's website and included in the ESG report.

As part of the further development of the compliance management system, 2025 is planned for development and implementation of a comprehensive Risk Management Policy that will include also the risk of corruption. This project involves the creation of a document regulating rules of conduct in situations of potential abuse, building a management structure corruption risk, appointing responsible persons and developing transparent procedures for reporting violations.

After the policy is implemented, it is also planned to conduct training for employees, which will allow for a better understanding of the ethical standards that apply in the Company and the appropriate procedure in the event of suspicion corruption.

Anti-corruption training

- Total number of employees covered by anti-corruption and anti-bribery training: 0
- Duration of on-site training: 0
- Computer training duration: 0
- Duration of voluntary computer training: 0





G1.MDR-A.1 Minimum requirement disclosure of information – Actions related to running economic activity

Minimum disclosure requirement – related activities with business conduct

Our company's minimum disclosure requirement includes compliance with the principles ethics, compliance with legal regulations and actions against corruption and abuse. We regularly inform stakeholders about our responsible policies and results management, ensuring transparency and trust.

Impacts, risks and opportunities in the context of sustainable development:

- **Influences:**
 - **Environmental** – reduction of greenhouse gas emissions and consumption of raw materials.
 - **Social** – improving working conditions, equality and diversity in the team.
- **Risks:**
 - **Operational** – supply chain disruptions.
 - **Reputational** – loss of trust due to non-compliance with sustainable development standards.
- **Chances:**
 - **Market** – growing demand for environmentally friendly solutions.
 - **Innovative** – investing in technologies that improve efficiency and compliance with regulations.

We implement policies that support ethical conduct, such as **the Code of Ethics** and **the Protection Regulations of Whistleblowers**.

Goals:

1. **Compliance with laws** and business ethics.
2. **Corruption counter-measure** – implementing anti-corruption policy and training.
3. **Reducing CO₂ emissions**.
4. Ethics and compliance in **education and training**.

Sustainable development activities:

- **Environmental protection** – reduction of greenhouse gas emissions, reduction of energy consumption.
- **Sustainable resource management** – efficient use of natural resources and circular economy.
- **CSR** – support for local communities, equality and inclusion in the workplace.
- **Risk management** – climate change and regulatory strategies.

In 2024, we will prepare the first sustainability report with targets and activities for period 2025–2030.

Planned medium-term activities:

- 1. Reduction of CO2 emissions** – implementation of energy-saving solutions.
- 2. Resource optimization** – investments in technologies that reduce water consumption and materials.
- 3. Supporting local communities** – activities for education and diversity.
- 4. Education in the field of sustainable development** – training and workshops for employees.
- 5. Sustainable cooperation with suppliers** – monitoring and cooperation in the field ecological and ethical practices.

Progress in implementing activities, achieving success in reducing emissions CO₂ and more efficient resource management.

G1.MDR-A.2 Minimum requirement disclosure resources related to running economic activity

Minimum requirement to disclose information on resources intended for implementation policies, procedures and activities related to responsible conduct in the company includes financial, human and technological resources. In the reporting year 2024 the company did not conduct a taxonomy analysis, which means that it did not incur any operational expenses (Opex) or capital (Capex) costs associated with this process.

Financial resources allocated for current activities included, among others, training for employees, developing compliance procedures and monitoring progress in sustainable development. The company plans to increase investments in technology in the future, that will support both operational efficiency and regulatory environmental compliance.

Due to the lack of taxonomy, financial resources were not assigned to specific categories related to this process. Consequently, in the reports of the financial statements for 2024, taxonomy-related expenses were not included. These resources were mainly intended for current operations and projects in line with the general strategy of the company. As the taxonomy plans are implemented, the company intends identify appropriate amounts in financial reports in the coming years.

G1.MDR-T.1 Minimum requirement disclosure of information – Purposes related to running economic activity

Minimum Disclosure Requirement – Related Purposes for business conduct

Minimum Disclosure Requirement for Business Conduct in our company includes the following goals:

- 1. Compliance with legal regulations** – Our priority is to ensure full compliance with applicable legal regulations, both national and international, regarding our business activities. Disclosure of information in this respect aims to ensure the transparency of our activities and confirmation that we act in accordance with applicable standards.
- 2. Ethical conduct** – All our actions must be consistent with the values such as honesty, transparency and integrity. The disclosed information has to show that we adhere to high ethical standards in relationships with our stakeholders, both internal and external.
- 3. Sustainable development** – We are committed to sustainable development, including environmental protection, social responsibility and risk management. Disclosure of information in this area is aimed at demonstrating our commitment to environmental protection goals and responsible management.
- 4. Financial and operational performance** – Regular and transparent disclosure of information about our company's financial and operational results, including revenues, risks and opportunities, allows stakeholders to objectively evaluate our activities and progress.
- 5. Protection of stakeholder interests** – Our goal is to ensure the interests protection of our employees, customers, suppliers and other stakeholders, by acting in a way that promotes their satisfaction and long-term cooperation.

Our **measurable goal**, which is **results-oriented and time-bound**, is achieving **100% compliance with applicable ethical business laws and sustainable development** by the end of 2025.

Incidents related to corruption or bribery (G1-4)

Disclosure of corruption or bribery cases

Cases of corruption or bribery:

During the reporting period, our company did not experience any incidents of corruption or bribery.

- Number of convictions for violating anti-corruption laws and regulations on combating bribery: 0
- The amount of fines for violating anti-corruption and corruption anti-bribery laws: 0
- Total number of confirmed incidents of corruption or bribery: 0

W ciągu ostatniego roku nie zidentyfikowaliśmy żadnych przypadków, które wymagałyby natychmiastowych działań naprawczych. Nasza firma konsekwentnie dąży do utrzymania najwyższych standardów etycznych i przejrzystości w działalności biznesowej, przestrzegając polityk przeciwdziałania korupcji.

- Number of confirmed incidents where units employees were dismissed or punished in connection with corruption or bribery incidents: 0
- Number of confirmed incidents concerning contracts with business partners, which were terminated or not renewed due to violations related to corruption or bribery: 0

We are proud to maintain a clean anti-corruption record and we constantly focus on education, transparency and compliance with the highest standards of ethical norms.

Political influence and lobbying activities (G1-5)

Disclosure of political Influence Activities and Commitments, including lobbying activities related to significant impacts, risks and opportunities

POLITICAL INFLUENCE AND LOBBYING ACTIVITIES

Our company does not conduct lobbying activities or engage to political influence in the context of significant influences, risks and opportunities. In accordance with the applicable legal regulations and our ethical policy, all our business activities are carried out in a transparent and regulatory manner, without involving engagement in practices that may influence political or public decisions.

Our organization focuses on conducting business in accordance with the best industry standards, striving for independence from politics and supporting sustainable development in a responsible and ethical manner.

FINANCIAL AND ARGUMENTATIVE POLITICAL CONTRIBUTIONS

Our company does not make any financial or material contributions of a political nature neither directly nor indirectly. All our business activities are compliant with applicable laws and the highest ethical standards, avoiding any interaction with political decision-making processes.

- Total monetary value of political financial contributions contributed directly and indirectly by the entity: 0
- Total monetary value of political argumentative contributions contributed directly and indirectly by the entity: 0
- Total monetary value of financial and argumentative contributions of a non-profit political nature contributions directly and indirectly by the entity: 0

MEMBERSHIP IN THE ORGANIZATION LOBBYING ACTIVITIES

The company does not belong to any lobbying associations and its activities do not involve any financial or material expenses for lobbying. For this reason, these values are:

- Total value of internal and external lobbying expenditures: 0
- Amount paid for membership in lobbying associations: 0

THE TRANSPARENCY RULE AND COMPLIANCE WITH REGULATIONS

In our company, none of the members of the administrative, management or supervisory authorities did not hold a comparable position in public administration, including in regulatory authorities during the two years preceding their appointment to those authorities. We apply the principles of transparency in selecting candidates for these authorities, ensuring their appropriate qualifications and compliance with applicable regulations.



Payment practices (G1-6)

Disclosure of payment practices, in particular in relation to delays in payments to small and medium-sized enterprises (SMEs)

PAYMENT PRACTICES

Our company is committed to maintaining full transparency and honesty in its payment practices services, especially in relationships with small and medium-sized enterprises (SMEs). We ensure that all payments are made in accordance with the agreed contractual terms. Our payment policy takes into account the following principles.

- **Timely payments** – We strive to make payments within the specified in the contract time, respecting all agreed payment terms, in order to support the financial stability of our partners.
- **Delays in payments** – In the event of a delay, we immediately inform our suppliers about the situation and set a new deadline for settling liabilities. We take every step to minimize delays and prevent their negative impact on the financial stability of our partners, including small and medium-sized enterprises.
- **Support for SMEs** – Aware of the importance of timely payments for small businesses and medium-sized enterprises, we treat them as a priority, taking care of their development and financial stability.

Our goal is to maintain transparent, fair and timely payment practices methods that support the sustainable development of our business relationships, especially with small and medium-sized enterprises.

AVERAGE TIME INVOICES REGULATION

The average time for our company to settle an invoice from the day the calculation starts from contractual or statutory payment term is **60 days**. Our standard payment terms for suppliers of goods are **60 days from the date of receipt of the invoice**.



Report Summary – operational and ESG aspects

Lubiana SA Table Porcelain Factory Sustainability Report for 2024 year has been prepared as an expression of our commitment to transparency, responsibility and building a sustainable future in every aspect of our business. This is **the first ESG report in the history of our organization**, which makes it an important milestone step in our development and commitment to the idea of sustainable development.

Prepared in accordance with international **European standards Sustainability Reporting Standards (ESRS)**, this report is the result of our commitment to creating values that take into account not only financial results but also environmental impact, society and the way we run our organization.

Our activities focus on three main areas: environmental protection, social responsibility and maintaining the highest standards of corporate governance. We strive to minimize the negative impact on the environment by investing in technological solutions that allow saving natural resources and reducing CO₂ emissions. At the same time, we care about the development of our employees by promoting diversity, inclusiveness and creating safe and supportive work environments. In terms of corporate governance, we are constantly raising management standards, ensuring transparency, responsibility and an ethical approach to all activities of our organization.

We realize how important ESG issues are becoming in a global and local context. As a company, we understand our responsibility to all stakeholders – employees, customers, suppliers and the communities in which we operate. We want not only meet the requirements, but also set new standards that will contribute to building a more sustainable future for both our company and for the society.

The actions and goals in this report are just a part of our long-term commitment for sustainable development and the report is a tool that allows measuring progress and transparently reporting the taken steps. In the future we will continue our efforts to constantly adapt our strategies to changing environment, meeting stakeholder expectations and contributing to achieving global sustainable development goals.

The process of developing this report was time-consuming and demanding – not only due to the wide range of issues that had to be covered, but also because the need to obtain and verify large amounts of data from various areas of activity companies. The preparation of the report involved the introduction of new records, updating the existing registers and the involvement of many people in collecting, analyzing and information developing.

All operational staff of our organization was involved in preparing the report, whose knowledge, experience and commitment played a crucial role in the reliable and comprehensive presentation of ESG data and activities.

List of people participating in the work in the report:

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