

REGULATORY COMPLIANCE POLICY ON EUDR, PPWR AND CSDDD

Zakłady Porcelany Stołowej Lubiana S.A.

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Introduction

Zakłady Porcelany Stołowej Lubiana S.A. ("the Company", "ZPS Lubiana") conducts its business in a responsible, ethical manner, in line with the highest environmental protection standards and the principles of sustainable development. This Policy sets out the Company's approach to fulfilling the requirements arising from Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on deforestation-free products ("EUDR"), Regulation (EU) 2025/40 of the European Parliament and of the Council of 19 December 2024 on packaging and packaging waste ("PPWR"), and Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence ("CSDDD"), as well as the Company's applicable procedures and instructions, in particular those relating to purchasing, suppliers, quality, complaints, storage, sales, export, and document archiving.

The Company's ambition is to ensure that the raw materials, materials, packaging and products used or offered by ZPS Lubiana S.A. meet legal requirements, do not contribute to environmental degradation, and are subject to an appropriate level of traceability and oversight at every stage of the supply chain.

For matters relating to this Policy, the Company may be contacted at the following e-mail address: lubiana@lubiana.pl.

1. Purpose of the Policy

The purpose of this Policy is to set out the rules of conduct of ZPS Lubiana S.A. with regard to compliance with the requirements of the EUDR, PPWR and CSDDD, and to confirm the Company's approach to conducting its business in a responsible, transparent and lawful manner. The Policy indicates that the Company strives, in particular, to:

- ensure the traceability of raw materials, materials, packaging and products at all stages of the supply chain,
- apply due diligence within the meaning of the EUDR and CSDDD, as well as the design and information requirements of the PPWR,
- identify, prevent and mitigate adverse environmental and human rights impacts in the value chain, in accordance with the CSDDD,
- limit environmental, regulatory and reputational risks associated with the non-compliance of goods, products and packaging,
- cooperate with suppliers in exchanging and updating the data necessary to confirm compliance,
- continuously improve compliance processes and respond to changes in EU legislation.

This document forms the basis for detailed procedures, instructions, forms and registers applicable within the Company, including the rules of conduct in the event of regulatory non-compliance.

2. Scope of the Policy

This Policy covers goods and products subject to the EUDR, packaging and packaging materials subject to the PPWR, and — to the extent applicable to the Company — the value chain due diligence obligations arising from the CSDDD relating to environmental impact and respect for human rights. The Policy applies to all of the Company's organisational units, employees, associates, suppliers and business partners, to the extent that they are involved in the purchasing, use, documentation, sale, export or handling of non-compliance relating to these products and packaging.

3. Legal basis

This Policy has been developed on the basis of the following European Union legal acts and the national provisions issued for their implementation:

- **Regulation (EU) 2023/1115** of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation (EUDR), together with its implementing and delegated acts, including those relating to the risk classification of countries of origin.
- **Regulation (EU) 2025/40** of the European Parliament and of the Council of 19 December 2024 on packaging and packaging waste (PPWR), together with its implementing and delegated acts concerning, among other things, recyclability criteria, labelling and the minimum recycled content.
- **Directive (EU) 2024/1760** of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence (CSDDD), together with the national provisions implementing its requirements.
- **National provisions** implementing or supplementing the requirements of the EUDR, PPWR and CSDDD, including provisions on packaging waste management, market surveillance and value chain due diligence.
- **The Company's internal procedures and instructions** concerning purchasing, supplier qualification (including the Supplier Selection and Evaluation Policy and the Internal Supplier Evaluation and Selection Procedure, together with the supplier's declaration regarding criterion No. 7 — compliance with legal requirements, including the EUDR), quality, complaints (including the Quality/Quantity and Regulatory (PPWR/EUDR) Complaints Procedure No. 06-07-005), storage, sales, export and document archiving.

4. Definitions

Term	Meaning for the purposes of this Policy
EUDR	Regulation (EU) 2023/1115 of the European Parliament and of the Council of 31 May 2023 on the making available on the Union market and the export from the Union of certain commodities and products associated with deforestation and forest degradation.
PPWR	Regulation (EU) 2025/40 of the European Parliament and of the Council of 19 December 2024 on packaging and packaging waste.
Due diligence	A set of actions taken by an entity to gather information, assess risk, and mitigate it, with regard to the compliance of goods, products or packaging with the requirements of the EUDR or PPWR.
Operator / trader	An entity placing goods or products covered by the EUDR on the Union market, making them available on the market, or exporting them from the Union.
Packaging	A product, regardless of material, intended for the containment, protection, handling, delivery or presentation of goods, subject to the PPWR requirements on design, labelling and waste management.
CSDDD	Directive (EU) 2024/1760 of the European Parliament and of the Council of 13 June 2024 on corporate sustainability due diligence, imposing obligations to identify, prevent, mitigate and remediate adverse environmental and human rights impacts in the value chain.

Term	Meaning for the purposes of this Policy
Value chain / chain of activities	The totality of an entity's related activities, encompassing suppliers, subcontractors and — to the extent provided for by the CSDDD — downstream recipients, relevant for identifying environmental and human rights risks.
Grievance mechanism	A channel enabling employees, suppliers, partners and other stakeholders to report concerns regarding actual or potential adverse impacts within the meaning of the CSDDD.

5. Principles and commitments

5.1 Regulatory compliance

ZPS Lubiana S.A. undertakes to ensure the compliance of raw materials, materials, packaging and products with the requirements of the EUDR and PPWR. With regard to the EUDR, this means, in particular, not admitting goods and products associated with deforestation, forest degradation, illegal harvesting, or the absence of reliable data on origin. With regard to the PPWR, this means ensuring the compliance of packaging in terms of material, composition, weight, labelling, recyclability, the reduction of unnecessary packaging, and the data required to confirm and report compliance.

5.2 Traceability and documentation

The Company maintains processes enabling the identification of suppliers, deliveries, batches, raw materials, materials, packaging and products, and their association with the relevant documentation. Documentation relating to the EUDR and PPWR should be up to date, complete, verifiable, and retained for the period required by law or in accordance with the Company's archiving rules.

5.3 Verification, risk and due diligence

The Company applies a system for document verification, risk assessment and due diligence appropriate to the requirements of the EUDR and PPWR. This system serves to confirm that raw materials, materials, packaging and products comply with applicable requirements and may be admitted for purchase, use, sale, shipment or export.

- **For the EUDR**, verification covers, in particular: the origin of the goods or product, the legality of harvesting, the absence of any link to deforestation or forest degradation, geolocation data for the plots of origin (where required), the risk classification of the country or region of origin, the risk assessment and the risk-mitigation measures implemented, and — where applicable — the submission of a due diligence statement (DDS) in the EU information system.
- **For the PPWR**, verification covers, in particular, the compliance of packaging that is designed, manufactured, commissioned, purchased, used, employed for packaging products, or placed on the market together with the product, including the material, composition, weight, minimisation of packaging volume and weight, recyclability, reduction in the number of materials, avoidance of solutions that hinder sorting and recycling, the presence of restricted substances, and the data required to confirm and report compliance. At the design stage, and when selecting materials and the production process, the Company ensures the use of materials and technologies compliant with applicable legal requirements, and maintains documentation confirming the compliance of packaging with these requirements.

If compliance cannot be confirmed, or if risk cannot be reduced to an acceptable level, the material, packaging or product should not be admitted for further use, sale, shipment or export until the matter has been clarified.

5.4 Cooperation with suppliers

The Company requires suppliers to provide the information and documents necessary to confirm the compliance of raw materials, materials, packaging and products with the requirements of the EUDR and PPWR, as well as information relevant to the assessment of environmental and human rights risks within the meaning of the CSDDD, to update such information, and to cooperate in clarifying any gaps, risks or non-compliance. A failure to provide the required data, a refusal to cooperate, or a failure to update information may result in the suspension of a delivery, or in the limitation or termination of cooperation with the supplier.

Supplier selection and evaluation are carried out in accordance with the Company's applicable Supplier Selection and Evaluation Policy and the Internal Supplier Evaluation and Selection Procedure, which set out the criteria for evaluating suppliers, including, among other things, quality, delivery timeliness, carbon footprint, and the guarantee of human rights and compliance with the Company's Code of Ethics. Compliance with the requirements of the EUDR and PPWR is one of the elements taken into account in supplier qualification and evaluation. Suppliers confirm that they meet legal requirements, including the EUDR, by submitting a supplier declaration of compliance with the Supplier Selection and Evaluation Policy (criterion No. 7).

5.5 Competence, communication and transparency

The Company develops employees' knowledge and awareness of the requirements of the EUDR and PPWR, and documents the actions taken to ensure compliance. To the extent required by law, the Company prepares and makes available information or reports on the fulfilment of its regulatory obligations.

6. Detailed requirements — EUDR

To the extent applicable to the Company's operations, in particular with regard to wood and wood products, natural rubber, and other commodities covered by the Annex to Regulation (EU) 2023/1115, ZPS Lubiana S.A. applies the following principles:

- **Traceability to the plot of origin:** for goods covered by the EUDR, the Company seeks to obtain and retain information on the country of production and, where required, geolocation data for the plots on which the goods were produced.
- **Country-of-origin risk assessment:** the Company takes into account the risk classification assigned to countries and regions by the European Commission (low, standard, or high risk) when assessing the risk of deliveries.
- **Legality of harvesting:** the Company verifies the compliance of the harvesting of goods with the legislation applicable in the country of production, including with regard to land rights, environmental protection, labour rights, and the rights of third parties, to the extent required by the EUDR.
- **Due diligence statement (DDS):** where the Company acts as an operator or trader within the meaning of the EUDR, it submits a DDS in the EU information system prior to placing goods on the market or exporting them, containing, among other things, the identifying data of the goods, the country of production, geolocation data, and the outcome of the risk assessment.
- **Consequences of non-compliance:** goods for which compliance with the EUDR cannot be confirmed are not placed on the market, made available on the market, or exported from the Union until the matter has been clarified; the Company takes into account the risk of administrative and financial penalties, as well as the confiscation of goods, provided for by the national provisions implementing the EUDR.

7. Detailed requirements — PPWR

With regard to packaging that is designed, manufactured, commissioned, purchased, used, employed for packaging products, or placed on the market together with the product, ZPS Lubiana S.A. applies the following principles arising from Regulation (EU) 2025/40:

- **Design requirements:** packaging should be designed with regard to recyclability, a reduction in the number of materials used, and the avoidance of solutions that hinder sorting and recycling.
- **Packaging minimisation:** the weight and volume of packaging should be limited to the minimum necessary to ensure the safety, functionality and acceptance of the product, including a reduction in empty space in grouped and transport packaging.
- **Restricted substances:** the Company verifies that packaging does not contain substances that are restricted or prohibited under the PPWR, including PFAS substances in packaging intended for contact with food, to the extent and within the timeframes provided for by law.
- **Recycled content:** with regard to packaging subject to a minimum recycled-content obligation, the Company obtains data from suppliers confirming that the required thresholds are met.
- **Packaging labelling:** packaging is labelled in accordance with the harmonised material-labelling system set out in the implementing legislation.
- **Extended Producer Responsibility (EPR):** the Company fulfils its extended producer responsibility obligations to the extent applicable to its business, including registration and the reporting of data on packaging placed on the market.
- **Reducing unnecessary packaging:** the Company avoids the use of packaging, or packaging elements, that are not necessary for the protection, presentation or delivery of the product.

8. Detailed requirements — Corporate Sustainability Due Diligence Directive (CSDDD)

Independently of the due diligence separately required by the EUDR with regard to goods covered by that Regulation, ZPS Lubiana S.A. takes into account, in its operations, the approach arising from Directive (EU) 2024/1760 (CSDDD) concerning sustainability due diligence throughout the value chain. To the extent that the CSDDD requirements apply to the Company — whether directly, as an entity covered by the Directive, or indirectly, as a supplier to entities covered by it — ZPS Lubiana S.A. applies the following principles:

- **Risk identification:** the Company seeks to identify actual and potential adverse impacts of its own operations and those of its suppliers and partners in the value chain in the area of environmental protection and human rights, including working conditions, occupational health and safety, and the prohibition of forced labour and child labour.
- **Prevention and mitigation of impacts:** where a risk is identified, the Company takes reasonably available measures aimed at preventing, ending, or mitigating the adverse impact, including by changing the terms of cooperation with a supplier or supporting the implementation of remedial action.
- **Integration with the purchasing policy:** due diligence requirements within the meaning of the CSDDD are taken into account in the qualification and periodic evaluation of suppliers, alongside the criteria arising from the EUDR and PPWR.
- **Grievance mechanism:** employees, suppliers, business partners and other stakeholders may report concerns regarding actual or potential adverse environmental or human rights impacts through the channels indicated in Section 11 of this Policy.
- **Monitoring and reporting:** the Company monitors the effectiveness of the measures implemented and, to the extent required by law, prepares and makes available information or reports on due diligence in the value chain.

- **Cooperation within the value chain:** where the Company is a supplier to an entity directly subject to CSDDD obligations, it cooperates in providing the information that entity needs in order to fulfil its own due diligence obligations.

9. Management of non-compliance

A regulatory non-compliance is understood, in particular, as the absence, error or inconsistency of data or documentation required to confirm compliance with the EUDR or PPWR, as well as the risk of using a material, packaging item or product that does not meet the requirements of these regulations.

Where a non-compliance is identified or suspected, the Company takes clarifying, corrective and preventive action, including, where necessary, suspending the acceptance, use, sale, shipment or export of the material, packaging or product until the matter has been clarified.

Detailed rules of conduct in this regard are set out in the Company's applicable Quality/Quantity and Regulatory (PPWR/EUDR) Complaints Procedure No. 06-07-005. Under this procedure:

- **Reporting:** all incoming and outgoing complaints, including regulatory complaints concerning gaps or errors in documentation required by the EUDR or PPWR, are to be submitted exclusively in writing to the Quality and Lean Department (DJL), at the e-mail address reklamacja@lubiana.pl.
- **Registration:** each report is recorded in the central complaints register and is assigned an individual identification number by an authorised DJL employee.
- **Handling of regulatory complaints (EUDR/PPWR):** the DJL is responsible for overseeing the timeliness and formal correctness of the clarification process, while the relevant substantive departments (including purchasing, warehouse, and the Supply Chain Director / Procurement and Logistics Department) make the necessary corrections to documentation or systems.
- **Decisions on acceptance, suspension or rejection:** decisions taken during the handling of a regulatory complaint should be documented in accordance with the Complaints Procedure.

Questions and reports concerning regulatory non-compliance related to the EUDR and PPWR should be directed to the Quality and Lean Department (DJL) at reklamacja@lubiana.pl, in accordance with the rules set out in Complaints Procedure No. 06-07-005.

10. Responsibility

Every employee and associate of ZPS Lubiana S.A. is responsible for complying with this Policy within the scope of their duties, and for the accurate provision, updating and documentation of information relating to compliance with the EUDR and PPWR.

Management and persons responsible for the processes covered by this Policy are responsible for its implementation, monitoring, response to non-compliance, and the undertaking of improvement measures. Oversight of the coordination of activities arising from this Policy is exercised by the Supply Chain Director, together with the Procurement and Logistics Department, designated by the Management Board as responsible for regulatory compliance and the supply chain.

Area	Scope of responsibility
Management Board	Approving the Policy, designating the person/area responsible for regulatory compliance, and providing the resources necessary for its implementation.
Supply Chain Director / Procurement and Logistics Department	Coordinating the implementation of the Policy, overseeing the EUDR, PPWR and CSDDD due diligence system, maintaining registers, and liaising with supervisory authorities.

Area	Scope of responsibility
Procurement and Logistics Department	Obtaining and updating data and documents from suppliers, and conducting the initial verification of new suppliers with regard to EUDR/PPWR/CSDDD, including environmental and human rights risks.
Investment and Analysis Department (including the Environmental Protection Specialist)	Taking into account EUDR, PPWR and CSDDD requirements when planning and evaluating investments and projects; analysing the risks and costs associated with implementing regulatory requirements; overseeing reporting obligations relating to packaging and packaging waste in the BDO system (the database of products, packaging, and waste management); maintaining the required records; and cooperating on environmental reporting related to the PPWR.
Central Warehouse	Identifying deliveries and batches, and checking the required markings or documents upon receipt of goods.
Production	Using only materials and packaging approved for use, and maintaining batch traceability throughout the manufacturing process.
Domestic Sales and Export, Finished Goods Warehouse	Ensuring the completeness of the data required for sales, shipment, export, and the provision of information to customers, including DDS statements, where applicable.
Quality and Lean Department	Accepting and recording complaints, including EUDR/PPWR regulatory complaints, in accordance with Complaints Procedure No. 06-07-005 (contact: reklamacja@lubiana.pl); overseeing the timeliness of clarifications, and carrying out corrective and preventive action.
All employees and associates	Complying with the Policy within the scope of their own duties, and reporting any irregularities they notice.

11. Reporting violations

Reporting violations of the rules set out in this Policy, including the requirements of the EUDR, PPWR and CSDDD, is an important element in ensuring compliance with legislation, ethics, and the Company's corporate social responsibility.

The Company's Management Board declares its full support for employees, associates, suppliers and business partners reporting any observed or suspected irregularities relating to compliance with the EUDR, PPWR and CSDDD, including in the area of ethics or suspected corruption.

Reports of irregularities may be submitted in accordance with the Internal Reporting Procedure of Zakłady Porcelany Stołowej Lubiana S.A., in the following ways:

- The EY VCO platform — available at wistilgrupa.vco.ey.com,
- A traditional letter sent to: Management Board of the Company, Zakłady Porcelany Stołowej Lubiana S.A., 83-407 Łubiana, ul. Zakładowa 1, marked "Do not open — for the addressee's eyes only".

The Employer also enables anonymous reporting, meaning that the identity of the reporting person will not be disclosed unless the reporting person voluntarily chooses to disclose it. Every report will be verified in full confidentiality, and reporting persons are protected against any form of retaliation in accordance with applicable law. Where a violation is detected, appropriate corrective action will be taken to eliminate the problem and prevent its recurrence.

12. Review and update

The owner of this Policy is the Supply Chain Director and the Procurement and Logistics Department. The Policy is reviewed at least once a year, and whenever there are changes in legislation, the organisation, the supply chain, or significant risks related to the EUDR, PPWR and CSDDD.

13. Entry into force

This Policy enters into force on the date of its approval by the Management Board of ZPS Lubiana S.A.

The document is to be published and made available to all interested parties as confirmation of the Company's commitment to conducting its business in accordance with the principles of responsible business conduct, environmental protection, and regulatory compliance.

Document Metadata

Document title	Regulatory Compliance Policy on EUDR, PPWR and CSDDD
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