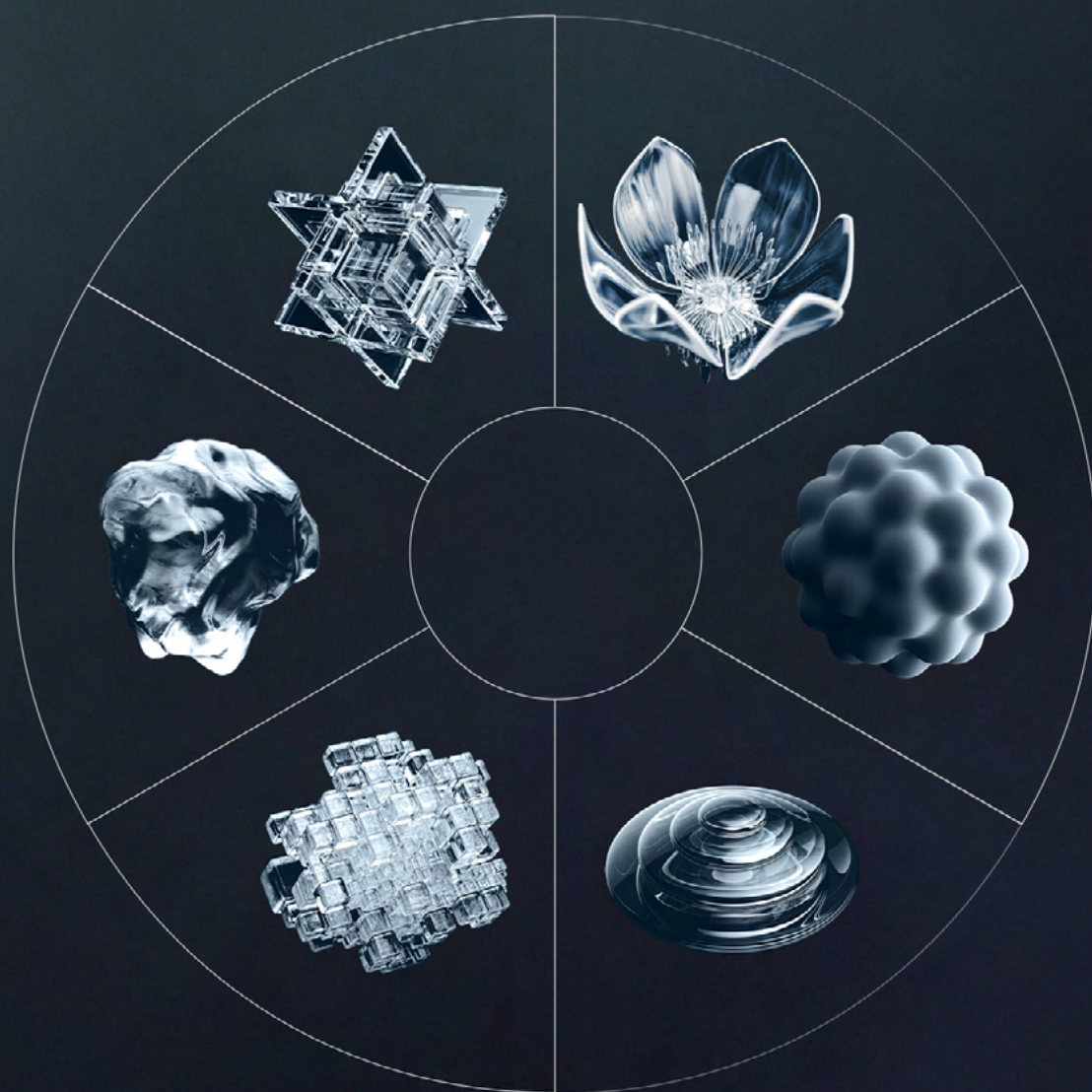


# QEMETICA<sup>®</sup>

2023

## Sustainability Report



WE  
CHEM DO  
BETTER

# Key numbers

Sales revenue [PLN m]

**5,353**

EBITDA [PLN m]

**814**

Total Assets [PLN m]

**7,081**

Employees

**3,488**

Business Segments

**5**

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GRI 2-22; GRI 2-23

# Dear Sir or Madam,

**I present to you the QEMETICA Group's sustainable development report for 2023. In the face of global challenges, uncertainty and dynamic macroeconomic changes, the QEMETICA Group manages to maintain a strong position in the chemical industry by combining business goals with investments in sustainable development, which, I believe, will be the foundation of our future competitiveness.**

In 2023, the existing majority shareholder - KI Chemistry, an entity from the Kulczyk Investments Group - became our sole owner. As a result of this change, as of 6 March 2024, the shares of QEMETICA were withdrawn from trading on the WSE. Despite the end of QEMETICA's stock exchange history, our Group does not abandon its ambitions and activities for the sustainable growth of its businesses.

A single owner entails greater flexibility and speed of decision-making. We are accelerating the transformation of our Group by incorporating sustainable development activities into every level of our business strategy. Our goal is to raise or maintain the level of ambition in each of the ESG - environmental, social and corporate governance - areas.

In 2023, we started validating our climate goals as part of the globally recognised Science Based Targets (SBTi) initiative, which the QEMETICA Group - as the first among large industrial companies in Poland - joined two years earlier. We made a commitment to reduce emissions in Scope 1 and Scope 2 by 2033 by 63% compared to 2019. Accordingly, we actively participate in the implementation of the provisions of the Paris Agreement in order to limit global warming to 1.5°C.

By acting for the benefit of the climate and the environment, we engage in dialogue and join forces with those around - including our customers. We carefully look at



their strategic goals and take them into account in our own activities. We also analyse the commitments and achievements of our suppliers and encourage them to make efforts towards sustainable development. This year, for the first time, we share with you the results of calculations of our emissions Scope 3, i.e. throughout the entire value chain. This is a key step towards conscious, data-supported management of the Group's sustainable development and the environmental footprint of our products throughout their life cycle.

We operate in numerous locations in Europe, where we employ nearly 3.5 thousand people. Their safety and well-being are my priority. In many places, we are an important employer with a significant impact on local communities. Being aware of this impact, we strive to be a good neighbour and are actively involved in their lives, supporting socially important initiatives.

More information about the impact of the QEMETICA Group on the environment and the measures we take to ensure sustainable development, environmental protection, innovation, respect for business ethics, employee rights and social responsibility can be found hereinafter in this report. I encourage you to read this report and share your thoughts and suggestions with us - I believe that real change requires open dialogue.

Kind regards,  
Kamil Majczak,  
President of the Management Board QEMETICA S.A.



# QEMETICA Group

QEMETICA®

01

# About us

GRI 2-1, GRI 2-6

**The QEMETICA Group is a international chemical group of companies, focusing on promising markets.**

The QEMETICA Group is an international, professionally managed group, with a well-established leader position in the chemical industry in Central and Eastern Europe, employing over three thousand people in the European Union. It manufactures products that are used to create articles necessary in the daily lives of millions of people around the world, which is why it is an important element of many branches of the economy - construction, automotive, agriculture, chemical, food and pharmaceutical industries. As of 29.05.2024, the name of the CIECH Group was changed to QEMETICA.

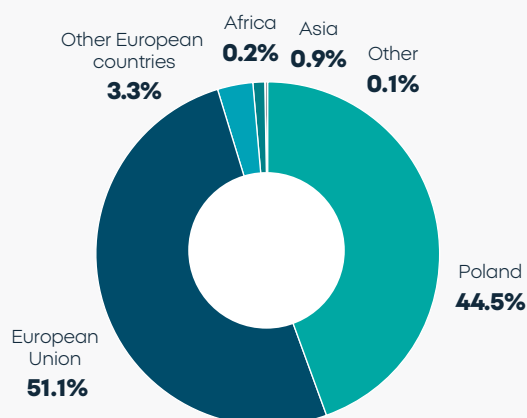
We are the second largest manufacturer of sodium carbonate (soda ash) and sodium bicarbonate (baking soda) in the European Union, one of the largest manufacturer of evaporated salt in Europe, the largest supplier of sodium silicates in Europe, the largest Polish and one of the largest European manufacturer of plant protection products, and a leading producer of polyurethane foams in Poland.

The clients of the QEMETICA Group are both global chemical groups and smaller customers from Europe, Asia, North and South America and Africa. Our products are sold to over 100 countries around the world. The most important market for the QEMETICA Group's products is the European Union, predominantly Poland and Germany, as well as the countries of Central and Eastern Europe.

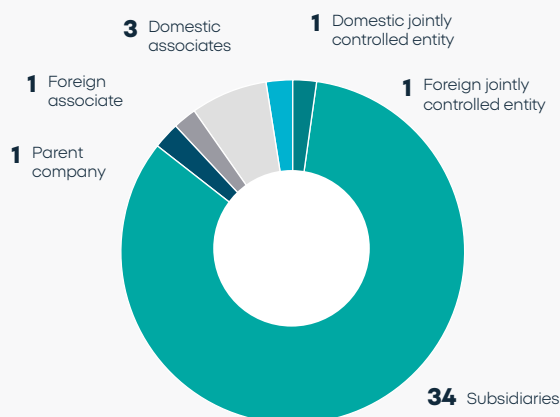
The priority of the QEMETICA Group is the maximum adjustment of the offer to the individual needs of the customer and the provision of the highest level of service understood as the quality of customer service, product quality, level of logistics, product availability and delivery guarantee.



Geographical structure of the QEMETICA Group's revenues in 2023



Structure of the QEMETICA Group in 2023



**The strategic and operational goals of the QEMETICA Group are realised within the organisational structure based on functional divisions, covering the functions of sales, production, purchases and support.**

The headquarters of the QEMETICA Group are located in Warsaw. Commercial activity is carried out primarily by QEMETICA S.A., subsidiaries of QEMETICA - domestic and foreign commercial companies and selected production companies (QEMETICA Agricultural Solutions Poland S.A., QEMETICA Silicates S.A., SDC Group, QEMETICA Polyurethanes).

Production activity is carried out by production plants, which are also subsidiaries of QEMETICA S.A. Production is located in 9 production plants, of which the five largest (two in Poland, two in Germany and one in Romania) operate in the Soda segment and produce soda ash and soda derivatives (in the case of QEMETICA Soda Romania, the plant also manufactures products of the Silicates segment, one of the largest Polish plants located in Janikowo manufactures both soda and salt products, while the production of soda in the German plant is accompanied by the production of electricity which is further sold to third-party entities). The remaining 4 plants operating in the Agro, Foams, Silicates and Packaging segments are located in Poland. The production of soda at the plant in Romania was suspended in the third quarter of 2019.



# How we work

## RESPONSIBILITY

We are committed to our work because we treat QEMETICA as our own business. We care about how our company is doing, how it is developing, how it is perceived and how our associates feel in it.

This is why we take responsibility for our words and actions: for the effects of our work, for quality, reliability, customer and associate satisfaction, and for their safety.

We are able to look wider and further, anticipating the consequences of our actions and decisions on others and identifying risks and opportunities early enough to be able to take effective action.

## RELIABILITY

We guarantee the quality and timeliness of all our actions.

We keep our word and commitments and we are transparent in communication, providing credible information. This enables us to build relationships based on trust and to be a reliable partner for our employees, customers and business partners.

## TEAM

As the QEMETICA Group, we are reliable thanks to our team approach. We trust one another, we share information and knowledge.

We care for and support one another on the way to achieving a common goal, using the strengths of each person.

## DEVELOPMENT

We know that by standing still, we are actually going backwards. In order to build a stable future, we must continuously develop and move forward. That is why we are actively looking for ways to improve our processes, working methods and competences.

We follow trends, broaden and deepen our knowledge, and develop our skills. We are committed to the development of our employees, introduce modern tools and create an inspiring work environment which fosters growth to development.



# Our products

GRI 2-6

We manufacture both commodities in the area of inorganic chemistry (e.g. sodium carbonate) and products with a higher degree of processing (sodium bicarbonate, silicates, plant protection products). Many of our products are not used directly by consumers, but are a significant contribution to final products that support the achievement of the United Nations Sustainable Development Goals.

# Nearly 81%

**of our revenue comes from the sale of products whose end-use supports the achievement of the UN sustainable development goals.**



## Soda segment

The soda segment is the area with the greatest share in the Group's financial results. In 2023, it was responsible for 80% of the Group's revenues. In this segment, we manufacture sodium carbonate, sodium bicarbonate, salt and other products such as calcium chloride or hopcalite. In addition, we are a seller of low-emission (gas) electricity in Germany, which serves, among others, local system regulation and balancing.



### SODA ASH

- We are the second largest producer in Europe.
- We currently produce soda ash in Inowrocław, Janikowo and Stassfurt.

### BAKING SODA

- We are the second largest producer of baking soda in Europe.
- We manufacture it in Inowrocław and Stassfurt.
- Baking soda is produced from soda ash.

### SALT

- Currently produced in Janikowo and the modern plant in Stassfurt

## SODA ASH (SODIUM CARBONATE - $\text{Na}_2\text{CO}_3$ )



Sodium carbonate is one of the basic raw materials for glass production - about half of the soda produced worldwide is used in the glass industry. We are the second largest producer of soda ash in Europe.

Our customers use QEMETICA soda to manufacture, among others:

- flat glass for construction, used in modern and efficient architecture,
- photovoltaic and solar panels,
- automotive glass, used among others in the production of electric vehicles,
- environmentally-friendly glass packaging,
- packaging vials for medicines and other glass packaging, as well as instruments used in pharmacy and laboratories,
- environmentally friendly washing and cleaning agents.

In addition, soda ash is used in metallurgy and in the chemical industry, e.g. for the production of certain types of mineral fertilisers, as well as dyes and pigments.

There are two basic types of soda ash:



### DENSE SODA

Mainly used for glass production



### LIGHT SODA

Mainly used for the production of loose detergents.

The main difference between light and dense soda is the bulk density (1 tonne of light soda is of higher volume than 1 tonne of dense soda), and the basic chemical characteristics are identical. The type of product purchased by customers depends primarily on the technology they use and on their individual preferences.

The QEMETICA Group sells soda ash both in bulk and packed in big and smaller bags. Bulk product is transported to the customer in special cisterns or railway wagons, and packaged product - by road or rail transport. Soda ash is also transported by ships, in bulk or in packages, most often loaded into containers.





## "SOBIC" BAKING SODA (SODIUM BICARBONATE - $\text{NaHCO}_3$ )



Baking soda is a product made of soda ash. It is an important pharmaceutical product, whether used alone (e.g. for dialysis) or as an ingredient in medicines. It is also used in the cosmetics industry. We are the second largest producer of baking soda in Europe.



### PHARMACEUTICAL-GRADE DIALYSIS SODA

Specially purified soda with strictly defined granulometric parameters and meeting the requirements of strict regulations (including API certification, GMP+).



### PHARMACEUTICAL-GRADE SODA

It has acid-neutralising properties, the ability to bind other substances and cleaning properties, which makes pharmaceutical-grade soda widely used in the pharmaceutical and cosmetic industries.



### FOOD GRADE SODA

A product with a wide range of applications in the food industry and in households. QEMETICA food-grade soda that meets the requirements of the relevant regulations regarding products admitted to consumption (including IFS certification).



### FEED SODA

Feed material used by both feed producers and individual farmers.



### INDUSTRIAL-GRADE SODA

The product is widely used in numerous industries, primarily as a sorbent in flue gas desulfurisation installations, in the production of detergents, as well as in the paper and chemical industries.





## PRODUCTION PROCESSES OF SODIUM CARBONATE AND BICARBONATE

The production of soda in the QEMETICA Group is the responsibility of the following three companies: QEMETICA Soda Polska (plants in Janikowo and Inowrocław), QEMETICA Soda Deutschland GmbH & Co. KG (Stassfurt) and QEMETICA Soda Romania (Ramnicu Valcea – production suspended in September 2019). Sodium carbonate is produced in all plants and sodium bicarbonate – in Inowrocław and Stassfurt.

Main raw materials used in the production process in Soda segment include limestone, salt brine, ammonia, fuel (coke or anthracite) and heat (in the form of high-quality process steam).

Soda ash production plants are located in the immediate vicinity of limestone and brine suppliers - this is necessary due to the high costs of transporting this raw material. In the case of the production plant in Ger-

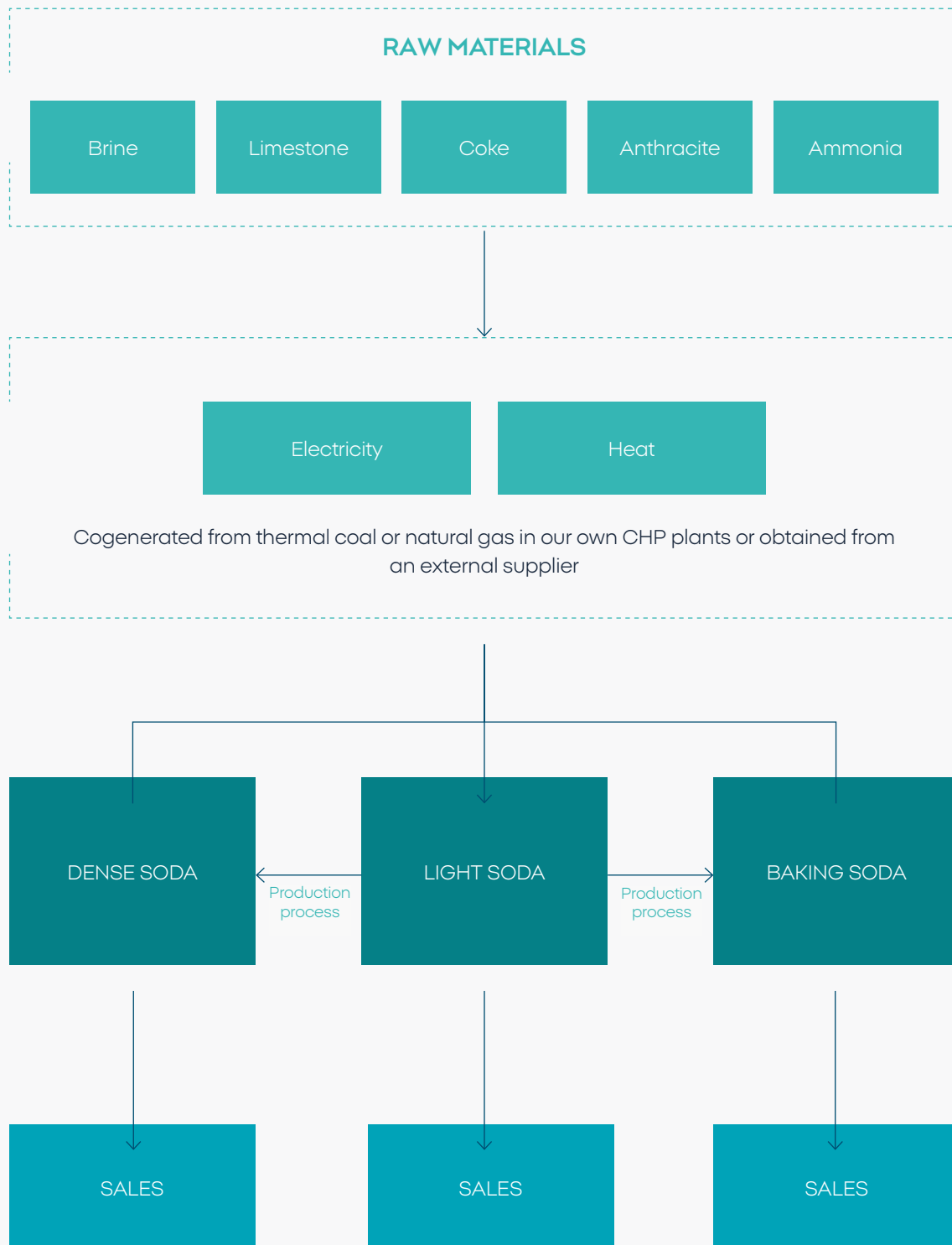
### The largest component of manufacturing costs in the production process is heat energy in the form of process steam

many, we use our own deposits of both brine and limestone. In the case of the Group's Polish plants, we have long-term relationships with suppliers of these key raw materials. In 2022, we concluded agreements securing the supply of brine to the production plants of QEMETICA Soda Polska by the end of 2035 under predictable conditions.

Coke is a fossil fuel used to burn limestone in lime kilns known as CO<sub>2</sub> reactors. Coke is usually supplied under short or long-term contracts. In the soda production process, coke can be replaced with anthracite, which is slightly less efficient. In practice, we usually use a mix of coke and anthracite, and their share depends primarily on prices and availability on the market.

The largest component of manufacturing costs in the production process is heat energy in the form of process steam – production plants in Poland and Germany have their own combined heat and power (CHP) plants. The energy resource used in Inowrocław and Janikowo is hard coal, and in Stassfurt, Germany - natural gas. Hard coal supplies are made under both short-term and annual contracts with a fixed price or adjusted by various indexes, and the costs of gas supplied in Germany refer to the market prices of this raw material (in the case of options - to prices under option contracts). The plant in Romania, where production has been suspended since September 2019, used process steam purchased from an external supplier.

In recent years, we have been intensively developing





the Soda segment. After expanding the production capacity of the soda plant in Inowrocław by 200 thousand tonnes per year implemented in 2016, in 2020 we completed the implementation of a several-year project to increase the production capacity of baking soda at the plant in Germany. Currently, our German plant can produce over 100,000 tonnes of baking soda per year, including the highest quality class in accordance with the requirements of the pharmaceutical market.

Further development in the soda area will take place mainly through optimisation and increase in efficiency, as well as improvement in product quality and focus on more processed products. At the same time, we care about the quality of service for existing customers and we are intensively looking for new customers.



## THE QEMETICA GROUP'S SODA PLANTS

### Soda Segment Soda ash and baking soda



## SALT (NaCl)



Evaporated salt of which we are a producer is widely used in the following industries:

- Food - alone or as a component of supplements enriching the diet of wild and farm animals (cows, horses, sheep, goats and forest animals). In this case, feed salt or in the form of licks is enriched with minerals (copper, cobalt, selenium, zinc, manganese, iodine),
- Water treatment and softening processes, thanks to which it contributes to the reduction of water, detergent and fuel consumption. It also extends the life of household appliances.
- Chemical industry and other branches of heavy industry - mainly in electrolysis processes.

We are developing the salt business thanks to a salt works in Germany. Reaching the plant's full production capacity of 450,000 tonnes per year in 2024 will almost double our production capacity, so far concentrated in Janikowo. Thanks to the investment in Stassfurt, we increased the production capacity of evaporated salt to approximately 1 million tonnes and became one of the largest manufacturers in Europe, with an established position in Central Europe, Scandinavia and with the prospect of expansion to Western European markets.

The salt plant in Stassfurt is one of the most modern facilities of this type in Europe. Evaporated salt is produced there using a different technology than in the Polish plant. Instead of steam-heated evaporators (MEE technology), we used a fully automated production line based on MVR technology (evaporation of water by supplying compressed steam). Based on Boyl's physical law, the technology results in significant savings and increases the efficiency of salt production.

The solutions applied in Stassfurt also include the use of an effective, low-emission source of heat energy (an efficient gas-fired CHP plant) and effective management of heat energy in the production process, con-

firmed by the ENEC certificate. In addition, the plant has been equipped with an optimal system for managing production waste, which is discharged to an underground storage site. Our new plant is equipped with a modern, fully automated high-storage warehouse.

The advantages of the German location of the new plant are the availability of its own sources of raw materials (brine), a low-emission and effective source of energy, and the location enabling expansion on attractive Western European markets. Both the salt produced in the German salt works and Sól Kujawska produced in the plant in Janikowo have obtained the prestigious International Food Standard certificate, confirming the high quality of our salt.

Salt from Stassfurt has also been recognised as compliant with the international standard HACCP (Hazard Analysis and Critical Control Points system to ensure food safety).

In 2023, a strategic partnership was announced with the global Cargill group, which included QEMETICA food salt in its pan-European product portfolio. The QEMETICA Group, through continuous investments in innovative technologies and sustainable management, consistently continues its development.

## SALT PRODUCTS OF THE QEMETICA GROUP

### TABLE SALT AND IODISED TABLE SALT

produced from a salt solution derived from the wet exploitation of natural salt deposits, by obtaining brine. It contains a minimum of 99.9% sodium chloride and is widely used in the food industry. The QEMETICA Group sells salt primarily in one-kilogram bags under the Sól Kujawska brand and under private labels of food chains, as well as in larger, 25-kilo packages targeted at business customers. In 2023, Sól Kujawska was honoured with a prestigious distinction from the "Strefa Gospodarki" magazine and received the title of Consumer Quality Leader 2023 in the "Edible salt" category.

### SALT WITHOUT ANTI-CAKING AGENT

used for food production (mainly products manufactured on the basis of the BIO market - no anti-caking agent in such product).

### AQUA PRO SALT TABLETS

are used in water treatment systems, e.g. for the regeneration of ion exchangers, water softeners and multifunctional filters that capture components contributing to water hardness (calcium and magnesium). The

main recipients of salt tablets produced by the QEMETICA Group are: households (home water treatment), administrators of multi-family buildings (water treatment for housing estates), industry (water treatment in production processes), as well as entities such as swimming pools, car washes and hospitals.

The QEMETICA Group is strengthening its position as a leading supplier on the growing salt tablets market. Tablets under the Aqua Pro brand are produced at the QEMETICA factory in Janikowo and sold to the markets of Central and Eastern Europe and Scandinavia. As of 2023, production also started in the German salt plant in Stassfurt, from which tablets are distributed to Western European markets. When producing salt tablets in Germany, the QEMETICA Group focuses on innovative technologies, including: automatic tools and top-class production equipment, reaching a production capacity of up to 180,000 salt tablets per hour. The AQUA PRO brand of salt tablets won the golden Consumer Laurel 2023.

### FEED SALT AND SALT LICKS

used in agriculture and in the production of animal feed. The salt content perfectly complements the diet of farm animals, especially ruminants, with minerals. Our products are also used in feeding forest animals as they improve the assimilation of potassium, magnesium and calcium. Feed salt is sold in the GMP+ chain (international standard for good practice in the production and transport of feed).

### CURING SALT

nitrite curing salt (curing salt) is an irreplaceable auxiliary agent in the production of meat and sausage products. Curing refers to one of the oldest ways of preserving food - preservation with salt.

### G-SALT GRANULATE

used in dishwashers, since 2022 sold under the G-Salt brand. The product is ISO 9001 and ISO 14001 certified and is widely used in households. It extends the life of dishwashers and increases washing efficiency, reducing the consumption of water and detergents.

### INDUSTRIAL SALT

is one of the ingredients in the production of detergents, washing powders and dyes. It is also widely used in the electrolysis process.

### WINTER SALT

quickly and effectively dissolves snow and ice on pavements, stairs and driveways.

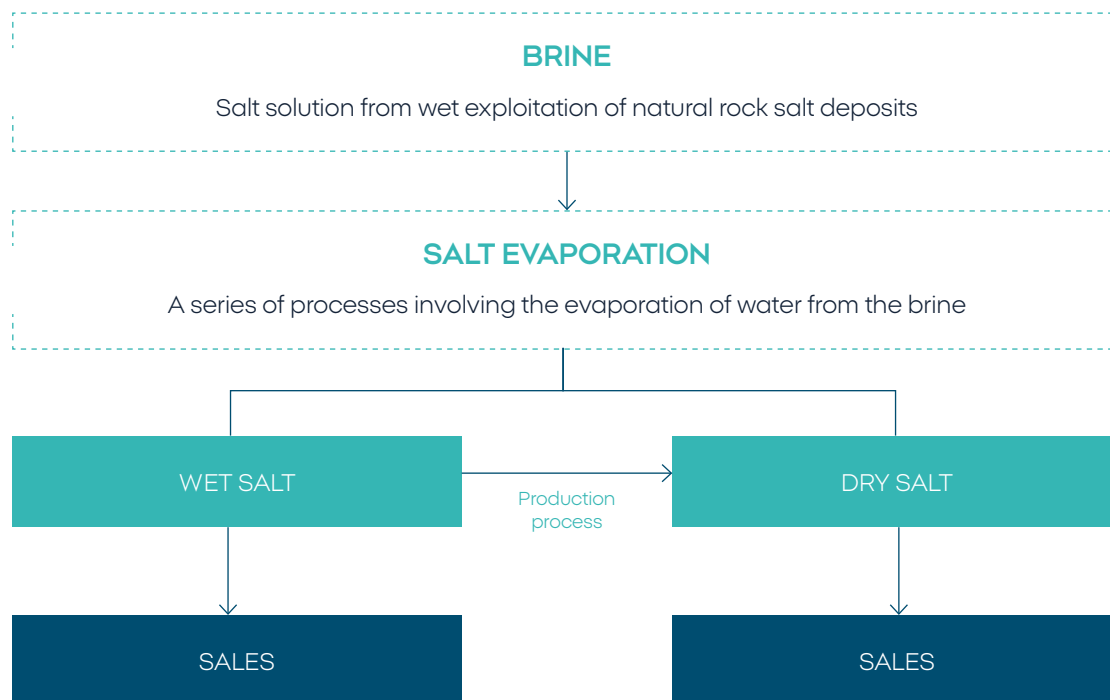
We are currently focusing on the development of specialist products within the dry salt portfolio, focusing on increasing production capacity, developing new products and sales directions.





## SALT PRODUCTION PROCESS

Evaporated salt is produced from a salt solution derived from the wet exploitation of natural deposits of rock salt:



### THE QEMETICA GROUP'S SALT PLANTS

Soda Segment  
Salt products

QEMETICA Salz  
Stassfurt, Germany

QEMETICA Soda  
Polska Janikowo, Poland

## OTHER PRODUCTS OF THE SODA SEGMENT

Although on a smaller scale than soda and salt, as part of the Soda segment, we also manufacture products such as:

- **Calcium chloride ( $\text{CaCl}_2$ )** – used e.g. as an environmentally friendly agent for road maintenance in the winter season (de-icing) and outside it (dust removal), as a source of easily assimilable calcium for vegetables and fruits.
- **Hopcalite** – used in respiratory protection devices such as gas masks, breathing apparatus and carbon monoxide monitoring devices.
- **Electricity** – part of the electricity generated in our Stassfurt gas-fired CHP plant is sold on the market. Furthermore, for additional remuneration, the CHP plant participates in stabilising the power grid and balancing renewable sources.

## Agro segment – plant protection products



The QEMETICA Group is the largest Polish manufacturer of plant protection products and a leader on the herbicides market. The Agro segment generated 7% of the QEMETICA Group's revenues in 2023.

In 2023, the Group expanded its operations to the insecticides market. In addition to the production and sale of products for the agricultural industry, we participate in the transformation of this market. We change and modernise the market of plant protection products by digitising it and introducing automated solutions that facilitate cooperation with our distributors and users of our products.

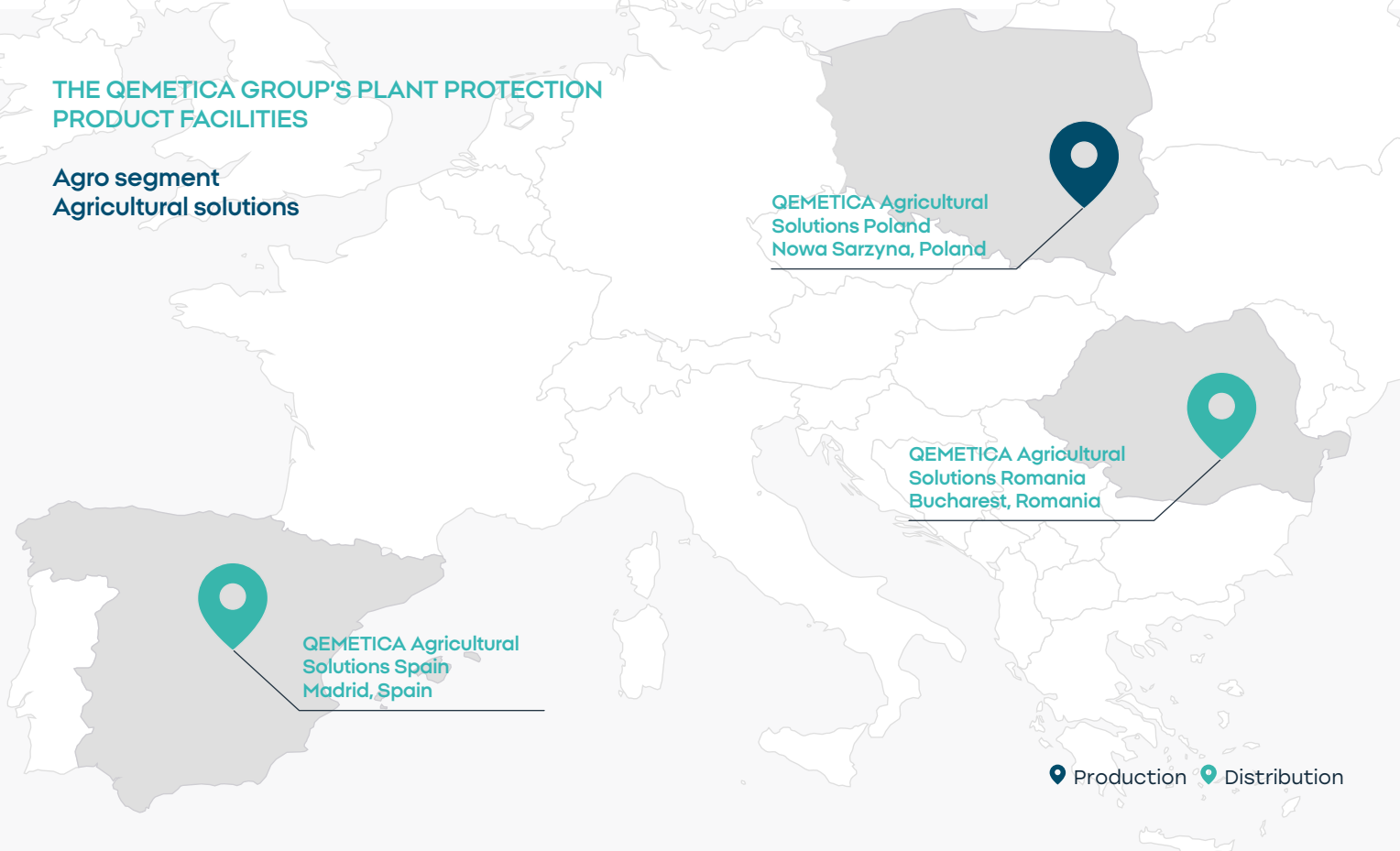
Modern plant protection products that we make enable us to safely improve the efficiency of agriculture and reduce the negative effects of agriculture on the planet, they:

- lead to a reduction in the area of cultivation, reducing soil degradation and deforestation,
- increase the efficiency of harvesting, maximising the efficiency of energy and water use,
- allow for the reduction of greenhouse gas emissions by agriculture,
- stabilise the quality and quantity of crops,
- protect against dangerous diseases, pests and infections (e.g. mycotoxins).



## THE QEMETICA GROUP'S PLANT PROTECTION PRODUCT FACILITIES

Agro segment  
Agricultural solutions



## OUR RESPONSIBILITY AS A MANUFACTURER OF PLANT PROTECTION PRODUCTS INCLUDES:



strict adherence to quality and safety rules and regulations



ensuring the highest quality of production processes and the raw materials, ingredients and semi-finished products used



conducting research on the safety of using products in accordance with the highest standards



market education on the principles of effective and safe use of products.



research and development in new products, especially the possibility of achieving the desired effects with the lowest possible dosage of active substances



The Polish company QEMETICA Agricultural Solutions Poland specialises in the production and distribution of plant protection products, which is the largest Polish manufacturer and the sales leader on the market of herbicides (weed killers). Our competitive advantage is, among others, one of the world's most modern installations for the production of MCPA - an effective and safe herbicide, as well as 60 years of experience in manufacturing plant protection products. QEMETICA Agricultural Solutions Poland has a modern production plant and a laboratory with the prestigious GLP (Good Laboratory Practice) certificate. The full range of the QEMETICA Group's AGRO area includes over 150 product items (herbicides, fungicides, insecticides, growth regulators and seed dressings), in various chemical groups, formulations, packaging sizes, depending on the target market and forms of application. The best known trademarks of the AGRO brand include: CH-WASTOX, Agrosar, Tarza Łan Extra, Labrador Extra, Nikosar, Prokarb. In addition to European markets, we also support markets in Asia, Australia, North Africa, Latin America and Canada.

In 2023, through the Leptosar product, the QEMETICA Agricultural Solutions business is entering a completely new insecticide market. The product is registered for over 40 agricultural crops, including small-scale. It combats pests in various development stages and allows for use in different stages of plantation development, including reliably protecting plantations during the growing season.

An example of our approach to solving problems facing the agricultural sector and the use of the latest research achievements is the creation and registration of a new plant protection product - Halvetic, based on the innovative BGT (Better Glyphosate Technology) technology, with effectiveness confirmed in over half a thousand studies conducted on four continents. BGT allows you to maintain the current effectiveness of glyphosate-based products while reducing the dose of the active substance by half, compared to current standards. Glyphosate is the most widely used and one of the most thoroughly tested active substances used in plant protection, approved for use in over 160 countries.

Halvetic contains built-in wetting agents and ammonium sulphate, generally added separately by users. This facilitates the use of the product, reduces the risk of error, and also improves the economic aspects of the

procedure.

During three years of its market expansion, Halvetic has been approved for use in 17 countries, including Poland, Slovakia, Romania, Greece, Portugal, Spain, Argentina, Sweden and Italy. We also plan to register it in Finland, Estonia, Germany, the Netherlands, Belgium, UK and Uruguay, and later also in Brazil.

The new glyphosate formulation technology is in line with the proposed assumptions of the European Commission's "The Farm to Fork Strategy", which assumes, among others, obligation to reduce the consumption of active substances in the European Union by 2030. In our opinion, Halvetic is the optimal compromise between the needs of modern agriculture and pro-ecological attitudes related to the implementation of the provisions of the European Green Deal.



## Silicates segment



In 2023, the Silicates segment generated 8% of the QEMETICA Group's revenues. In 2023, QEMETICA Silicates completed the construction of a modern warehouse in Żary. The investment in the warehouse is a natural consequence of the increase in the factory's production capacity after a modern and energy-saving furnace for smelting glassy sodium silicate was commissioned in 2021. The investment improves logistics capabilities and reduces noise and dust levels in the vicinity of the plant.

The QEMETICA Group produces sodium and potassium silicates. Both types of silicates are available in two forms – solid, offered under the VITROSIL brand (glassy sodium and potassium silicate) and liquid, offered under the VITROLIQ brand (sodium water glass and potassium water glass).

Sodium silicates are used in the production of precipitated silica (approx. 37% of consumption in Europe, mainly used in the tire and cosmetic industries), detergents (approx. 17%), paper, zeolites and other industries.

The addition of precipitated silica has a positive effect on the service life and adhesion of car tires, and also reduces rolling resistance, thus limiting fuel consumption. The popularisation of electric cars may increase demand in the silicate segment – due to the higher weight of these vehicles, their tires contain a greater admixture of silica.

After expanding the sodium silicate production capacity at the Żary and Iłowa plants, QEMETICA Silicates S.A. is currently the third largest producer of sodium silicate in Europe and the leader in the sale of this raw material. In the silicates segment, the QEMETICA Group also operates a plant in Ramnicu Valcea in Romania.

### THE QEMETICA Group'S SILICATE PLANTS

Silicates segment  
Sodium and potassium silicates



QEMETICA Silicates  
Iłowa & Żary, Poland



QEMETICA Soda Romania  
Ramnicu Valcea, Romania

Potassium silicates are used in the production of welding electrodes and construction chemicals, including silicate paints and plasters.

As part of the development of this segment, the QEMETICA Group focuses on the use of new applications of silicates and the development of high-margin products.

The main raw materials used for the production of silicates are soda ash from our plants, high-quality sand obtained from a local supplier and natural gas.

# Foams segment

## POLYURETHANE FOAMS



The QEMETICA Group is one of the largest suppliers of polyurethane foams (PUR foams) on the domestic market. In 2023, the Foams segment generated 5% of the Group's revenues.

Flexible polyurethane foams are used mainly in production of upholstered furniture and sleeping mattresses. To a lesser extent, they are used in the automotive industry, construction industry and textile industry.

QEMETICA Polyurethanes has many years of experience in the production and sale of flexible PUR foams and is one of the largest producers of PUR foams in Poland. Recipients of the company's products include the largest furniture and mattress manufacturers in Po-

land and Europe. Because of physical and mechanical properties (low specific gravity) PUR foams are sold primarily on local markets. In Poland, the consumption of flexible polyurethane foams is associated largely with the national furniture industry and its high position in the international markets which is consistently strengthening and the value of export of Polish furniture keeps growing.

QEMETICA Polyurethanes is the first Polish manufacturer of polyurethane foams to obtain the ISCC Plus (International Sustainability and Carbon Certification) certificate. It confirms that the company meets stringent environmental standards in the area of production, with particular emphasis on limiting the use of petroleum-derived raw materials, in favour of components from renewable sources and recycled.

Work is currently underway on the use of recycled materials (re-polyols) and plant-derived raw materials (bio-polyols) in the production of foams.

In 2023, a new brand, SNOOVIO, was introduced to the market, offering sleeping mattresses, which are manufactured based on many years of experience and know-how of QEMETICA Polyurethanes. Modern SNOOVIO mattresses are made of the highest quality materials, including recycled raw materials.

## PROTECTIVE MASKS



Using our potential and competences to support the global fight against the COVID-19 pandemic, in December 2020 we started the production of protective masks. We are able to produce about 10 million pieces of masks annually, providing high-quality protection in the FFP3 class. It took us about five months to launch production, establish supply chains and undergo FFP2 tests and certification, which confirms our flexibility and high operational efficiency.

Our masks also have the Standard 100 by Oeko-tex®, which means that they are free of harmful substances in concentrations that have a negative impact on human health, e.g. pesticides, chlorophenols, formaldehyde, allergenic dyes, prohibited azo dyes and extractable heavy metals.

### THE QEMETICA GROUP'S FOAMS PLANT

**Foams segment**  
**Polyurethane foams and protective masks**







## Packaging segment

In 2023, the Packaging segment generated 3% of the Group's revenues.

QEMETICA Glass specialises in the production of lanterns for candles and is considered the leader of the Polish market. The offer range includes about 160 patterns of lanterns, including lanterns for dish candles and individual patterns, dedicated to one recipient. In terms of lanterns for grave candles, we offer a very diverse assortment, consisting of lanterns with a large range of dimensions and a very diverse design.

Our company is also the only manufacturer of COMFORT type jars in Poland, jars with a glass lid and a snap-clasp closure. On a small scale, the Company also produces typical twist-off jars intended for food processing.

### THE QEMETICA GROUP'S PACKAGING PLANT

Packaging segment  
Lanterns and jars



# Quality and safety of products

## MANAGING PRODUCT QUALITY AND SAFETY

In accordance with the QEMETICA Group's strategy for 2022-2024, the activities of the Group's companies are focused on the implementation of the following core values:



**Innovation progress**



**Further improvement**



**Effective management**

These values are implemented in the quality area through:

### INNOVATION PROGRESS

Planning improvements in the area of production processes, as well as quality control, including: modernisation of existing laboratories, replacement of laboratory equipment and soft-ware, as well as updating the research methodology. These activities will make it possible to optimise the work of laboratories and standardise in the areas of Quality Assurance and Quality Control for the entire Group.

### FURTHER IMPROVEMENT

Valuation of positions and competences of employees of quality departments, talent development and creation of expert teams for project implementation and changes in order to reduce the staff turnover rate and the costs of recruitment and training for new employees. The activities mentioned should increase the assurance of business continuity and process stability.

### EFFECTIVE MANAGEMENT

Strengthening the supervisory functions as part of the QEMETICA Group's certification is intended to increase control over the activities in the companies, with particular emphasis on handling complaints, determining and implementing recovery and corrective actions, and analysing risks. The implementation of group certification will reduce the time spent on documentation and the number of audits in companies. An additional benefit of group certification will be the need to standardise procedures in the Group, which will enable standardisation in the entire area of Quality Assurance while significantly reducing cost.

A group exchange of experiences is planned, which will allow for a broader perspective on solving quality issues and the use of experience and good practices already operating in selected Group companies and their implementation in others.



## QUALITY AND SUSTAINABLE DEVELOPMENT

We ensure the implementation of a strategy based on the principles of sustainable development by controlling, among others, the two most important qualitative indicators, such as:

### Withdrawal of products from the market:

- maintaining zero product recalls;
- maintaining the high quality of products and avoiding threats to the security of end users.

### Reducing the complaint cost indicator:

- maintaining the relation of complaint costs to revenues below 0.2%;
- reducing the amount of waste (returned products) and the costs of their disposal.

### These assumptions also support the implementation of strategic points such as:

- optimising customer service - reducing the time of handling complaints;
- reliability of logistics and deliveries - reduction of the number of complaints.

## We are expanding our partnerships with suppliers and improving the supply chain management system to meet the strategic objectives of reducing raw materials and implementing innovative processes.

These activities are carried out by standardising the supplier qualification path and expanding cooperation in the implementation of new technologies at our suppliers. This will enable us to gain a competitive advantage and also improve the quality of our final product. The need to adjust the required parameters of the supplied materials and raw materials to the maximum extent resulted in the intensification of on-site audits and the qualification of new suppliers for the purpose of diversification, as well as the possibility of quick adjustment in emergency situations.

## SYSTEMS BASED ON THE PRINCIPLES OF SUSTAINABLE DEVELOPMENT - ALREADY IN OPERATION AND THOSE BEING IMPLEMENTED IN THE QEMETICA GROUP

### SEDEX (SUPPLIER ETHICAL DATA EXCHANGE)

It is an ethical supplier data exchange programme, in the form of an online system designed to help companies improve the ethical operation of their supply chain. This platform stores data on responsible business practices and enables the sharing of ethical performance information with multiple brands and customers. The programme has already been implemented in QEMETICA Soda Polska and QEMETICA Agricultural Solutions Poland, and work is currently underway on its implementation in all other production companies of the QEMETICA Group. Confirmation of ethical requirements for a full member of SEDEX is carried out by a third party audit, the so-called SMETA (Sedex Members Ethical Trade Audit). The SMETA audit covers environmental, health and safety aspects in the workplace as well as work ethics and work standards.

### ISO 14001

ISO 14001 is the leading standard for environmental management systems. It operates on the basis of international standards and confirms the implementation of all elements aimed at minimising the negative impact of the organisation on the environment. Most of the QEMETICA Group companies have implemented environmental management systems based on the ISO 14001:2015 standard. In 2023, QEMETICA S.A. implemented and certified the Integrated Management System, expanding it to include ISO 14001:2015 and 45001:2018 standards.

### ISCC PLUS

The ISCC PLUS (International Sustainability & Carbon Certification) certificate confirms that the company meets stringent environmental standards in the area of production, with particular emphasis on limiting the use of petroleum-derived raw materials in favour of components from renewable sources and recycling. In 2022, this certificate was obtained by QEMETICA Polyurethanes.



## KZR INiG

The KZR INiG Certification System is a set of requirements that must be met for the biomass and energy produced from biomass to be considered compliant with the sustainable development criteria. These requirements concern, among others, the reduction of greenhouse gas emissions generated in the supply chain (from the point of origin through biomass processors to heat and/or power producers). Taking into account the requirements of the KZR INiG system, in the supply chain, QEMETICA Soda Polska acts as a heat producer for technological and heating purposes, and certification is carried out as part of the path: biomass fuels. KZR INiG is a Polish certification system with a global reach, owned by the Oil and Gas Institute - National Research Institute.

## IWAY

The IKEA Group has developed the IWAY standard to promote basic labour rights and environmental standards with business partners. IWAY enables the company to understand the dependencies in the supply chain and eliminate the risks associated with child labour, violations of human and employee rights and environmental pollution. Due to the positive result of the IWAY MUST audit, QEMETICA Polyurethanes can ensure that the supplied products are manufactured in safe conditions with respect for the rights of employees and the natural environment.

## STEP BY OEKO TEX

Thanks to the modular analysis of all relevant areas of the company, such as chemical management, environmental performance, quality management, occupational health and safety, social responsibility and environmental management, STeP certification allows for a comprehensive and reliable analysis of the scope of sustainable management provided by the production plant. The certification of this standard enables QEMETICA Polyurethanes to compete in the supply chain of textile and clothing companies.

# MANAGEMENT SYSTEMS WITHIN THE QEMETICA GROUP

The systems implemented in the QEMETICA Group are based on the requirements of the ISO 9001 standard, and depending on the needs of the Company and customer expectations, the basic requirements are supplemented with specific (industry and product related) re-

quirements, maintaining consistency and assumptions as well as rules established within the organisation.

The basis for setting goals and directions of activities for the processes covered by the system requirements is the Quality Policy, shared by all companies of the QEMETICA Group.

The scope of management systems implemented and recertified in 2023 is presented in Table 1.

**Tabela 1. Certified management systems in QEMETICA Group companies in 2023**

Company	Norms/standards
QEMETICA S.A.	ISO 9001; ISO 14001; ISO 45001; GMP+ FSA 2020; GDP API
QEMETICA Soda Polska	ISO 9001; ISO 14001; GMP+ B1/B2; GMP API; IFS; KOSHER; PZH (National Institute of Hygiene) approval certificate; v-label;
QEMETICA Agricultural Solutions Poland	ISO 9001; ISO 14001; ISO 45001; ISO 17025; ISO 50001; WSK, GLP, SMETA
QEMETICA Silicates	ISO 9001; ISO 14001
QEMETICA Glass	ISO 9001; ISO 14001; PZH approval certificate
QEMETICA Soda Deutschland	ISO 9001; GMP+; ISO 14001; ISO 50001; KOSHER; GMP API; EXIPACT; IFS; HALAL
QEMETICA Salz Deutschland	ISO 9001; ISO 50001; IFS; HALAL, KOSHER; ISO 14001
QEMETICA Cargo	ISO 9001; ISO 14001; Railway carrier safety certificate - Parts A and B; ECM certificate
QEMETICA Polyurethanes	ISO 9001; STeP by OEKO-TEX® certificate; STANDARD 100 by OEKO-TEX® certificate; ISCC; PZH approval certificate; PZH certificate, IWAY

Supervision over the maintenance and improvement of the systems has been entrusted to employees of the Quality Departments in individual Companies, who have the necessary knowledge and qualifications.

Each employee undergoes obligatory training in the implemented policies and procedures in accordance with the scope of duties arising from the position held and responsibilities. Newly hired employees and associates are subject to initial training in the requirements of the Integrated Management System.

In all companies of the QEMETICA Group, independent external audits were carried out, which confirmed the proper operation of the management systems in relation to the implemented norms and standards.

There were also no reports of non-compliance with regulations or codes applied in the area of Product Quality, which would result in a penalty, fine or initiation of a procedure for the withdrawal of a product from the market.

## KEY ACHIEVEMENTS IN 2023

### QEMETICA S.A.

QEMETICA S.A. received the Polish Quality Award in the diamond statuette category.

The company has integrated the ISO 9001, ISO 14001 and ISO 45001 systems

### QEMETICA Soda Polska

QEMETICA Soda Polska successfully passed an audit confirming compliance with the requirements of the ISO 22716 standard

### QEMETICA Agricultural Solutions Poland

QEMETICA Agricultural Solutions Poland successfully passed the SMETA audit

### QEMETICA Polyurethanes

QEMETICA Polyurethanes successfully passed the ISCC audit

## SUPPLIER MANAGEMENT

In April 2023, the QEMETICA Group started a supplier management (SQM) programme supervised by a Supplier Quality Engineer. The solutions developed within SQQ will allow us, among others:

- standardise the approach of the entire QEMETICA Group to the process of qualifying suppliers for co-operation,
- launch the process of auditing suppliers (more on this below),
- ensure the stability of the Supply Chain,
- strengthen partner relations in the industry (exchange of knowledge),
- meet the requirements of quality systems regarding the approval and monitoring of suppliers,
- limit deliveries that do not comply with requirements and complaints,
- reduce the costs of handling complaints, internal discrepancies, delays in the implementation of production plans.

## CASES OF NON-COMPLIANCE

In 2023, no cases of non-compliance with regulations and voluntary standards related to product quality and safety were recorded.

## QEMETICA QUALITY STANDARD (CQS)

Within the QEMETICA Group, the QEMETICA Quality Standard (CQS) programme is in place, as part of which quality standards have been implemented, based on the international ISO 9001:2015 standard.

## BENEFITS OF THE CQS (QEMETICA QUALITY STANDARD) PROGRAMME

### FOR OUR CUSTOMERS

- Meeting the requirements of laws, standards and specifications
- Building lasting customer relations
- Faster complaint handling time
- Improved quality of products



## FOR THE DEVELOPMENT OF THE COMPANY

- Maintaining talented people with valuable experience and skills while keeping an optimal level of employment
- Involvement of all employees in the implementation of the company's strategy - non-financial employee motivation

## FOR THE COMPANY'S FINANCE

- Plans for the optimisation of the quality control expenses
- Minimising costs related to poor quality

## CHEMICAL PRODUCT MANAGEMENT (REACH, CLP, BPR)

### REGULATION (EC) 1907/2006 (REACH) - INFORMATION ON CURRENT REGISTRATIONS IN THE QEMETICA GROUP IN 2023

In 2023, no cases of non-compliance with regulations and applicable codes in the area of Chemical Product Management resulting in penalties, fines or initiation of the product withdrawal procedure were found in the QEMETICA Group.

In 2023, the European Chemicals Agency (ECHA) did not issue any binding decision ordering additional tests or updating the registration documentation of substances for which the QEMETICA Group companies are registrants or co-registrants.

In response to customer expectations, three substances were initially registered on the Turkish market, in accordance with the requirements of the local KKDİK Regulation ("Turkish REACH") - two substances of the soda business unit and one substance of the silicate business unit. As a result of the postponement of the deadline for full registration by the Turkish Regulator, at least until 31 December 2026, the process of full registration of the substance has been suspended. The additional time will be used to consolidate the position on the Turkish market.

In 2023, the QEMETICA Group reviewed and updated the safety data sheets for the raw materials and chemical reagents used.

## REGULATION (EC) 1272/2008 (CLP)

In 2023, PCN (Poison Centre Notification) notifications were submitted on hazardous mixtures intended for industrial applications, mainly from the sodium and silicate segments.

In response to the update of the harmonised classification and labelling of certain raw materials used in production processes, the use of substitutes was successfully recommended and implemented, thereby eliminating exposure to carcinogens in the workplace.

## TASKS FOR 2024

Further improvement of financial and environmental efficiency is planned for 2024 by minimising costs related to poor product quality and more effective monitoring of production processes based on established indicators (KPI).

In 2024, the QEMETICA Group will face new challenges related to the coverage of system requirements and certification of new entities within the Group:

- QEMETICA Soda Polska – implementation and certification of the KZR INIG system, i.e. a biomass and biofuel certification programme,
- QEMETICA – participation of the QEMETICA Group in the European Quality Award,
- QEMETICA - (within the scope of REACH) active identification of market requirements regarding the import of raw materials and the implementation of related registration requirements.



# Sustainable development strategy

QEMETICA®

02

# ESG strategy – "Chemistry for a better world"

GRI 2-12; GRI 2-14; GRI 2-22



**Details of our ESG  
Strategy**

[See more →](#)



Responsible business conduct has always been the foundation of our activities. We believe that real value in the long run can only be built by a business that, in addition to short-term financial parameters, cares about stability and sustainable relations with the environment - both with the natural environment, whose resources we use, and with people inside and around our company.

As humanity, we face huge challenges, such as fighting climate change, caring for the well-being of a growing population, and changing our actions and habits to leave future generations with a planet that is a good place to live.

We believe that as an international company participating in the global economy, we are particularly responsible for this. Business representatives have the knowledge, skills, means and agency to effectively influence changes for the better, and the world needs such changes more than ever before.

2023 was another year of implementation of our ESG strategy "Chemistry for a Better World". We took actions to bring us closer to achieving measurable goals set out in it, the goals which are ambitious, but if we make the necessary effort, they will become feasible.

We know what role our industry plays and can play in responding to the challenges of today. It is a difficult industry that uses the Earth's resources, has a strong impact on the environment and generates high risks. Accordingly, our role is to ensure that the benefits of our activities significantly exceed the costs and burdens we cause.

Our activities related to the management of our impact in the environment, social responsibility and corporate governance areas are carried out both locally and supervised or inspired by the headquarters of the Group. The area of sustainable development management reports directly to the President of the Management Board and is coordinated by the ESG Department established for this purpose.

The QEMETICA Group's strategy defines eight commitments regarding climate policy, social relations and management quality. Specific initiatives and targets have been set for each commitment in order to track progress.

In 2024, we commenced work on a new integrated business strategy for the QEMETICA Group, of which ESG will be one of the pillars. This approach is a clear proof of how important it is for us to combine core business activities with non-financial issues.

## COMMITMENTS OF THE QEMETICA Group



**We speed up on the path to carbon neutrality**



**We decouple growth and energy consumption**



**We see circularity as a key efficiency lever**



**We put safety as a top priority**



**We want to be an inclusive place for diverse talents to develop**



**We are a responsible part of local communities**



**We join our efforts together with clients and suppliers**



**We earn credibility by delivering promises**

# Environmental area

## WE SPEED UP ON THE PATH TO CARBON NEUTRALITY

The pillar of our strategy for the coming years is the energy and business transformation, which focuses on reducing CO<sub>2</sub> emissions. In line with the goal of the ESG Strategy, in 2023 we started the process of verifying our emissions and defining the goal of reducing greenhouse gas emissions in accordance with the assumptions of the Paris Agreement.

To this end, we have gone through the validation process of the Science Based Targets Initiative (SBTi). SBTi is a partnership of CDP, United Nations Global Compact, World Resources Institute and World Wide Fund for Nature that defines a methodology to support companies in setting reduction targets and transforming their business activities to adapt them to the realities of the future low-carbon economy.



The main activities of the Science Based Targets initiative include:

- defining and promoting best practices in reducing emissions and defining climate neutrality goals,
- providing technical assistance and expert resources to member companies in setting climate goals in line with the latest scientific knowledge,
- bringing together a team of experts who will provide member companies with an independent assessment and validation of goals.

Our new goal on the decarbonisation path has been recognised by SBTi as consistent with the Paris Agreement, which assumes actions to limit the temperature increase to 1.5°C.





During the validation process, we also standardised the emission calculation method to the SBTi methodology:

- The emissions we report from Scope 1 and Scope 2 include CO<sub>2</sub> emissions assigned to QEMETICA Soda Romania, which has been in hibernation since 2019.
- We have switched to calculating Scope 2 emissions using the marked-based method.

The QEMETICA Group will continue to implement the adopted decarbonisation strategy, including our short-term goals:

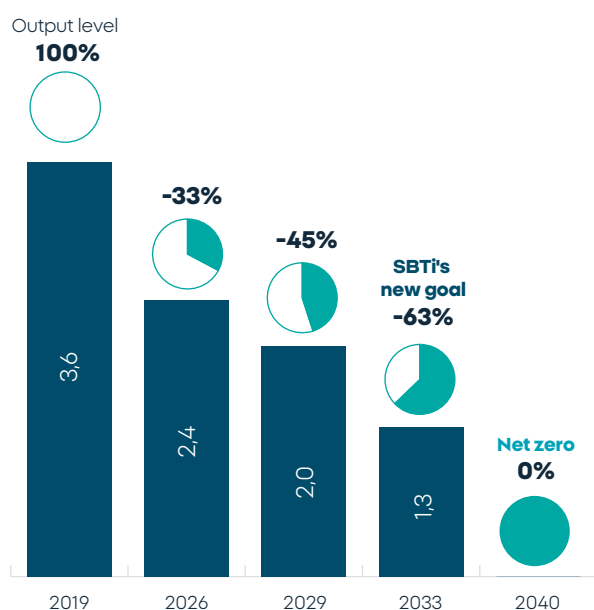
- We intend to reduce CO<sub>2</sub> emissions by 33% by 2026 and by 45% by 2033 compared to the base year of 2019.
- We have committed to completely eliminating the use of coal from the production of electricity and heat for production processes by 2033.

In the long term, the QEMETICA Group strives for a low-emission future and achieving climate neutrality by 2040.



**We have adopted and validated with SBTi a new ambitious goal of reducing CO<sub>2</sub> emissions from Scope 1 and 2 by 63% by 2033 compared to the base year of 2019**

**CO<sub>2</sub> emission reduction targets from Scope 1 and Scope 2 [million tonnes CO<sub>2</sub> equiv]**



We realise that achieving complete climate neutrality will require the use of technologies that have not yet been implemented on an industrial scale. We are currently analysing the possibilities of choosing the most appropriate solution. At the transitional stage, the key issue for the QEMETICA Group will be the reduction of the use of fossil fuels, including moving away from coal and increasing the acquisition of energy from renewable energy sources.

In 2023, we continued work on operationalising our energy strategy. The Energy Transformation Department carried out projects that improved our energy and process efficiency and reduced CO<sub>2</sub> emissions. We worked on a strategy for moving away from coal in Poland and from gas in Germany. We are at the stage of determining the target, most favourable fuel mix in our three heat and power plants. In Poland, together with partners, we are working on the implementation of the project of thermal waste processing installation in Inowrocław. The next fuel that we will use is biomass, both in the form of "small" and "large" co-combustion, as well as dedicated boilers. At the same time, analytical work is also being carried out on the future use of SMR (small nuclear reactors) technology.

## USE OF BIOMASS AS FUEL

The next stage of the energy transformation of the Soda segment is the modernisation of the coal boiler in the QEMETICA Soda Polska factory in Inowrocław. This will enable energy to be obtained from biomass combustion and thus reduce coal consumption, in line with the goal of the ESG strategy. A procedure has been initiated to select a contractor for the modernisation of the steam boiler in Inowrocław, which will allow it to be fired at 100% biomass fuel. As part of the modernisation - conversion of the boiler from coal to biomass - it is planned to rebuild the existing pulverised coal boiler into a biomass-fired fluidised bed boiler, as well as to build a complete biomass management system allowing for the reception, unloading and storage of fuel. According to the base schedule, the company assumes commissioning of the boiler after conversion at the end of 2026.

The modernisation is another step towards increasing biomass consumption in QEMETICA Soda Polska. A project is also being implemented to adapt biomass to co-firing in other coal-fired boilers in heat and power plants at the soda production plants in Inowrocław and Janikowo. The use of biomass as a fuel at QEMETICA Soda Polska is scheduled to start in 2024.

## THERMAL WASTE TRANSFORMATION INSTALLATION

Another project aimed at reducing coal consumption by the QEMETICA Group is the planned installation of thermal waste treatment in Inowrocław. The Inowrocław Nowa Energia project is an investment that involves the construction of a installation for thermal waste processing ("ITWP") with accompanying infrastructure at the QEMETICA Soda Polska complex in Inowrocław. The investors - QEMETICA and EEW Energy from Waste GmbH - plan that the construction will take about three years. In 2023, the administrative procedure for obtaining an environmental decision specifying the environmental conditions for the implementation of the project began.

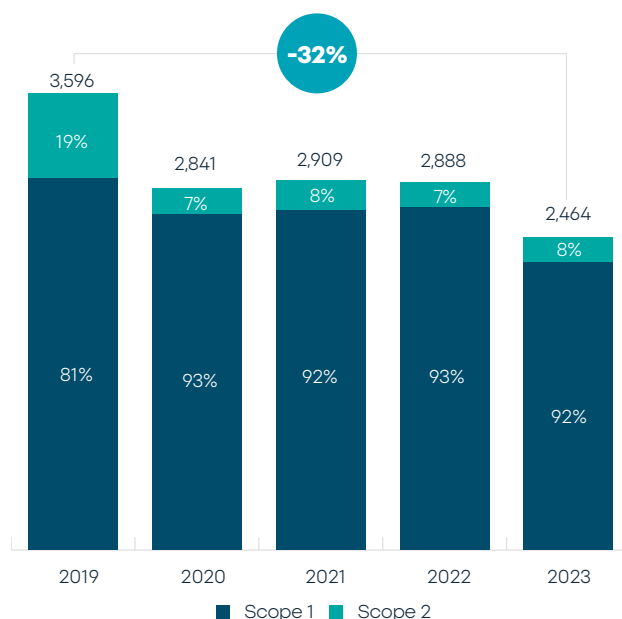
The energy obtained from the installation is to partially replace that currently produced from coal boilers, thus reducing coal consumption by the production plant and securing approximately one third of the energy demand of the entire QEMETICA Soda Polska plant

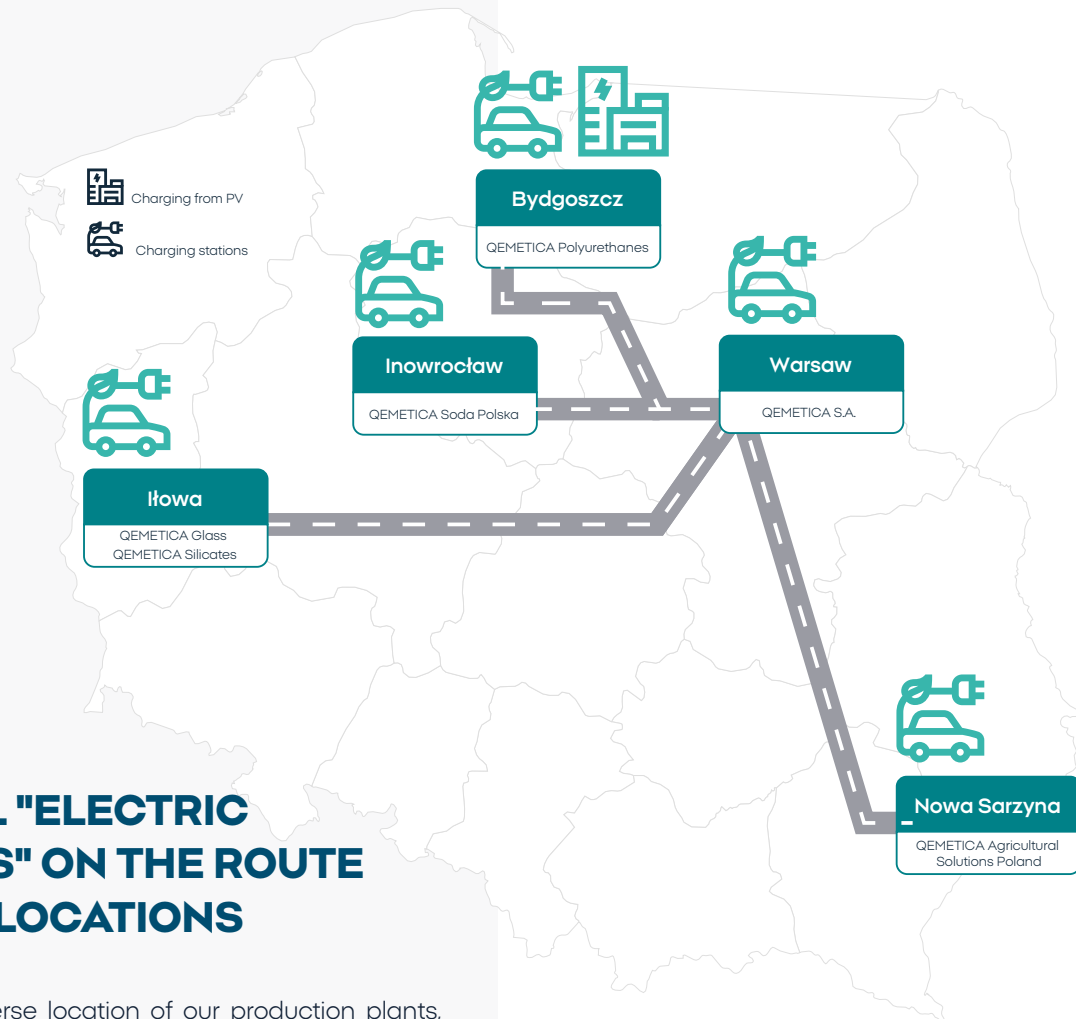
in Inowrocław. The project is in the preparatory phase, i.e. in the first of three stages of implementation. The next two – construction and then operationalisation of the new installation – will be defined in separate agreements in the future.

The investment preparation phase, which is expected to last until December 2024, includes, among others: obtaining the necessary administrative decisions and permits, contracting works, as well as obtaining financing for the construction of the installation by EEW. As part of the preparatory phase, an Environmental Impact Report was prepared, which is subject to review by the administrative bodies provided for in the legal provisions in the ongoing procedure of obtaining a decision on environmental conditions. As part of the ongoing impact assessment, this Report is subject to public consultation. The investment will be implemented in accordance with applicable standards, i.e. based on the best available environmental protection technologies and the most restrictive regulations (under penalty of criminal liability and high financial penalties).

The investment will be financed by EEW, and QEMETICA Soda Polska will become the buyer of energy generated in the ITWP. A similar solution is already in place in the German soda factory belonging to the QEMETICA Group, where heat from the waste thermal conversion installation goes to the QEMETICA Soda Deutschland production plant. The German factory obtains approximately 30 percent of the energy necessary for production in this manner.

CO<sub>2</sub> emissions in Scopes 1 and 2 [thousand tonnes CO<sub>2</sub> equiv]





## SPECIAL "ELECTRIC BRIDGES" ON THE ROUTE OF OUR LOCATIONS

Due to the diverse location of our production plants, many employees travel by car. In the QEMETICA Group, we popularise electromobility and we are convinced of the advantages of electric cars. The QEMETICA Group companies have electric cars and their own network of charging points. Thanks to this, we have created an "electric bridge" between Warsaw - Inowrocław - Bydgoszcz - Nowa Sarzyna - Łódź. Thanks to this solution, our electric fleet of 10 cars travelled a total of 55,000 km in 2023 without using a single gram of petrol.

## WE DECOUPLE GROWTH AND ENERGY CONSUMPTION

An important element of the ESG Strategy is the systematic reduction, on an annual basis, of the amount of energy used in production processes and for administrative purposes. To this end, the QEMETICA Group invests in the most effective available technologies and conducts an energy and business transformation programme.

In 2023, we recorded a 15% reduction in electricity and heat consumption. The achieved result was influenced

by both our energy transformation programme and the lower production volume than in the previous year. In line with the situation on global markets in 2023, we focused primarily on optimising profitability by managing the ratio of product prices to their volume. As a result of these actions, the global production volume was lower. We maintain our long-term goal of increasing production capacity combined with improving energy efficiency. However, it should be borne in mind that the industry in which we operate is cyclical and the scale of the impact of the actions taken may vary depending on the economic situation in the industry.

Until we introduce solutions that allow us to use only renewable energy, reducing the energy intensity of our production is an important element in reducing our impact on the natural environment. We are continuously working to improve energy efficiency and, as a result, reduce the energy consumption of production, regardless of our long-term energy strategy. In our plants, we use heat in the form of process steam at various stages of the production process. Current activities focus on reducing heat losses, optimising process steam flows



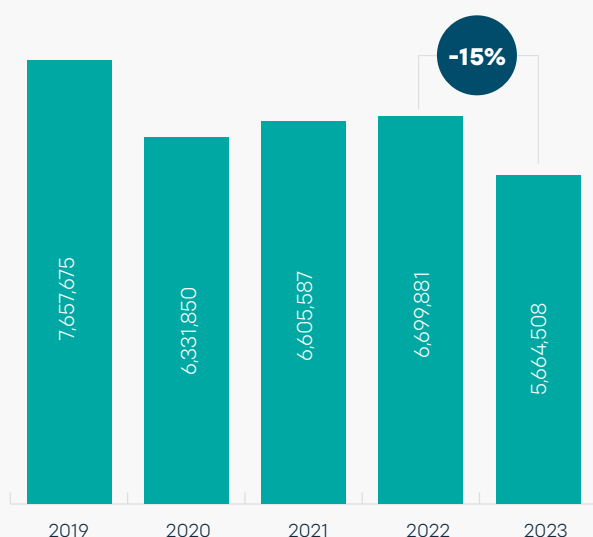


and implementing heat reuse solutions, e.g. at another stage of the process. In 2023:

- we carried out a design project for the construction of a new compressor in Janikowo, thanks to which we will reduce electricity consumption in the plant,
- we modernised the steam turbine in Janikowo, which will increase our electricity cogeneration rate in the heat and power plant,
- we carried out a number of projects whose primary goal is to reduce steam consumption from the soda production process and, consequently, reduce coal/gas consumption and CO<sub>2</sub> emissions. By the end of 2023, five projects had been implemented, and others were at the implementation stage.

The aforementioned projects will significantly affect the consumption of energy resources and, consequently, reduce the impact on the environment.

#### Electricity and heat consumption [MWh]



## WE SEE CIRCULARITY AS A KEY EFFICIENCY LEVER

We strive to improve efficiency in line with the idea of a circular economy. Our goals for the coming years include the systematic implementation of solutions that will enable us to:

- reduce raw water consumption in production processes,
- increase the level of use of waste generated in the production processes, especially soda and salt,
- increase the amount of secondary raw materials such as glass cullet in the production of silicates and packaging,
- increase the share of environmentally friendly and recyclable packaging.

We have started the Sustainable Waste Management project, the aim of which is to verify the types and quantities of waste generated in the Capital Group and to map the possibilities of using solutions that could result in reducing the amount of waste generated, returning it to the process or transferring it for further management, thus giving it a "second life" and the implementation of good practices in the area of waste management. Moreover, the aim of this project is to verify the possibility of implementing a rational circular economy.

## OUR R&D FOR THE SAKE OF SUSTAINABLE DEVELOPMENT

As part of its research and development activities, the QEMETICA Group conducts a number of projects, primarily in the Soda segment, which is of key importance for the Group, aimed at improving the efficiency of processes and reducing the impact of production activities on the environment. Currently, there are several projects underway at various stages of advancement, which focus on the efficiency of resource use, waste reduction and implementation of the idea of a circular economy. In 2023, the following achievements should be mentioned:

- The research and development (R&D) team of the QEMETICA Group has developed an innovative method of recovering carbon dioxide during the baking soda production process, thus allowing it to be reused in the process. Long-term research and simulations, ongoing since 2021, have led to the preparation of assumptions for the introduction of a proprietary solution. It will reduce CO<sub>2</sub> emissions by approximately 3,000 tonnes, which will also translate into reduced demand for gas obtained from limestone burning and will reduce the consumption

of raw materials, including stone and coke (fuel used in lime kilns).

- We modernised the key CO<sub>2</sub> concentration installation - established in 2019 as a result of cooperation between QEMETICA and the Institute for Chemical Processing of Coal. The assumptions for the modernisation were properly prepared by the R&D team, and their implementation allowed for more effective use of heat in the system, leading to a reduction in the amount of steam used in the further process. The benefit resulting from rebuilding the heat exchange system in the existing installation by using additional heat exchange between streams is estimated at approximately 26,500 GJ of energy per year.
- Work is currently underway on a new investment aimed at recovering heat from vapour and gases at the heavy soda production installation. The developed method of re-circulating heat in the system will enable the heating of media necessary for the production of monohydrate soda, which will contribute to reducing the demand for additional heat supplied to the system. The implementation of this investment will allow you to obtain white certificates, and in the long run, it is estimated that heat consumption will be reduced by 45,000 GJ per year.
- A pilot sludge carbonisation installation is also being prepared, the result of cooperation between the QEMETICA Group and the Institute of Fuel and Energy Technology. This solution represents an innovative technology that took several years to develop. As part of the pilot sludge carbonisation installation, CO<sub>2</sub> recovery of 160 tonnes per year is expected. Transforming the system on an industrial scale will enable CO<sub>2</sub> recovery in the amount of 8,000 tonnes per year.
- In the Agro segment, through QEMETICA Ventures, cooperation with start-ups was initiated to conduct research on products containing plant protection products of biological origin. Innovative technologies are also being tested to increase the recyclability of our product packaging, which would significantly reduce the amount of waste.
- The Silicates segment, in turn, established cooperation with a start-up that develops the production of environmentally friendly insulating materials used in construction.

**The QEMETICA Group, as one of the investors in the venture capital (VC) Emerald Industrial Innovation Fund, has contributed to investments in a number of companies creating innovative tools, amongst them: for the decarbonisation of logistics in the aerospace industry, the exploration and analysis of geological formations for carbon storage, or the conversion of organic waste into bioplastics.**

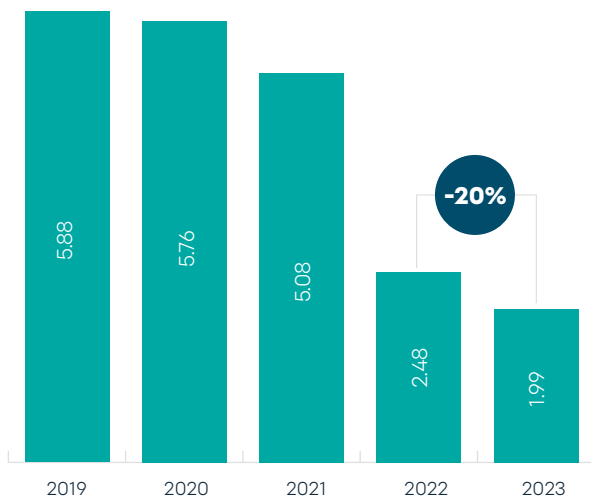
In addition, the QEMETICA Ventures team made a number of direct investments in innovative companies such as the Swiss UniSieve working on energy-efficient separation of gases (including carbon dioxide and hydrocarbons). Other companies that joined the QEMETICA Ventures portfolio in 2023 are working towards reducing the extraction of fossil raw materials and environmental pollution with plastics, either through depolymerisation to starting raw materials (DePoly from Switzerland) or searching for alternatives based on renewable plant materials (Xampla from the UK).

## Social responsibility

### WE PUT SAFETY AS A TOP PRIORITY

Our goal is to eliminate accidents (injuries) on the premises of the QEMETICA Group's plants by implementing the highest safety standards. We apply them to both employees and subcontractors with whom we cooperate. We use tools such as Performance Management to incorporate safety objectives as a key component in the manager evaluation process. We also use the latest plant monitoring technologies that support the achievement of the "zero injuries" goal. Due to the implementation of comprehensive measures aimed at improving safety, in 2023, we had a record-low LTIF rate: 2.0 (-20% y/y).

#### LTIF rate (number of injuries at work per 1 million hours worked) in the QEMETICA Group in 2019-2023



## WE WANT TO BE AN INCLUSIVE PLACE FOR DIVERSE TALENTS TO DEVELOP

Human resource management is one of the key areas of our ESG strategy. We believe that diversity in teams contributes to better company management and positively affects business results. Thus, our goal is to attract more women to the QEMETICA Group and provide them with development opportunities. We want to achieve a natural increase in the number of women in managerial positions and achieve a level of at least 35% by 2030 (at the end of 2023 we reached the level of 23%). The development of women's leadership competences will be supported by the "chemPeople" programme aimed at strengthening the potential resulting from diversity among employees of the QEMETICA Group. More information about the programme can be found in the "Our employees" section of the report (page 56).

Closing the gender pay gap between men and women in the same positions is another goal of our ESG strategy. We have committed to reducing the pay gap between women and men at the level of specialists, experts and middle management by 50% by 2025, i.e. to -2.0%. In 2023, the Gender Pay Gap Ratio (G DPR) decreased by 1.4 pp compared to the previous year and reached a level of -3.3%.

Our ambition is to create the best place for the development of our employees' talents based on a reward sys-

tem for achieving the set goals. We implement individual goals or skill matrices for all employees. At the end of 2023, 83% of the QEMETICA Group's employees were covered by the Performance Management system. The introduction of the system to German plants has been postponed to 2024 due to negotiations with trade unions. In the ESG strategy, we also commit to developing the culture and leadership skills among managers. At the end of 2023, 74% of managers were covered by a leadership development programme.

## WE ARE A RESPONSIBLE PART OF LOCAL COMMUNITIES

GRI 2-25

We are aware of the important role we can play in supporting local communities aimed at improving their quality of life. Accordingly, we strive to strengthen dialogue and cooperation with local government authorities and residents. Our goal is to support socially relevant initiatives in the immediate vicinity of our production plants.

In 2023, in line with the goal of being a "good neighbour" for the local communities where the QEMETICA Group's factories operate, QEMETICA Soda Polska, together with EEW Polska, established the Social Initiatives Support Fund. This fund aims to support valuable local initiatives addressed to the residents of the city and commune of Inowrocław. The total amount allocated for the implementation of projects in the first edition of the programme is PLN 700,000. The company, together with EEW, plans to allocate PLN 6 million to finance valuable ideas for the local community over the next six years.

The establishment of the fund is related to the planned construction of an installation for thermal waste processing ("ITWP") at the QEMETICA Soda Polska production plant in Inowrocław. This investment is aimed at securing one third of the energy demand of the entire QEMETICA Soda Polska plant in Inowrocław and partial replacement of energy obtained from coal boilers from the late 1970s. QEMETICA has been successfully using a similar solution for 15 years in Stassfurt, Germany, where such an installation supplies the local soda factory with approximately 30% of thermal energy.

The QEMETICA Group also supports local sports teams, promotes education through programmes such as



"Academy of School Talents" or "Chemical Class", and also offers support for young students. A detailed description of the initiatives we implement can be found in the "Our environment" section of the report (page 148).

## Corporate governance area

### WE JOIN OUR EFFORTS TOGETHER WITH CLIENTS AND SUPPLIERS

We cooperate with business partners who share our values and thus help us to implement the idea of sustainable development. We expect both our employees and business partners to comply with the Code of Conduct of the QEMETICA Group and the Code of Business Partner, especially in the area of human rights, environmental protection and ethics. Since 2021, we have been examining the status and ESG risk among our suppliers. Our goal was to investigate suppliers responsible for at least 70% of our spending by the end of 2023. As at the end of 2023, we examined suppliers responsible for around 60% of the QEMETICA Group's expenses. Not meeting the target was caused by low data availability from our suppliers. Many of the suppliers are in the early stages of reporting ESG data. KYC assessment methodology, process and targets are under revision and will be adjusted based on double materiality assessment results.

### WE EARN CREDIBILITY BY DELIVERING PROMISES

We strive to strengthen the credibility of the QEMETICA Group through transparent reporting on the management method and achievements in the area of sustainable development. For this purpose, we report ESG issues and related risks according to the most recognised reporting systems, using, among others, GRI standards as well as the Ecovadis platform for better communication with our customers as part of non-fi-

nancial reporting. In 2023, three QEMETICA Group companies were awarded the silver EcoVadis Sustainability Rating medal. QEMETICA Soda Polska, QEMETICA Soda Deutschland and QEMETICA Silicates were recognised for maintaining high standards in the areas of environmental protection, social activities, ethics and supply chain management.

Thanks to the consistent transformation towards sustainable development, in 2023 we increased our ratings in the global Carbon Disclosure Project (CDP) rating. The QEMETICA Group's rating in the categories "climate change", relating to CO<sub>2</sub> emissions and energy transformation, and "water resources management" increased by one level - to level C. The received rating allowed us to match the average rating in the industry and in Europe (water rating). In terms of climate impact, the Group is currently at the global average level.

### ESG COMMITTEE

GRI 2-13; GRI 2-14; GRI 2-17

In 2022, we established the Sustainable Development Committee (ESG) of the Supervisory Board of QEMETICA, consisting of at least three Members of the Supervisory Board with many years of experience and competences in managing sustainable development and organisational strategy. The establishment of the Committee was a voluntary initiative, confirming the highest priority of sustainable development at every organisational level in the QEMETICA Group. Four meetings of the Committee were held in 2023.

The role of the ESG Committee is to supervise the implementation of the QEMETICA Group's goals in the field of ESG and sustainable development, policies and procedures, including: mitigation and adaptation to climate change, prevention of environmental pollution, restoration of biodiversity, implementation of circular economy principles and positive contribution society by combating inequality and exclusion and supporting social integration.

The Committee also supervises the implementation of ESG activities in individual areas of the organisation. Moreover, it enables discussion on the possible adaptation of long-term strategic goals to the dynamically changing market environment and ESG trends and requirements.

**In 2023, we were awarded for activities related to communication with investors and presence on the capital market.**

## THE BEST ANNUAL REPORT, 2022

The jury of the 18th edition of the "The Best Annual Report" competition recognised the report of QEMETICA for 2022 as one of the best in the "Enterprises" category, awarding it the 3rd main prize.

The aim of the competition organised by the Institute of Accounting and Taxes is to promote annual reports with the greatest utility value for investors and shareholders, prepared by companies listed on the Stock Exchange. This year's award goes to the QEMETICA team for the eighth time in the entire history of the prestigious competition.

Another distinction in this important industry competition is confirmation that QEMETICA for years has been among the companies whose annual consolidated financial statements, prepared in accordance with the guidelines of IFRS/IAS (International Financial Reporting Standards / International Accounting Standards), are characterised by the highest degree of care of preparation. In recent years, the company received: 1st main prize (2021 edition), 3rd main prize (2018 edition), distinction for the best activity report (2017 edition) and twice distinction from the monthly "Rachunkowość" for the greatest progress in improvement quality of financial statements (in the 2019 edition and 2020 edition).

## "SILVER LEAF" IN THE SILVER LEAF CSR POLL COMPETITION BY "POLITYKA"

The QEMETICA Group was awarded the Silver Leaf in the 12th edition of the CSR Leafs list by Polityka. The organisers of the annual poll competition are the weekly "Polityka", the consulting company Deloitte and the Responsible Business Forum. The awards were granted based on the companies' approach to their business activities from the perspective of environmental, social and corporate governance activities.

The competition aims to distinguish Polish leaders in sustainable development and ESG. In addition, the QEMETICA Group also received an award for the implementation of an innovative method of recovering the so-called waste salt generated during the production of soda ash at the QEMETICA Soda Polska plant in Inowrocław.

## HONOURABLE DISTINCTION IN THE ESG INNOVATOR 2023 COMPETITION

The jury of the Innovator ESG 2023 competition and the Management Board of the Polish ESG Association recognised the QEMETICA Group for innovation in the area of corporate governance. The distinction was granted for the establishment of the Sustainable Development Committee (ESG) of the Supervisory Board of QEMETICA

The "ESG Innovator" competition is organised by the Polish ESG Association. Its aim is to distinguish projects that have a positive impact on the natural environment, the well-being of employees and local communities, and improve transparency and corporate governance in organisations. In this year's edition, awards were granted in four categories: E - Innovation in the area of the environment; S - Innovation in the social area; G - Innovation in the area of corporate governance and Start-up.

### ENVIRONMENTAL AREA



### SOCIAL RESPONSIBILITY AREA



### CORPORATE GOVERNANCE AREA



# Risk management

03

QEMETICA®



**The QEMETICA Group has a risk management system in place, the primary objective of which is to secure the implementation of the assumed strategic goals**

The existing risk management process is an integral part of the Group's current operations and allows for:

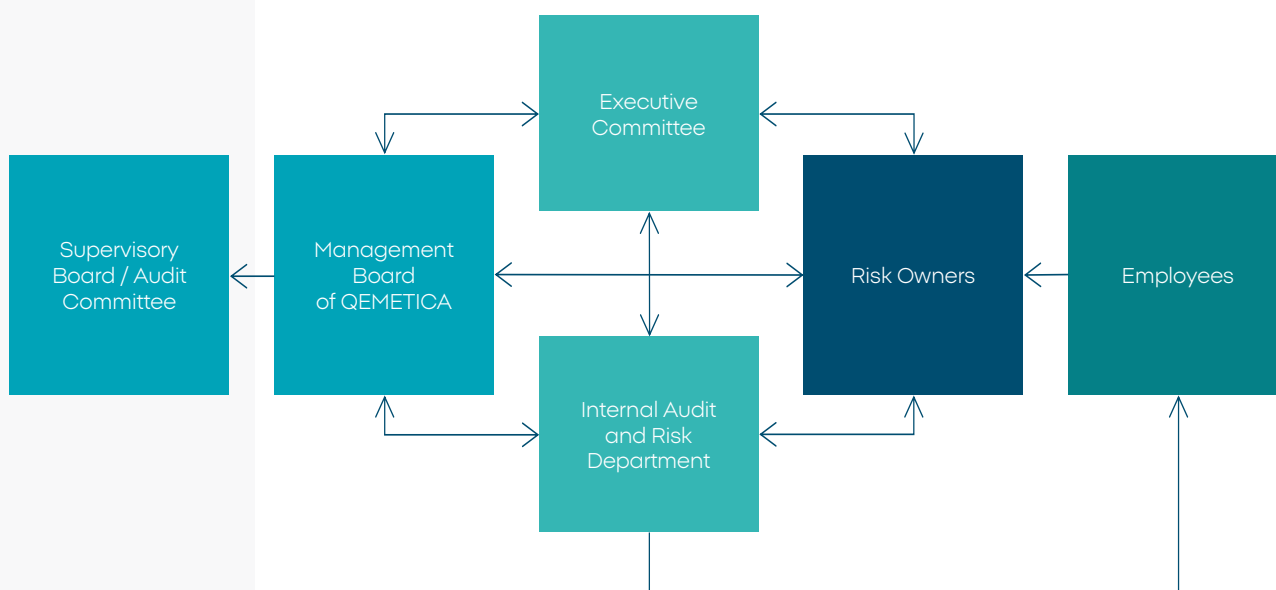
- identification of threats to the achievement of our goals,
- defining proposals for actions to minimise threats and their impact on the set goals,
- in the case of risks not yet identified, we can properly recognise and estimate them.

The Risk Management System in the QEMETICA Group is an important element of supporting the current operations and organisational culture of the QEMETICA Group. This process aims to identify a wide range

of risks on an ongoing basis, reduce them and introduce mechanisms through which any risks that may affect the implementation of the Group's strategic goals will be properly recognised, identified and adequately mitigated.

One of the main assumptions remains its proactive nature, aimed at identifying risks early enough to enable planning and implementation of preventive actions.

The risk management system operating within the Group is continuously developed. In 2023, the risk management and internal audit functions were more closely linked in order to strengthen the synergy of both these functions, which results in an increase in the dynamics of risk identification and estimation, as well as an even more effective definition of responses to key risks within the Group.



Risk management process

Effective risk management can contribute to the successful implementation of the company's strategy and allow for achieving a competitive advantage. Accordingly, in the QEMETICA Group, the risk management strategy is integrated into the overall business strategy and existing management processes. The QEMETICA Group's risk management system is based on the following key principles:

- each manager and employee of an organisational unit of an entity belonging to the QEMETICA Group (including QEMETICA S.A., the Group's segments and subsidiaries) is responsible for risk management,
- risk management is a continuous process and covers all elements of the value chain,
- risk management is a continuous process,
- risk cannot be fully eliminated, it is an integral part of conducted activity.

Apart from its traditional role of minimising the negative impact of threats on the organization, the risk management process in the Group also identifies emerging opportunities that may have a positive impact on the implementation of the Group's strategic goals.

### RISK MANAGEMENT OBJECTIVES IN THE QEMETICA GROUP ARE IMPLEMENTED THROUGH:

- a systematic approach to identifying and evaluating all types of risk,
- supporting the allocation of resources by setting priorities for individual types of risk,
- selection and implementation of an appropriate risk mitigation strategy,
- monitoring, risk analysis and reporting to stakeholders, taking into account the potential effects of existing types of risk.

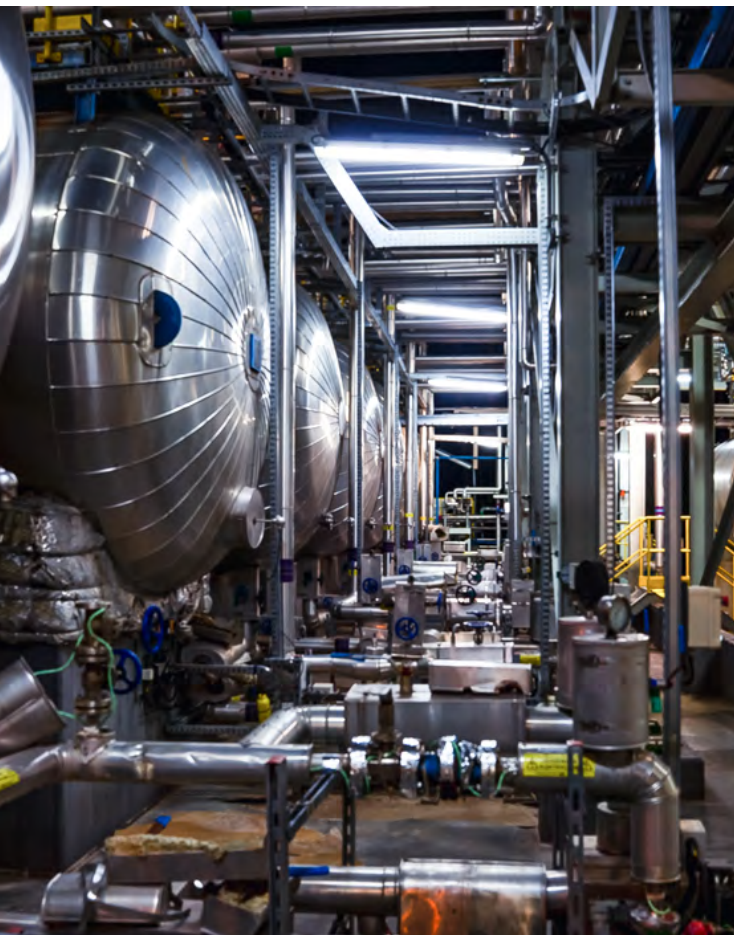
Risk management is carried out in a two-dimensional way - vertically and horizontally, identifying the risk not only occurring within a particular entity, organisational unit or process, but also the risk whose materialisation effects impact various areas of activity, entities and processes from the point of view of the entire QEMETICA Group.

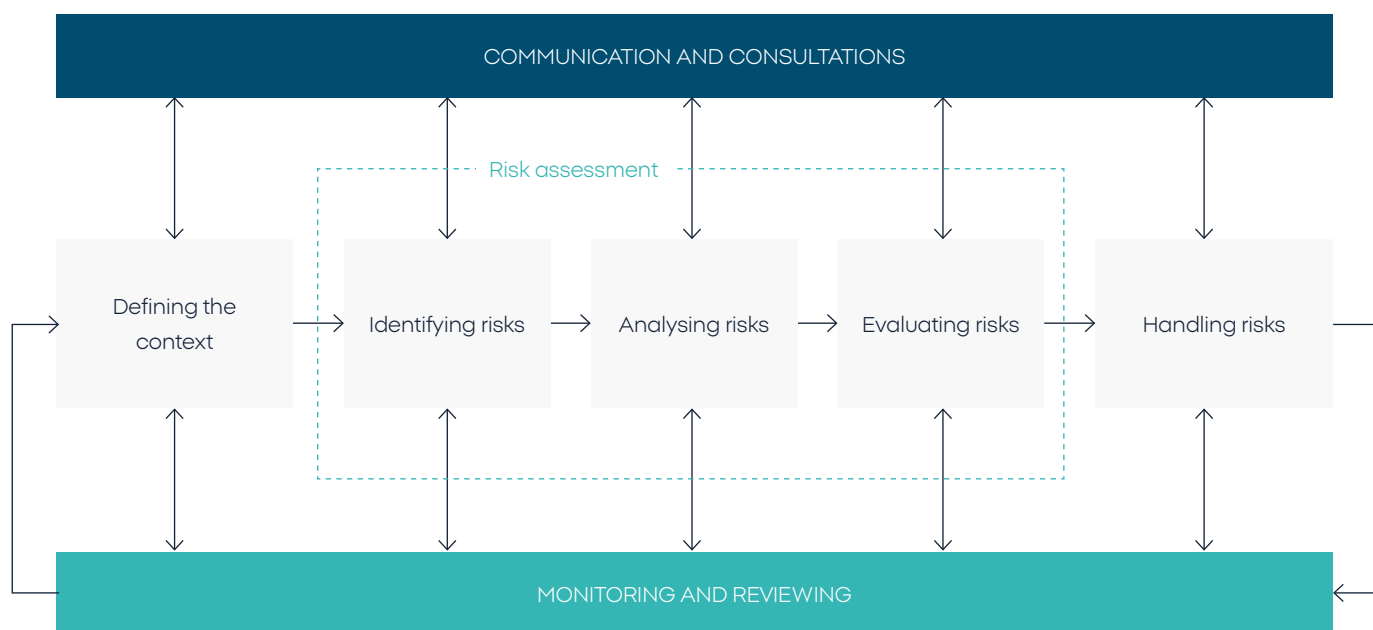
As part of the risk management process, the roles and responsibilities of the main participants have been defined, including: the Management Board of QEMETICA, the Executive Committee, the Executive Staff and the Internal Audit and Risk Department. The correctness and effectiveness of the implemented risk management system are monitored by the Supervisory Board and the Audit Committee.

Furthermore, a key role is played by Risk Owners who remain responsible for the ongoing management of a specific risk, as well as the development and implementation of effective mitigating measures.

The risk management process in the QEMETICA Group was defined and implemented in accordance with the "International Standard ISO 31000:2018 Risk Management".

By referring to the ISO 31000 standard, the risk management process formally governs the approach to the activities of identifying, analysing, assessing, managing, monitoring and communicating risk within the QEMETICA Group.





The functioning risk management process, as one of the elements building the Group's value, focuses on the risk categories presented below, which are crucial from the point of view of achieving the Group's goals:

- risk related to the loss of human health and life,
- risk related to environmental protection,
- operational risk,
- legal risk,
- compliance risk,
- regulatory risk,
- strategic risk related to the impact of the environment on the QEMETICA Group,
- reputation risk,
- financial risk.

The QEMETICA Group does not limit itself to the above risk categories only. We make every effort to identify and verify key business risk areas on an ongoing basis and effectively reduce them through the built and implemented risk management process.

As part of the existing risk management process, the probability of risk occurrence and the effects of risk are estimated by quantifying its impact on the EBITDA level of individual QEMETICA Group companies and qualitative assessment.

From the point of view of the implementation of the strategic goals of the QEMETICA Group, the key risks identified and described in this part of the report affected the following areas:

	Sales
	Purchases
	Production
	Employees
	Finance
	Strategy
	Environmental protection
	Regulatory and legal area

Risks related to sustainable development and climate have been included in the aforementioned categories.

The Risk Map below presents the most important types of risk related to the current functioning of the QEMETICA Group in 2023

LIKELIHOOD	high	21	1, 8, 9	22
	medium		2, 6, 7, 10, 13, 14, 15, 20, 23	3, 4, 5, 11, 12
	low	24	17, 18, 19	16
		low	medium	high
EFFECTS				

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> <li>1. Risk of instability and fluctuations in material prices, including raw materials</li> <li>2. Risk related to growing price pressure from competitors</li> <li>3. Risk of limited systemic protection of soda manufacturers in the EU against external competition not covered by the environmental transformation</li> <li>4. Risk of fluctuations in demand for products based on selected active substances</li> <li>5. Risk related to the timely implementation of the energy transformation</li> <li>6. Risk of instability and fluctuations in electricity prices</li> <li>7. Risk of disrupted availability of key raw materials</li> <li>8. Risk of decline in sales volume and revenues</li> <li>9. Risk of failures and interruptions in the production process</li> <li>10. Risk associated with the effective implementation of preventive reliability activities</li> <li>11. Risk of financing through factoring</li> <li>12. Risk related to effective hedging of exposure to fluctuations in raw material prices</li> <li>13. Risk related to price fluctuations of CO<sub>2</sub> emission allowances</li> <li>14. Risk related to tax settlements</li> <li>15. Interest rate risk</li> </ol> | <ol style="list-style-type: none"> <li>16. Risk related to under-insurance of the Group's assets</li> <li>17. Risk of inability to service existing debt and maintain liquidity</li> <li>18. Risk related to debt financing</li> <li>19. Credit risk</li> <li>20. Risk related to the labour market and acquiring talents with appropriate qualifications</li> <li>21. Risk related to cyberattacks</li> <li>22. Risk of changes in regulations related to the use of the environment</li> <li>23. Risk of changes in laws and regulations</li> <li>24. Risks related to legal or other extrajudicial proceedings</li> </ol> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



# Risks related to sustainable development

The ambition of the QEMETICA Group is to manage risks related to sustainable development and climate in order to build the Group's capabilities including adaptation to climate change.

Thus, in terms of the analysis of risks related to sustainable development, the reporting below is based on the latest global sustainability reporting standards developed by the ISSB - International Sustainability Standards Board.

The first one (IFRS S1) defines general requirements for disclosing financial information related to sustainable development, while the second one (IFRS S2) focuses on climate-related disclosures broken down into:

- Physical threats and opportunities,
- Threats and opportunities related to transformation.

In addition, the classification of sustainability risks was based on the areas indicated by the Sustainability Accounting Standards Board (SASB) for the chemical industry, which indicate the following thematic groups:

- Greenhouse gas emissions,
- Air quality,
- Energy management,
- Water management,
- Hazardous waste management,
- Social relations,
- Occupational Health and Safety,
- Product design for efficiency during use,
- Chemicals safety and environmental management,
- Genetically modified organisms,
- Management of the legal and regulatory environment,
- Operational security, preparedness and emergency response.

The concept applied to describe the impact of climate change on businesses also classifies opportunities that



arise during the transformation of the economy into a low-emission one and as a result of the use of emerging innovations.

In 2023, we mapped the operational risks identified by us within the QEMETICA Group in accordance with the IFRS S1 and IFRS S2 concepts and the guidelines of the SASB Sustainable Development Accounting Standards Board, taking into account their probability and impact on our operations.

Below is a comprehensive list of analysed risks identified at the level of the Group or individual companies along with the assigned trend and level of significance.

## Sustainability risk areas (according to IFRS and SASB classification)

	Risk	Risk category	Risk level	Trend
ENVIRONMENT				
RISKS RELATED TO TRANSFORMATION:				
Energy management	Risk related to the timely implementation of the energy transformation and withdrawal from the use of coal in accordance with the goals defined by the QEMETICA Group Strategy	Hazard	High	→
Greenhouse gas emissions	Risk related to fluctuations in prices of CO <sub>2</sub> emission allowances	Hazard	Medium	→
Air quality	Risks related to air emissions resulting from the specific nature of the production process	Hazard	Medium	→
Waste management	Risk related to increased waste disposal costs	Hazard	High	→
Managing legal and regulatory environment	Risk related to limited systemic protection of soda manufacturers in the EU against external competition from outside the EU not covered by the environmental transformation	Hazard	High	↗
	Risk of tightening regulations related to the use of the environment	Hazard	High	↗
	Risk of increasing product disposal costs	Hazard	High	↑
Product design for efficiency during use	Risk of withdrawal of active substances currently used in production due to changes in regulations in selected markets	Hazard	High	→
	Risk of product contamination with undesirable substances	Hazard	Medium	→
	Risk related to investment outlays associated with introducing ecological products to the market	Hazard	Low	↘
	Opportunities related to projects to increase the efficiency of the production process, including: through energy recovery	Opportunity	N.A.	N.A.
	Opportunities related to the continued development of hybrid products that reduce the demand for harmful active substances	Opportunity	N.A.	N.A.
	Opportunities related to the development of new products enabling the reduction of energy consumption for end customers	Opportunity	N.A.	N.A.
	Opportunities related to the growth of the electric car segment influencing the increase in the consumption of silicates used to produce tires in electric cars	Opportunity	N.A.	N.A.

	Risk	Risk category	Risk level	Trend
Chemicals safety and environmental management	Risks related to the potential release of active and hazardous substances during supply chain operations	Hazard	Medium	→
Water management	Risk of changes in laws and regulations related to the physico-chemical composition of wastewater	Hazard	Medium	→
	Risk related to low water levels in rivers during periods of drought, limiting the possibility of sewage discharge	Hazard	High	→
	Risk related to adapting the existing infrastructure to accept waste from the biomass co-combustion process in the future	Hazard	Medium	→
Operational security, preparedness and emergency response	Risk of exceeding noise standards	Hazard	Medium	→
PHYSICAL RISKS:				
Water management	Risk related to limited availability of water with appropriate parameters for production processes during periods of drought	Hazard	High	→
Operational security, preparedness and emergency response	Risk related to a decline in demand for Plant Protection Products, including: during periods of drought	Hazard	High	↗
SOCIAL				
Social relations	Risk related to the labour market and acquiring talents with appropriate qualifications	Hazard	Medium	→
	Risk related to the average age of employees and succession planning	Hazard	Medium	↘
	Opportunities related to the systematically growing presence of the Group in the life of local communities in selected plants (conversion of threat into opportunity)	Opportunity	N.A.	N.A.
	Opportunities related to growing cooperation with upper-secondary schools and universities in the Group's regions of activity	Opportunity	N.A.	N.A.
CORPORATE GOVERNANCE				
Managing legal and regulatory environment	Risk related to the complex regulatory environment arising, among others, from doing business in several countries	Hazard	Low	→

# Our employees and associates

QEMETICA®

04



# Employee engagement, corporate culture and employee relations



**3,488**

employees



**76%**

men



**24%**

women



**Gander Pay Gap Ratio (GPGR)**  
**LOWER BY**

**1,4 PP. Y/Y**

Other segment and  
corporate functions

**34%**

Packaging  
Segment

**6%**

Silicates  
Segment

**3%**

Foam  
Segment

**3%**

Agro  
segment

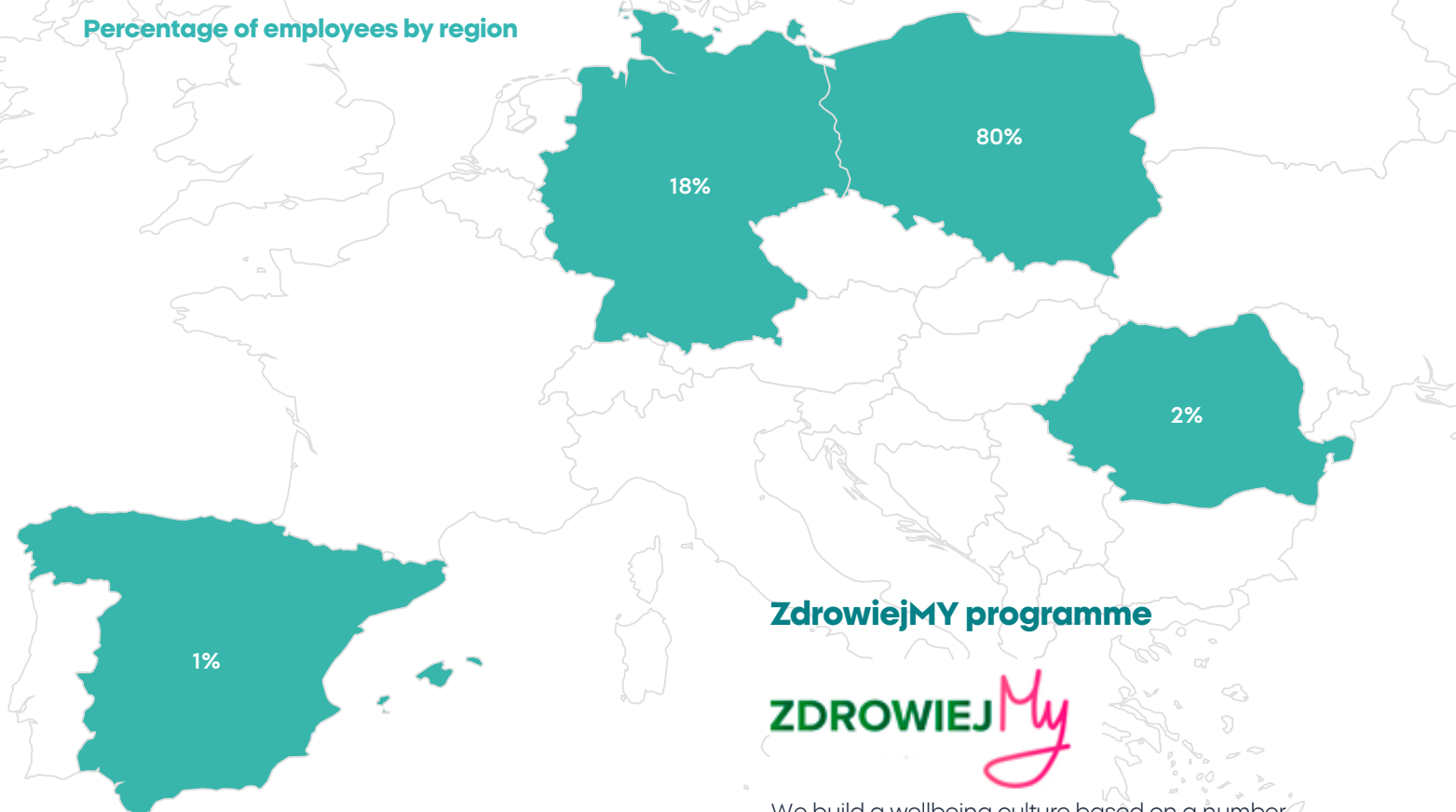
**9%**

Soda  
Segment

**44%**



## Percentage of employees by region



## ZdrowiejMY programme



We build a wellbeing culture based on a number of initiatives related to movement and physical activity, preventive health care and psychoeducation. For more information on the programme, see page 66.

## chemPeople programme



We build and support our diversity and want to better understand the needs of all groups of our employees in order to propose actions that respond to them. For more information on the programme, see page 56.

## Grow up\_go beyond development programme



We invest in the development of leaders, ensuring succession to various leadership positions now and in the future, thus building the strength of the organisation, resistance to business challenges and competitive advantage. For more information on the programme, see page 56.

## Transformation Growth development programme



We strengthen the attitudes and business behaviours of programme participants involved in our business transformation - we believe that this will increase the effectiveness of transformation processes. For more information on the programme, see page 56.

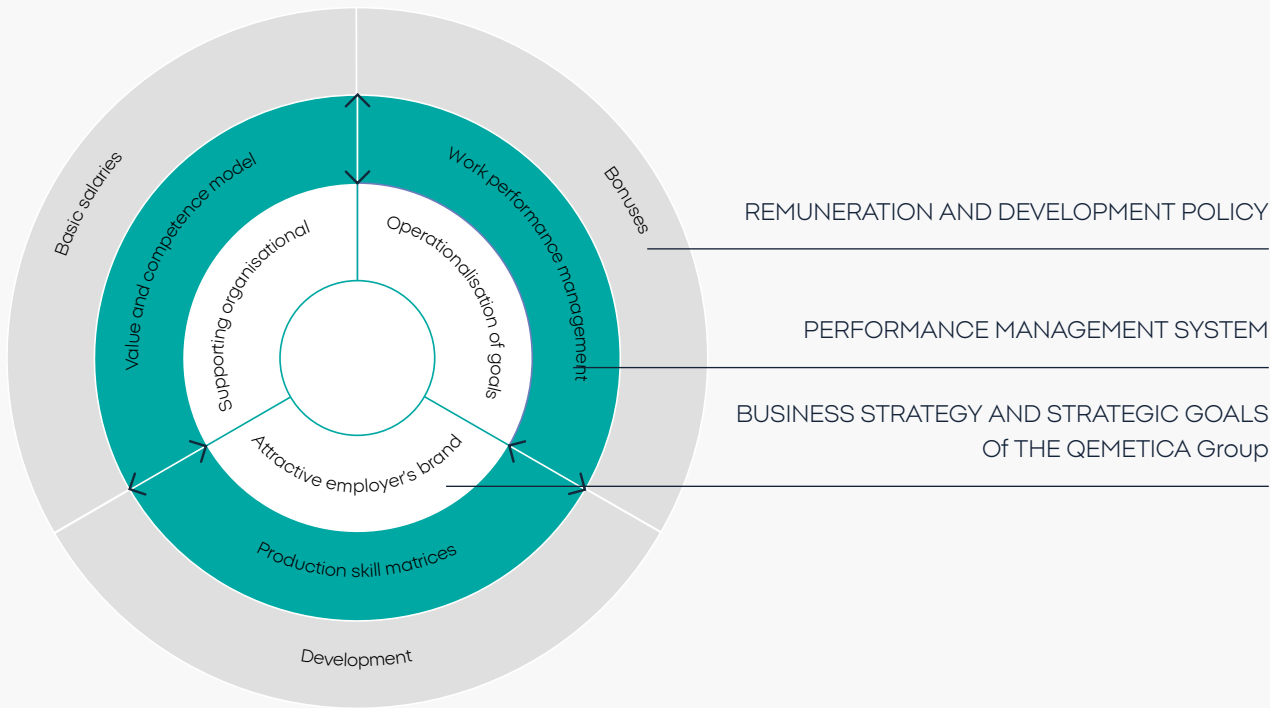
## Wpływa\_MY engagement survey



We study the opinions of employees about our Group and assess the eNPS indicator, i.e. an indicator showing the extent to which employees are willing to recommend our company as an attractive place to work. For more information on the survey, see page 60.

The goal of the QEMETICA Group is to attract and retain the most talented people to enable the success of its business strategy. The organisational culture, which simultaneously emphasises performance and employee engagement, contributes to maintaining the attractiveness of our brand as a potential employer. Continuous dialogue with the team, leadership development and the promotion of a culture of openness and inclusiveness are the main pillars of our human resources policy.

**The following elements constitute a comprehensive system that allows us to strengthen and integrate our organisation.**



In the ESG strategy, the theme of human resources management is one of the key areas. Our ambition is to create the best place for the development of our employees' talents based on diverse teams and a system of rewarding for the achievement of set goals. We believe that diverse teams achieve better results, so attracting more women and giving them the opportunity to fulfil their full professional potential is a priority for us. We implement measures with a view to leading to a natural increase in the share of women in managerial

positions. In 2023, we carried out a number of activities aimed at achieving our goals contained in the ESG strategy and presented below - more information on their implementation can be found on page 36.





### More women in middle and senior management

We provide fair access to employment and career development opportunities.

**Goal:** 35% in 2030

**Status in 2023:** 23%



### Building a culture of rewarding for achievements

**Goal:** implement individual goals or skill matrices for all employees by 2023

**Status in 2023:** 83% of QEMETICA Group employees are included in the Performance Management system. The introduction of the system to the German sites was postponed until 2024 due to negotiations with the trade unions.



### Elimination of differences in the level of remuneration of women and men

The level of specialists, experts, middle managers.

**Goal:** reduce the gap by 50% by 2025, completely eliminate the gap by 2030

**Status in 2023:** -17% compared to the base year 2019



### Building leadership culture and skills

**Goal:** include leadership assessment in the evaluation of all people managers by 2023

**Status in 2023:** 74% of managers covered by leadership development programs.



## TRANSFORMATION OF CULTURE, VALUES AND BEHAVIOURS

In 2023, we started working on changing the organisational culture in the QEMETICA Group. This need resulted directly from the business strategy. As an organisation, we need to act agilely, responding flexibly to business challenges. The chosen direction is to shape an organisational culture that focuses equally on both the People and Performance areas.

Work on the transformation of organisational culture began with a workshop for key managers, during which inspiring meetings and discussions were held.

In the next steps, we analysed the current organisational culture and company values. Our source of information was feedback collected from some employees. A team composed of representatives of TOP managers and employee representatives worked on defining new company values.

The phase of implementation and strengthening of the introduced changes in 2024-2025 is ahead of us.

## INTEGRATED PERFORMANCE MANAGEMENT SYSTEM

Performance Management is one of the tools we use to build an engaging work environment and organisational culture based on performance management. The system is based on setting goals that clearly result from the business strategy and serve its operationalisation. Performance Management is a continuous dialogue between an employee and a manager about how to translate business priorities into individual goals, maximise the chances of achieving them, and how we define the expected final result.

As a result of the project and close cooperation with business units, new rules, criteria and indicators were developed, which enabled the revised system to be more flexible, transparent and respond to the business needs of the organisation. The introduction of an operational efficiency index based on production KPIs allows the organisation to effectively measure and analyse process performance. These indicators often include aspects of sustainability (e.g. energy consumption). At the same time, employees have a clear picture of the organisation's goals and the activities related to them.

## Company values

### WE CARE for



### Doing the right thing

We deliver value to our clients.

We make our commitments happen.

We act with an owner's mindset; we care about our safety, workplace and the environment.



### Working together

We communicate in an open and constructive way.

We embrace our differences and challenge ourselves.

We appreciate each other every day.



### Going beyond

We take care of ourselves, our safety and the energy to act.

We have the courage to innovate.

We have passion for impact and personal growth.

## SUCCESS FACTORS – IT SYSTEM SUPPORTING PERFORMANCE

Improving the efficiency of HR processes and their digitisation is a challenge faced by all departments of the company. In the QEMETICA Group, we focused on the implementation of the Success Factors system, whose modules for managing Performance Management as well as employee training and development significantly contributed to improving efficiency, automating and reducing manual work in the organisation.

The system implemented in 2022 contributed to a significant improvement in the effectiveness of employee goal assessments and performance management.

The first year of using Success Factors within Performance Management brought significant benefits in the form of increasing the efficiency of the goal assessment process, increasing employee engagement, and improving transparency and flexibility in performance management. These conclusions confirm that this solution is a valuable tool in the context of evaluating employee goals.

# Remuneration policy of the QEMETICA Group

The QEMETICA Group's remuneration policy was formulated to create a remuneration system that effectively attracts, retains and motivates highly qualified specialists, thus enabling the Group's companies to achieve their key strategic goals in a competitive international work environment. The implementation of this priority goal is based on several key principles:

- ensuring that the overall remuneration package is competitive in both structure and total amount. The QEMETICA Group companies strive to ensure that the remuneration offered is attractive compared to market standards, which is to enable attracting top-class talents to the team and retaining them in the organisation for a longer period.
- determining remuneration in accordance with objective criteria. In this context, a grading table based

on job evaluation is used. Thanks to this evaluation process, employees are evaluated and classified in a transparent manner and as per their competences, which affects the fair and equitable determination of remuneration levels.

- taking into account variable remuneration components based on specific, measurable goals. These goals are closely related to the interests and strategic goals of the Group. The introduction of performance-based variable components motivates employees to achieve specific results, while contributing to the implementation of the company's strategic goals.
- a transparent approach to communicating remuneration. Employees are informed about both pay ranges and detailed bonus mechanisms dedicated to different groups of employees (depending on their role and responsibility). Another element supporting transparency is the cascading of key performance indicators (KPIs) and strategic goals down the organisation - to the level of an individual employee. This means that each employee is aware of how their daily work contributes to achieving the strategic goals of the QEMETICA Group. Such a clear connection between organisational goals and individual actions of employees supports understanding of the context and motivates focused work to achieve specific results.

Through these key aspects of the remuneration policy, the QEMETICA Group strives to create an attractive and sustainable motivation system that does not only attract talents, but also effectively supports the implementation of strategic goals, both at the level of a single unit and the organisation in its entirety.

## CASCADING GOALS

Within the Group, a structure has been implemented for cascading goals in the remuneration policy, which is an integral element of the ESG strategy and management consistent with sustainable development principles. This practice involves aligning financial goals with those related to social responsibility and environmental stewardship. This approach does not only help to achieve financial results, but it also promotes values consistent with sustainable development standards, including energy transformation, which is so important for our Group.

For instance, cascading goals may include reducing greenhouse gas emissions, improving energy efficiency, increasing diversity in the workplace or developing social projects in the locations where the QEMETICA Group operates. This approach to remuneration policy does not only contributes to the implementation

of sustainable development goals, but it also motivates employees to engage in achieving both financial and social results.

## COMPETENT BODIES

The Remuneration Committee plays a key role in managing the remuneration strategy in the company - both at the Group level and at the level of individual companies. The committee carries out such tasks as:

- review of the remuneration structure: assessment of pay equality and elimination of possible pay disparities; ensuring that the pay structure is consistent with the principles of social justice.
- shaping the approach to long-term employee benefits (LTI): reviewing and developing long-term employee benefit programmes in line with the principles of sustainable development and ensuring that these programmes motivate employees to be loyal to the company in the long-term.

Our Group uses pay benchmarks and cooperates with an independent provider of pay reports. As QEMETICA, we also monitor the best market practices, both market-wide and sector-specific, in the countries of our business operations.

## EMPLOYEE BENEFITS

In the QEMETICA Group, we care for our employees and their family members, providing them with access to additional benefits.

A uniform benefit offer is in place in the Polish companies of the QEMETICA Group. Most companies establish company social benefit funds, under which employees may be entitled to, among others, self-arranged countryside holidays, emergency allowances, Christmas benefits for employees and their children.

The offer of benefits in the QEMETICA Group companies comprises for instance:

- private medical care,
- life insurance packages,
- sports (membership) cards,
- insurance for children up to 26 years of age,
- access to trade-specific press,
- access to foreign language learning
- benefits from the company's social benefit fund,
- co-financing for the purchase of glasses.

## RELATIONS WITH SOCIAL COUNTERPARTIES

Within the QEMETICA Group, there are ten trade union organisations associating approx. 40% of employees. Each of the organisations operates in at least one company. We know that good cooperation with trade

unions initiates changes that may affect the state and conditions of employment in the Group. Accordingly, proper relations with the social counterparties are one of the managerial staff's priorities.

In 2023, negotiations were held with all trade union organisations on regulations related to remote work, the content of the Work Regulations, Remuneration Regulations and Bonus Regulations in the QEMETICA Group.

# Employee development

## COMPANY-WIDE COMPANY TRAINING AND LEARNING MANAGEMENT SYSTEM

As an organisation, we are well aware of how important it is to expand our knowledge and skills in order to improve business efficiency. Thus, we invest in the development of our employees at their workplaces, enabling them to participate in courses, training, workshops and conferences within their narrow specialisations. In 2023, approximately 1,800 of our employees took part in professional development training, among others, in the following areas: legal, human resources, IT, ESG, project management, AI, HR, Diversity & Inclusion, requirements from specific ISO standards, warehouse management and many others.



# 1,800

employees participated in training



# 480

training subjects

In 2023, we designed and implemented the SAP module - Learning Management System (LMS). The implementation of the module facilitated many processes in our organisation, thanks to, among others: We have moved away from paper training applications to those submitted online. The system also supports the auto-

mation of processes, e.g. by indicating the validity end date of a specific employee's qualifications or independently assigning obligatory training for the newly employed. Additionally, the LMS includes a library of e-learning training that employees can use. It comprises training in the following areas: tools (e.g. MS Excel, Outlook), legal subjects (e.g. compliance, personal data protection) and personal development (assertiveness, feedback).

## GAME CHANGER PROGRAMME

competences among managers and create strong, agile and effectively working teams whose members consciously use their abilities, in June 2023 we decided to launch the Game Changer programme.

We used the GC Index diagnostic tool to enable members of individual teams to learn about their natural predispositions to influence the environment. It is a tool that facilitates the identification and use of key talents: Strategist, Implementer, Play Maker, Game Changer, Polisher.

In the first stage, the programme covered 44 key managers responsible for the most important business areas. In the next step, we also included their teams in the study. Individual predispositions of employees were compiled in the form of group reports regarding individual teams in order to learn about the potential for synergy in cooperation.

We also made sure to deepen the understanding of the results and each team took part in a group feedback session, which is a support tool in using the mapped talents and predispositions in everyday cooperation.

To sum up, 134 people from 14 teams took part in the programme:

- 44 key area managers,
- 20 specialists,
- 70 lower-level heads and managers.

## GROW UP\_GO BEYOND – TALENT MANAGEMENT

In 2023 and 2024, the QEMETICA Group will be particularly focused on strengthening its transformation and changing the culture within the organisation. Therefore, we have selected a group of 24 so-called High Potentials (employees) in all companies - we believe that they will lead changes within the organisation and constitute a "source of great leaders". Especially for this group, we have launched an annual development programme, containing both educational elements and those related to exposure and broadly understood business experience. In addition, participants will have

the opportunity to take advantage of coaching and mentoring sessions and will be invited to implement business projects, as well as a project to transform the Group's culture.

## SUCCESSION AND TALENT MANAGEMENT

**In 2023, we implemented a comprehensive succession management process in the QEMETICA Group companies.**

Throughout the organisation, we have mapped key positions, i.e. those that play an important role in strategic processes, as well as positions that are critical for maintaining the continuity of business or production processes.

Successors have been mapped to each key position in the short, medium or long term, implementing individual development plans.

In terms of substantive succession, we have mapped competence gaps in critical positions and identified our challenges in this area. At the same time, in one of the Business Units in 2024, we will pilot an internal development programme for electricians, automation specialists, dispatchers, and - in cooperation with the Centre for Continuing Education - an upskilling programme for our technicians who will be able to acquire electrician competences.

**We also take care of the transfer of knowledge from the so-called knowledge keepers, i.e. employees with unique knowledge, expertise and skills that are not shared with others.**

We carry out employer branding activities, cooperating with e.g. local vocational schools and regularly map the market of external candidates for critical positions.

## CHEMPEOPLE: DIVERSITY, EQUITY AND INCLUSION AT QEMETICA

We launched the chemPeople programme aimed at strengthening the potential resulting from diversity among employees of the QEMETICA Group.

In 2023, we undertook educational activities as part of the programme - two webinars were held for all employees:



### **"Competencies of the future"**

We learned about the prospects for the dynamic development of AI tools and their impact on our work and on the competencies that will be desired on the labour market in the coming years.

### **"Male decision-making, female intuition. What are stereotypes and how do they affect us"**

We learned how stereotypes were formed, how they affected us in everyday life and how we could communicate to minimise their negative impact. During the meeting, there were also many tips that parents can use in raising children without being burdened with the negative consequences of stereotypically understood gender roles.

The long-term goal of the programme is to create and implement an action strategy in the area of Diversity & Inclusion, taking into account primarily the age and gender differences that dominate in our employee structure. In order to create a plan well suited to the needs of the organisation, consistent with the company's strategy, ESG goals and strengthening the organisational culture, we decided to establish an interdisciplinary team combining various competencies in the area of HR, supported by representatives of the Legal, Health & Safety, ESG and Strategy teams.

Using the knowledge and support of external consultants specialising in diversity management, we started a series of workshops building awareness and knowledge in the field of Diversity & Inclusion and enabling learning about tools and solutions used by companies with a similar profile and setting similar goals. At the same time, we have prepared to launch the Generation Dialogue Audit, which will allow us to learn about the perspective of employees and provide tools to support the organisation in the effective management of age diversity.

The chemPeople programme will be continued in 2024.

## **SUPER POWERS**

In 2023, the SUPERMOCE (SUPER POWERS) programme was launched to promote grass-roots employee initiatives to increase safety and improve processes in the organisation.

The rules for submitting applications were presented, discussing in detail what should distinguish an application in each category:

### **"Safety"**

In this category, we want to appreciate people who make every effort to ensure that our workplace is ergonomic, well-organised, orderly and thoughtful, which translates into safety and comfort when performing tasks. Such people, when carrying out tasks and projects in their area, take into account occupational health and safety rules, setting a good example of compliance with them.

### **„Streamlining"**

In this category, we want to appreciate people whose actions have contributed to simplifying processes, reducing risk, and trying new solutions. These are people who are able to think outside the box.

The indicated categories have been identified as having key importance for the organisation in the transformation process. The initiative also presented the rules for assessing applications. At the end of 2023, the collection of applications for the programme began, while the next steps, i.e. recommendations from managers and evaluation of applications by an independent panel and awarding winners, will be completed in 2024.

## **LIDER (LEADER) PROGRAMME**

In mid-2023, we completed the "Lider" Programme - a 2-year training cycle addressed to middle and lower-level managers. The programme aimed to define consistent expectations for managers, support them in everyday work, managing teams and their own working time, and provide them with practical tools. It was also a time to exchange good practices.

A total of 350 managers were invited to the project, who expanded their knowledge and skills in 14 thematic areas - including: effective communication, change management, providing feedback, motivating, labour law, recruitment, enforcement. As part of the 2-year leadership programme, we delivered 285 training sessions, representing 925 hours of training.

## **TRANSFORMATION GROWTH**

Responding to business needs, in mid-2023 we launched a 4-month development programme intended for 32 people particularly involved in the Business Transformation of the QEMETICA Group. The aim of the initiative was to strengthen the attitudes and business behaviours of "personal transformation" participants - we believe that this will increase the effectiveness of transformation processes. Participants had the op-

portunity to explore issues related to interpersonal communication, business presentations, meeting effectiveness, as well as problem structuring and competences related to flexibility and adaptation in changing conditions ("agility mindset").

In 2024, we plan to follow up the programme based on the needs and feedback of the participants.

## PROJECT MANAGEMENT ACADEMY

In relation to the growing number and complexity of projects implemented in our company, together with the Project Management Office (PMO), we conducted a Project Management Academy. We completed a total of 16 training courses on project management and conducted 5 training sessions on Standards and Tools for Project Management at QEMETICA. The aim of the initiative was to systematise and standardise knowledge in the field of project management, develop practical skills (e.g. setting goals, building schedules, planning project resources), exchanging experiences between different levels of management and disseminating knowledge about available tools. Approximately 260 employees from all QEMETICA Group companies who act as project managers or members of the project team were invited to participate in the 2-day workshop.

In order to maintain the knowledge acquired by employees working on projects and to develop employees who are just starting to work in this way, we have prepared e-learning training together with an external supplier. It is available in our internal Learning Management System. We believe that thanks to this, all employees will have the opportunity to become familiar with key knowledge and learn the project management standards set by the PMO department.

## CONTROLLING ACADEMY

In 2023, we organised the Controlling Academy. We invited a group of over 50 Controlling employees from Polish, German, Spanish and Romanian companies of the QEMETICA Group.

The goals of the Academy were primarily:

- development of key employee competences that are necessary to be a reliable partner for business every day when making decisions,
- continuous improvement of existing controlling processes – thanks to the acquired knowledge.



As part of the Academy, we completed the following training modules:

- The role of Controlling,
- Financial and cost controlling,
- Planning and budgeting,
- Power Query in controller's operation.

The Controlling Academy ended with an exam. 15 employees passed the final internal examination with distinction, achieving a result of at least 90%. We completed a total of 96 hours of training, and the average score from the satisfaction surveys was 5.43 (on a scale of 6).

## LANGUAGE CLASSES

In 2023, we introduced a policy regarding learning foreign languages in the form of language classes. We defined who can join this form of development and what obligations arise from it. A total of 235 employees attend our language classes.

Depending on the business needs of our employees, we conduct both individual and group classes. The vast majority - approximately 92% of participants - develop their skills in English, approximately 7% in German, and the remaining 1% include people learning Spanish. The average attendance at language classes in 2023 was 72.7%.

## DEVELOPMENT OF STRATEGIC COMPETENCES OF THE HR DEPARTMENT AS A BUSINESS PARTNER

In October, a 2-day workshop of the HR and Internal Communication team was held, during which participants developed competences in the field of strategic partnership. During this event, employees listened to an inspiring lecture by Karina Popieluch, who told not only what the role of HR as a business partner should be, but also showed how to become an HR 3.0 team in the face of dynamic changes.

The key development directions are:

- The role of a strategic partner for the organisation, which bases its activities on clear, operationalised and measured strategies,
- Agile operation with the support of modern technologies, along with process automation,
- Supporting and enabling the development of talents and potential of employees,
- Becoming an employer of choice that cares about the experience and well-being of employees.

On the second day of the workshop, using the "world cafe" method, we discussed five key areas, defining which of the current activities already support building the role of the HR team as a business partner and creating numerous new ideas and initiatives. We discussed the following:

- how to create the best employee experiences,
- how to build the role of a competent and aware leader,
- how to be an engaged team,
- how to use the latest technological data-driven solutions,
- how to develop as a business partner?

## QEMETICA AMONG THE HR TRANSFORMERS - HUMAN EXPLORERS JAMBOREE

The Human Explorers Jamboree conference has been organised in cooperation with several companies from various industries for 7 years. In 2023, the QEMETICA Group was also among the organisers, which gave employees of the HR team the opportunity to participate in the event. The conference was held under the slogan HR Transformers - how HR teams can support business and employee transformation in times of dynamic change.

The conference was held on 27-28 November 2023.

During the first day, participants representing HR teams from various industries were able to exchange good practices, presenting HR transformation projects. An inspiring lecture on how emerging trends influence the area of People & Culture in organisations was delivered by John Guziak.

On the second day, participants took part in workshops in the areas of:

- New meaning of work in reality supported by AI,
- The great skills reset, or how to acquire new competences - re-skilling and up-skilling,
- Efficiency at work and after work - about the fight against workload, prioritisation, well-being and resilience.

# "Wpływa\_MY" engagement survey

In the third quarter of 2023, we carried out an employee engagement survey "Wpływa\_MY", to which we invited employees from all locations and companies in the QEMETICA Group. The survey assessed the eNPS indicator, i.e. an indicator showing the extent to which employees are willing to recommend our company as an attractive place to work. In order to ensure full anonymity, the study was conducted with the support of an external company.

The online questionnaire consisted of 5 closed questions, 2 open questions and 3 in-depth questions in the following categories:

- Management,
- Safety,
- Strategy.

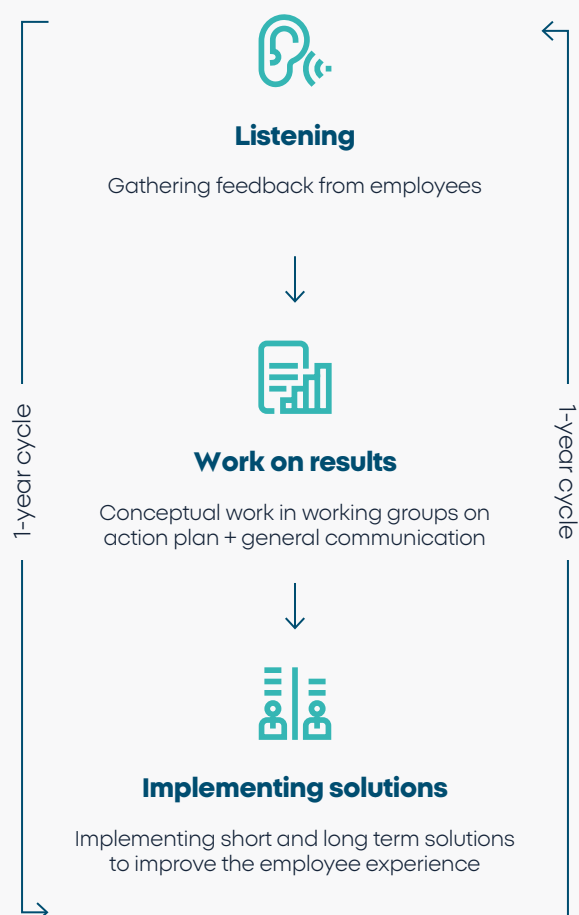
Safety and leadership aspects are an important element of our strategy for 2022-2024, which is why we wanted to verify how the activities of the Group's strategy translate into the everyday work of employees. In addition, we want to maintain a continuous dialogue with our employees and thus ensure that QEMETICA becomes an even better place to work for them.

The turnout we achieved in the "Wpływa\_MY" survey is 64% in the entire QEMETICA Group and an increase of 2 percentage points compared to the Pulse Check survey conducted in the previous year.

After communicating the results, the next stage of activities is internal work on the results and conclusions from the study, which is scheduled for the first quarter of 2024. Leaders and their teams will develop initiatives and action plans to improve work, and their implementation will take place in the following quarters of 2024. All activities planned for the beginning of 2024 are intended to bring us closer to even better attendance and results of the next "Wpływa\_MY" survey planned for June 2024.



## What happens to the survey results?





# Developing an attractive brand on the labour market

## CLEAR RECRUITMENT RULES

Recruitment processes within the QEMETICA Group are based on the adopted standards. We belong to the "Friendly Recruitment" Coalition, which means that we comply with the provisions of the Code of Good Recruitment Practices.

The recruitment process is standardised for the entire Group and involves meetings in the presence of an HR Employee and a business representative. Depending on the grade of the position, the recruitment processes consist of one or more stages.

A competency interview is conducted with candidates, and their substantive knowledge and knowledge of foreign languages are also checked. Additionally, if necessary, competency tests and knowledge tests are carried out. An important element of the recruitment process is the feedback for persons applying for a given position, which is provided to each candidate, regardless of the recruitment result. In communication with candidates, we are supported by the recruitment system, thanks to which the flow of information exchanged with candidates is monitored.

In 2022, we also introduced the Assessment Centre as an obligatory stage in the recruitment of senior management staff and the DISC D3 examination for this group of candidates. In 2023, we have expanded recruitment for key positions with the "Harrison Questionnaire" diagnostic tool. Based on special reports, decisions are made about selecting the candidate and - in the case of employment in the QEMETICA Group - planning his or her further development activities. We continue the standard of remote and hybrid recruitment adopted during the COVID-19 pandemic. In the case of positions for which recruitment cannot be conducted remotely (e.g. production area), recruitment is carried out while maintaining all security measures. The

QEMETICA Group ensures continuous improvement of the recruitment process. As in previous years, we collect valuable feedback from candidates participating in recruitment processes via an anonymous online survey. The data obtained in this way helps the organisation to constantly improve recruitment standards. All available job offers in the QEMETICA Group can be found on the corporate website in the career tab:

<https://qemetica.gsub.dev/en/career>

In 2023, the Employee Recommendation Programme was continued in all Group companies in Poland and Germany. It assumes a monetary gratification for employees who decide to recommend a person to work in the QEMETICA Group. The programme applies to all job offers available in the internal information service. In 2023, we successfully employed 43 people in this way, which approximately accounts for 10% of new employees in the QEMETICA Group.

## WORK PLACEMENTS AND INTERSHIPS

In 2023, we once again organised substantive internships and work placements in the QEMETICA Group companies, providing the opportunity to acquire knowledge and develop in many areas. An internship at QEMETICA is a paid programme carried out by students or graduates in organizational units of QEMETICA and Group companies, within the agreed time period. The internships taking place in the Group are consistent with the assumptions of "Internships of the highest quality".

In 2023, the third edition of the summer internship programme took place.

**As part of it, we invited 16 interns to cooperate. The internships were organised in 14 teams, in 4 locations. During the 3-month programme, the interns also participated in 3 general development training courses. After completing the internship, we continue long-term cooperation with 4 people who currently support selected organizational units.**

The areas for which interns were recruited include: Business Transformation, Purchasing, IT, Sales, Investments, R&D, Finance, Production Technology, Maintenance, HR.

Each of the recruited interns was assigned a substantive supervisor who was responsible for implementation, fa-

miliarization with the organizational structure and activities of the Group, monitored the tasks performed by the intern and provided ongoing feedback. After completing the programme, the supervisor was obliged to issue written references regarding the tasks completed by the intern and the skills acquired during the internship. The intern had the opportunity to provide feedback on the completed programme.

Additionally, in 2023 we continued the programme enabling students of selected schools and universities to undergo internships. This is a free programme implemented by pupils and students as part of professional practice in organizational units of QEMETICA and in other companies within the agreed time frame.

## PREBOARDING AND ONBOARDING

The first stage of a new Employee joining the organisation is the preboarding process, which has been standardised for each of the QEMETICA Group companies. Roles have been separated in the process, based on responsibility for individual tasks. A future employee of the Group is provided with permanent HR and payroll services by a dedicated employee of the Human Resources and Payroll Department. Communication with the future employee takes place by phone and email. At each stage of employment, the future employee can count on the support of the HR Department.

The QEMETICA Group operates an Onboarding Programme. Its objective is quick and easy adaptation of new Employees by providing them with basic knowledge about the QEMETICA Group, products, internal acts, development opportunities and social offer. The Onboarding process includes training, company presentation, delivery of welcome kits and information on hiring a new employee through internal communication.

**In 2023, the HR Department conducted over 30 onboarding sessions for over 470 new employees. The sessions were held at least once a month in each company of the QEMETICA Group.**

As part of HR onboarding, meetings with managers, meetings with the team and meetings with a dedicated supervisor are organised. During the onboarding training, trainees become acquainted with the history, mission, vision and values of the company, learn about the current strategy, discuss the organisational struc-

ture, company procedures and work rules, they are presented non-wage benefits and the rules for using them, discuss the circulation of HR and payroll documents, IT, administrative and finance issues, issued related to information and data management, quality, security and the adopted ESG strategy. As part of making the onboarding process more attractive and better integrating new people, welcome packages and elements of gamification with prizes are also used.

Functional onboarding, which is conducted by the new employee's supervisor and team, consists in introducing the new employee to the tasks and responsibilities of a given position, getting to know the work culture in a given team and establishing formal and informal relationships with co-workers. During this process, the scope of tasks for a given position is discussed, the work plan for the next period is presented, the team gets acquainted, and development opportunities for a given position are presented.

The entire onboarding process has no end date - it lasts until the new employee is completely independent in a given position and is able to effectively navigate the everyday life of the organisation.

## EMPLOYER BRANDING

The QEMETICA Group continuously undertakes a number of activities related to maintaining the image of a good employer. In 2023, we continued activities focused on the promotion of our production plants. We participated in job fairs for both students and people actively looking for employment. Our representatives of business units and HR were able to meet directly with people interested in joining the QEMETICA Group, talk about the nature of work, development opportunities in the company and our plans for the future.

Together with universities and high schools, as well as organisations associating employers, we organised meetings for pupils, students and people active on the labour market, during which we presented the nature of work in the QEMETICA Group companies.

Once again, QEMETICA Agricultural Solutions Poland became involved in the educational project "QEMETICA Days" connecting the world of business with the academic community by organising a unique series of educational and development meetings for students of the Rzeszów University of Technology. The purpose of the event is to promote the use of chemical sciences in business and to support students in choos-

ing further career paths. In addition to scheduled lectures and training sessions conducted by experts, students can also visit the QEMETICA Agricultural Solutions Poland factory and laboratory of QEMETICA Agricultural Solutions Poland.

In the School Complex in Nowa Sarzyna, there is a chemistry-profiled class under the patronage of the Rzeszów University of Technology and QEMETICA Agricultural Solutions Poland. A modern chemistry laboratory, attractive topics and the form of classes are designed to develop students' passion for chemistry, and in the future - to open the doors to their dream universities and enable them to find an interesting and valuable job.

In 2023, QEMETICA Polyurethanes established cooperation with the Chemical School Complex in Bydgoszcz. The plant's Production Manager met with fourth-grade students and told them about our business and the production of PUR foams. As a result, we signed a contract with the school for practical vocational training. As part of it, from September 2023, two fifth-grade students will carry out professional internships in our laboratory.

QEMETICA Glass also conducted a number of activities promoting QEMETICA as a good employer in the region. As part of these activities, in 2023 the following were organized: a local fundraiser for a small resident of Iłowa; children's fishing day; support for local sporting events; self-defence course for women; training meetings as part of the Vitro Academy.

In 2023, companies located in Kujawy, where the largest production plants of the QEMETICA Group are located, continued a number of initiatives on the local market through:

#### Patronage agreements with:

- Mechanical and Electrical School Complex in Inowrocław;
- Railway Technical School in Bydgoszcz;
- Mechanical and Electrical School Complex in Inowrocław;

#### Partnerships with:

- School Complex in Mogilno;
- 1<sup>st</sup> level Vocational School in Gniewków;
- Economic and Logistics School Complex;
- Secondary School Complex in Kruszwica;
- Jan and Jędrzej Śniadecki Bydgoszcz University of Technology.

#### Scope of cooperation:

1. The schedule of events for the 2023/2024 school

year includes:

- Students' visits to plants, including: with promoting safety rules using virtual reality. Thanks to the use of VR glasses, students can feel the proximity of threats and learn to neutralise them effectively.
  - Meetings between students and practitioners during lessons, consistent with the curriculum.
  - Meetings with students, during which we promote QEMETICA Soda Polska as an attractive employer and encourage students to take up work after graduating from school. During the meetings, we also develop soft skills in the field of CV creation and presentation at recruitment interviews to make it easier for them to enter the labour market.
  - Regular admission of pupils and students from various schools and universities for apprenticeships or internships - some people were employed after the internship or returned to us after graduation.
  - Promoting railway, analytical and electrical professions.
2. Conducting work on the creation of an analytical and electrical laboratory as a place where we will test solutions and devices implemented in production, while teaching and preparing students and employees to efficiently and effectively use the potential of machines. In this way, we want to inspire people to expand their knowledge of advanced technologies in the field of production automation and beyond.
  3. Participating in events organised by schools and universities - job fairs/career days, open houses, graduations, scientific events.

## CHEMHR PROGRAMME

In 2023, QEMETICA joined the ChemHR Programme - an original project of the Polish Chamber of Chemical Industry, which enables, among others, adapting the knowledge and skills of future graduates to the needs of the labour market and gaining professional experience while still studying. The programme supports companies in recruiting the best candidates for employees from students of partner universities.

As part of the ChemHR Programme, in 2023 we took part in two events. To the first one, we invited the Manager of Corporate Research and R&D in the QEMETICA Group, who, together with other representatives of the chemical business and university representatives, talked about improving the dialogue, identifying mutual needs and using the potential in the field of human resources training for chemistry.

The second meeting was held under the slogan "Starting a career in the chemical industry" and was dedicated to students and university environments. The Coordinator of HR Projects and Recruitment at QEMETICA talked about how important for those who plan a career in the dynamically developing chemical sector, in addition to education, are also future competencies, such as: digital skills, effective communication, analysis and synthesis of data and conclusions based on them.

During this event, we also presented the activities of the QEMETICA Group to a young audience, as well as development opportunities for students, graduates and PhD students in our Group. It is worth emphasising that the companies from our Group focus on cooperation with universities - we cooperate with, among others, with the Rzeszów University of Technology, the University of Rzeszów, the Leon Koźmiński University, the Poznań University of Technology, the Nicolaus Copernicus University in Toruń and the Bydgoszcz University of Technology.

## HR OF THE HIGHEST QUALITY

In 2023, once again in a row, we obtained the certificate - HR of the Highest Quality - awarded by the Polish Association of Human Resources Management (PSZK). The association examines the practical dimension of HR policies and tools used by the company (including recruitment, motivation and remuneration systems, employee development, internal communication, employer branding, CSR). The Highest Quality HR Certificate confirms for employees and candidates that the company is a good, credible and reliable employer that uses the latest solutions in the area of human capital management.



# Internal communication and employee engagement

We develop and adapt communication activities and tools in the QEMETICA Group in order to remain in touch with employees during the ongoing transformation, ensuring that they stay up to date with all organisational changes in the company and preventing the informational exclusion of any group of employees. We are constantly expanding, modernising and using communication tools such as:

- newsletters, mailings and online platforms,
- analogue communication media – posters, leaflets and information boards,
- direct communication.

We focused particularly on this last form last year, wanting to enter into direct dialogue with employees and listen to their needs as carefully as possible. We used tools such as internal surveys and satisfaction surveys (Wpływa.My, ZdrowiejMy – nasłuch) and Communications Days in stationary form.





## COMMUNICATIONS DAY

### GLOBAL COMMUNICATIONS DAYS

Global Communications Days consist of permanent, semi-annual meetings of Management Board Members of the entire Group, broadcast live to four countries and to over 3,000 employees, during which we summarise results, talk about strategic projects and set directions for further activities. Communications Days are also a space and an opportunity for Q&A sessions with the participation of the Management Board.

In 2023, we also started organising local meetings in the Communication Days formula in a stationary version to create a space for real dialogue and exchange between employees at all levels and top management staff. The CEO of the QEMETICA Group, together with the management board of the local company, visited the two largest production plants in Inowrocław and Janikowo, where for 2 days he took part in 7 meetings with employees directly at the premises of individual installations. The meetings were an opportunity to talk about the challenges and priorities we face as an organisation, listen to employees' comments and observations, sometimes meet their concerns and exchange ideas on how to become an even better employer. We will strive to make visits by the QEMETICA Group's management team a regular point on the communication map of our Group and build a smooth flow of information, common awareness of business directions and a space where every employee feels heard.

### QEMETICA FAMILY PICNICS

QEMETICA picnics are a traditional and largest event of the year involving employees of our Group. The series of events in 2023 enjoyed the highest attendance to date and combined the value of integration and joint fun with education.

The main theme of this year's edition was Superheroes and Superheroines, whose superpowers referred to the values of the QEMETICA Group.

As every year, the picnics included: the Health Zone with free specialist consultations, the occupational health and safety zone, sports competitions in a large football tournament, a creative zone using products of the QEMETICA Group companies, a play zone for the youngest, a joint charity campaign, local activities and have fun.

For the first time as part of this year's picnic, the EKO Zone appeared on the premises of the largest company, QEMETICA Soda Polska, with a special educational bus in which participants could learn everything about the Thermal Waste Processing Installation investment planned in Inowrocław and learn about similar investments implemented in Europe and around the world and learn about the benefits of energy obtained from waste for local communities and the environment.

The second element of ecological education was a great ECO QUIZ in which whole families took part. There was something to fight for - the main prize was electric scooters. In this way, we have taken steps to build awareness of the importance of sustainable development and energy transformation, which is an important pillar of our ambitious ESG strategy.



## SEGREGUJEMY (WE SEGREGATE)

Our path towards sustainable development involves not only big decisions transforming the Group, but also small, common steps. For over 3 years, we have been segregating waste in our Warsaw office building in accordance with the uniform selective collection system in force in Warsaw, engaging in environmental protection. Appropriately marked sorting containers are available in all common areas.

We additionally reinforce our good habits with posters with instructions, cheat sheets in the form of QR codes, accessible entries on our online platforms prepared by the Environmental Protection Department and colourful stickers that reinforce the principles of waste segregation and are present in all locations.

## ZDROWIEJMY

GRI 403-6

In 2023, we once again implemented a programme supporting the health and well-being of employees of the QEMETICA Group, based on a number of initiatives related to movement and physical activity, health prevention and psychoeducation.

Educational activities included:

1. Open webinar on "Can cancer be avoided?" from which employees learned how to reduce the risk of cancer and what to do to live a long, healthy life. Statistics on disease incidence in the world and in Poland were presented, while providing information on how to change your eating and health habits to avoid exposure to pathogens.
2. Open webinar on "Smartsleep - how to sleep wisely so that you have a positive attitude in the morning", during which employees learned how improving the quality of sleep can significantly improve most areas of our lives - from health, emotional intelligence, to the ability to deeply concentrate and cope with stress.

3. A series of short and accessible information materials on mental health. The series included 5 topics, which were devoted to online publications and leaflets distributed in all locations of the Group. The following topics were discussed:

- When is it worth using the support of a mental health specialist, what symptoms should be alarming and what can be helpful in difficult times;
- What is depression, how to recognise its symptoms and how to react to help yourself and your loved ones;
- How to communicate without violence;
- When a habit turns into an addiction - how to recognise disturbing signals and where to seek help;
- How to recognise and prevent burnout;
- What are prejudices, where do they come from, and how to avoid them.

The brochures contain tips on how to take care of your mental health in a practical way.



### As part of preventive measures:



Two editions of Prevention Days were carried out, during which a mobile testing point appeared in each location. Qualified medical staff, in specially prepared "cardiobuses", performed ultrasound examinations (choice of: breast, thyroid, testicular or abdominal prophylaxis) and ECG. During the two editions of the event, a total of 1,009 employees benefited from free ultrasound examinations - 20% of them received a recommendation for further diagnostics, and in some cases early stages of cancer were detected.



Additionally, preventive tests regarding hepatitis B and C were carried out at the plants in Inowrocław and Janikowo. 76 employees of the plant in Inowrocław and 54 employees of the plant in Janikowo took part in the tests. On the occasion of preventive examinations, an information campaign regarding hepatitis B and C was carried out.



During the annual summer employee picnic "QEMETICA Fest", there were Health Zones, within which employees and their relatives could benefit from consultations with health care specialists, including: ophthalmologist, optometrist, dermatologist, dietician, physiotherapist or cardiologist, and perform ECG test, hearing test or body composition test. During the 2023 picnics, 727 people benefited from research and consultations, and in two editions a total of 2,078 people.



A hotline was launched with telephone psychological services for employees. During the designated dates, employees could consult a psychologist free of charge and anonymously.

Dialogue with employees has become a permanent part of our everyday activities, which is why on the occasion of the Prevention Day, the so-called a "listening" campaign, through which we wanted to find out which of the proposed activities employees value the most and what new initiatives are worth supplementing the ZdrowiejMy programme. We collected 622 opinions, including 364 from our operational employees and 259 from our office employees. Employees indicated that the most important areas for them were:

- health prevention (access to tests, health specialists in offices and plants),
- equipment in plants and offices supporting physical health,
- support for mental well-being and coping with difficulties (open meetings and workshops, webinars, psychological and educational brochures, psychological services).

To promote physical activity, an employee initiative was created, bringing together sports enthusiasts as part of the virtual QEMETICA Team in the Strava application, which enables the recording of physical achievements. Employees not only boasted about their activities, but also motivated each other and competed healthily in sports challenges:

- STRAVA CHALLENGE RUN, where the total distance covered was 4,881 km;
- STRAVA CHALLENGE BICYCLES, where all registered participants covered a total of 38,386 km on two wheels.

Making the challenges not only health-promoting, but also charitable, the participants decided to convert the kilometres into PLN, which QEMETICA donated to jointly selected goals: support for the Child and Youth Psychiatry Centre and the "Słodziaki" Foundation, which helps children with diabetes.

Additionally, fresh seasonal fruit was available in offices and plants every week - on average 1 kg of fruit per month for each employee.

# Figures and ratios

GRI 2-7, GRI 2-8, GRI 2-21, GRI 401-1; GRI 401-3

	2021		2022		2023	
<b>Total number of employees at the end of the period</b>	<b>3,322</b>	<b>100%</b>	<b>3,512</b>	<b>100%</b>	<b>3 488</b>	<b>100%</b>
<b>Breakdown by gender:</b>						
Women	767	23%	824	23%	845	24%
Men	2,555	77%	2,688	77%	2643	76%
<b>Breakdown by age:</b>						
Under 30	492	15%	531	15%	485	14%
30-50 years	1,539	46%	1,643	47%	1,800	52%
Over 50	1,291	39%	1,338	38%	1,203	34%
<b>Breakdown by region:</b>						
Poland	2,610	79%	2,779	79%	2,781	80%
Germany	618	19%	650	19%	626	18%
Romania	67	2%	54	2%	55	2%
Spain	27	1%	29	1%	26	1%
<b>Breakdown by business segment:</b>						
Soda Segment	1,891	57%	1,991	57%	1,540	44%
Agro Segment	308	9%	339	10%	319	9%
Foams Segment	120	4%	124	4%	118	3%
Silicates Segment	133	4%	126	4%	122	3%
Packaging Segment	195	6%	194	6%	218	6%
Other and corporate functions segment	675	20%	738	21%	1,171	34%

	2021		2022		2023	
<b>New employees</b>	<b>463</b>	<b>100%</b>	<b>773</b>	<b>100%</b>	<b>483</b>	<b>100%</b>
<b>Breakdown by gender:</b>						
Women	84	18%	221	29%	128	27%
Men	379	82%	552	71%	355	73%
<b>Breakdown by age:</b>						
Under 30	162	35%	288	37%	149	31%
30-50 years	234	51%	374	48%	273	57%
Over 50	67	14%	111	14%	61	13%
<b>Breakdown by region:</b>						
Poland	284	61%	659	85%	384	80%
Germany	168	36%	104	13%	90	19%
Romania	6	1%	4	1%	4	1%
Spain	5	1%	6	1%	5	1%



	2021		2022		2023	
Employee departures	520		594		511	
Breakdown by gender:						
Women	138	27%	149	25%	128	25%
Men	382	73%	445	75%	391	77%
Breakdown by age:						
Under 30	142	27%	181	30%	102	20%
30 - 50 years	216	42%	230	39%	237	46%
Over 50	162	31%	183	31%	180	35%
Breakdown by region:						
Poland	436	84%	495	83%	392	77%
Germany	66	13%	77	13%	78	15%
Romania	14	3%	18	3%	41	8%
Spain	4	1%	4	1%	8	2%

Age	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
Under 30	360	132	492	388	143	531	362	123	485
30-50 years	1,118	421	1,539	1,180	463	1,643	1,271	529	1,800
Over 50	1,077	214	1,291	1,120	218	1,338	1,010	193	1,203
<b>TOTAL</b>	<b>2,555</b>	<b>767</b>	<b>3,322</b>	<b>2,688</b>	<b>824</b>	<b>3,512</b>	<b>2,643</b>	<b>845</b>	<b>3,488</b>

M – men W – woman

Kind of employment (legal basis)	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
Employment contract for indefinite period	2,041	578	2,619	2,134	611	2,745	2,195	668	2,863
Employment contract for a definite period (incl.: trial period, understudy, practical job placement)	513	189	702	554	213	767	448	177	625
<b>Total</b>	<b>2,555</b>	<b>767</b>	<b>3,322</b>	<b>2,688</b>	<b>824</b>	<b>3,512</b>	<b>2,643</b>	<b>845</b>	<b>3,488</b>

M – men W – woman

Type of employment	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
Full-time	2,454	733	3,187	2,594	804	3,398	2,616	827	3,443
Part-time	101	34	135	94	20	114	27	18	45
<b>TOTAL</b>	<b>2,555</b>	<b>767</b>	<b>3,322</b>	<b>2,688</b>	<b>824</b>	<b>3,512</b>	<b>2,643</b>	<b>845</b>	<b>3,488</b>

M – men W – woman

Area of employment	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
OHS	5	9	14	13	12	25	11	11	22
Controlling, Accounting, Finance	53	118	171	64	115	179	43	97	140
Power sector	161	8	169	160	8	168	171	9	180
Other	101	64	165	136	59	195	653	199	852
Investments	25	10	35	22	8	30	29	12	41
Quality Control	19	156	175	34	165	199	10	118	128
Logistics/Warehouse	153	37	190	153	46	199	360	56	416
Environmental Protection	6	8	14	4	7	11	6	16	22
Production	1,467	144	1,611	1,496	161	1,657	865	111	976
Sales and marketing	66	75	141	71	82	153	63	74	137
Maintenance	393	22	415	414	17	431	345	14	359
Purchases	48	29	77	36	36	72	27	25	52
Management, administration, HR, IT	58	87	145	85	108	193	60	103	163
<b>TOTAL</b>	<b>2,555</b>	<b>767</b>	<b>3,322</b>	<b>2,688</b>	<b>824</b>	<b>3,512</b>	<b>2,643</b>	<b>845</b>	<b>3,488</b>

M – men W – woman

Level of employment	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
<b>Executive managers</b>	<b>54</b>	<b>5</b>	<b>59</b>	<b>54</b>	<b>4</b>	<b>58</b>	<b>52</b>	<b>16</b>	<b>68</b>
Under 30	0	0	0	0	0	0	0	0	0
30-50 years	33	4	37	36	2	38	38	7	45
Over 50	21	1	22	18	2	20	14	9	23
<b>Middle managerial staff</b>	<b>130</b>	<b>55</b>	<b>185</b>	<b>141</b>	<b>54</b>	<b>195</b>	<b>60</b>	<b>18</b>	<b>78</b>
Under 30	3	1	4	3	1	4	2	0	2
30-50 years	76	40	116	91	35	126	44	14	58
Over 50	51	14	65	47	18	65	14	4	18
<b>Lower managerial staff (production + non-production)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>283</b>	<b>78</b>	<b>361</b>
Under 30	n/a	n/a	n/a	n/a	n/a	n/a	5	6	11
30-50 years	n/a	n/a	n/a	n/a	n/a	n/a	150	59	209
Over 50	n/a	n/a	n/a	n/a	n/a	n/a	128	13	141
<b>Non-production operational positions</b>	<b>731</b>	<b>493</b>	<b>1,224</b>	<b>814</b>	<b>468</b>	<b>1,282</b>	<b>521</b>	<b>494</b>	<b>1,015</b>
Under 30	115	102	217	140	94	234	65	82	147
30-50 years	344	279	623	384	287	671	314	336	650
Over 50	272	112	384	290	87	377	142	76	218

Level of employment	2021			2022			2023		
	M	W	Total	M	W	Total	M	W	Total
<b>Production operational positions</b>	<b>1,640</b>	<b>214</b>	<b>1,854</b>	<b>1,679</b>	<b>298</b>	<b>1,977</b>	<b>1,727</b>	<b>239</b>	<b>1,966</b>
Under 30	242	29	271	245	48	293	290	35	325
30-50 years	665	98	763	669	139	808	725	113	838
Over 50	733	87	820	765	111	876	712	91	803
<b>SUMA</b>	<b>2,555</b>	<b>767</b>	<b>3,322</b>	<b>2,688</b>	<b>824</b>	<b>3,512</b>	<b>2,643</b>	<b>845</b>	<b>3,488</b>

M – men W – woman

<b>Gender Pay Gap Ratio (GPGR)</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Operational employees - production area	-4,3%	-5,4%	-1,4%
Operational employees – areas other than production	-5,9%	-4,8%	-5,2%
Middle and senior management staff	15,9%	2,1%	0,9%
Specialists, experts, middle-level managers	-6,4%	-4,7%	-3,3%
<b>All employees</b>	<b>-5,0%</b>	<b>-5,0%</b>	<b>-2,6%</b>

	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Number of employees entitled to parental leave</b>	<b>3,322</b>	<b>3,512</b>	<b>3 463</b>
Women	23%	23%	24%
Men	77%	77%	76%
<b>Number of employees who took their parental leave</b>	<b>35</b>	<b>43</b>	<b>45</b>
Women	71%	63%	44%
Men	31%	37%	56%
<b>Number of employees who returned to work after their parental leave</b>	<b>39</b>	<b>39</b>	<b>46</b>
Women	77%	64%	46%
Men	26%	36%	54%

<b>Total Annual Salary Ratio</b>	<b>2023</b>
The ratio of the total annual compensation for the highest-paid person in the organisation to the median annual total salary for all employees (excluding the highest-paid person)	38.48
The ratio of the percentage increase in total annual compensation for the highest paid person in the organisation to the median percentage increase in annual total salary for all employees (excluding the highest-paid person)	4.18

# Health and safety

05

QEMETICA®



# Safety and health of our employees and critical incident management

GRI 403-1, 403-9

People are the most important to us. The Group's priority is to ensure the safety of our employees and suppliers, subcontractors, as well as guests visiting the Group's plants and offices. By providing technical, organisational and social conditions to support their health and safety, we are able to ensure continuity of production and business development in the long term. According to the WHO definition, we assume that health is complete physical, mental and social well-being, therefore safety has its place in all our management processes, from recruitment or purchasing, production and logistics areas, to the broadly understood development of leaders and employees.

In the Strategy for 2022-2024, we put safety first - to become an industry leader, we have committed to reducing the frequency of injuries by 30% by the end of 2024.

Thanks to the implementation of comprehensive actions aimed at improving safety, we achieved this goal already in 2022, recording a decrease in the LTIF index to the level of 2.5 (-51% y/y), and in 2023 - lowering it further, to the level of 2.0 (-20% y/y).

<sup>1</sup>LTIF - Lost Time Injury Frequency rate – standardised number of recordable injuries work safety management



The LTIF<sup>1</sup> ratio at 2.0 – well below the strategic goal of 3.5

Q.saf (internal campaign) - bringing spectacular results in the coming years from the start in November 2021

Three of our companies received awards from the Management Board of QEMETICA for achieving "zero accidents" recordable throughout 2023

No serious or fatal injuries in 2023 throughout the QEMETICA Group

5M and 5xWhy analysis – tools used in the QEMETICA Group to investigate injuries/accidents and near misses

# Work safety management

GRI 403-7

Work safety is one of the priorities of our ESG strategy and the business strategy of the QEMETICA Group. In accordance with our Health and Safety Policy, we manage occupational safety in a systemic manner and in line with the principle of continuous improvement. Our health and safety management system includes a wide range of stakeholders, including visitors and subcontractors.

Our OHS Policy is based on the international ISO 45001 standard and applies to all our stakeholders, from whom we require compliance with the QEMETICA Group's safety standards.

This document contains, above all, an obligation to ensure safe and hygienic working conditions in order to prevent injuries and health ailments. To achieve this, in our Policy we commit ourselves to meeting legal requirements, eliminating hazards, reducing risks and continuously improving the OHS management system. An important element to support effective management of the safety area is also consultation and participation of employees in making decisions related to OHS and implementing actions resulting from such decisions.

In accordance with the principle of continuous improvement inscribed in the ISO Standards, we pay attention to the fact that our management system is alive and continuously improved.

Especially in today's dynamic legal, social and market environment, we must be ready to respond to current needs and new challenges. To ensure effective management of this area, we are also developing a Team of Health & Safety specialists.

In companies with more than 250 employees, OHS Committees have been established that meet, as a minimum, on a quarterly basis to discuss current occupational health and safety challenges and plans. In order to ensure the highest level of occupational safety, the Health & Safety Team is responsible for comprehensive protection of the health and life of employees in the area of occupational health and safety, fire protection and industrial process safety.

## Our priorities are:

- management commitment to health and safety issues,
- proper perception and analysis of health and safety risks in each process,
- an effective training and development system in the area of safety,
- wherever possible, the reliance on data as a basis for decision making,
- supporting safety both from the level of investment in infrastructure and the awareness of each person and its impact with everyday, small decisions on the level of safety in the immediate environment.

## We conduct numerous activities to strengthen our communication in the OHS area, including:

- We organise regular meetings and periodic mutual visits of occupational health and safety staff in individual plants, aimed at exchanging good practices and consistent application of safety standards while respecting the specific character of various business lines of the Group.
- We periodically posted messages on the internal communication website and in the form of posters and leaflets, reinforcing the message of our 10 Occupational Safety Principles, along with additional attractions in the form of e.g. quizzes for employees.
- The first edition of the Occupational Safety Days in the QEMETICA Group. As part of the "Q\_saf" campaign, we organised the first edition of Safety Days. The events took place in 8 Polish companies of the Group. Each of them consisted of a series of modules in the form of practical workshops and shows in which employees had the opportunity to actively participate.
- Since 2022, we have used the 5M and 5xWhy analysis tools for the systemic analysis of accidents and near-accidents, identifying causes and preventing similar events in the future. We communicate the results of the analyses in health and safety alerts and during meetings.
- First aid - we have completed a training project on practical principles of providing first aid in QEMETICA Group's Polish companies. The training sessions took place from September 2022 to June 2023. Nearly 2,000 employees were trained as part of the initiative.

## 10 Principles of safe work in the QEMETICA Group

- 1 I keep my workplace tidy and clean.
- 2 I only use designated traffic routes. I hold the handrail when ascending and descending the stairs.
- 3 I follow the traffic regulations.
- 4 I use safety guards and safety devices and do not conduct unauthorised repairs.
- 5 I only use technically efficient tools and equipment in accordance with my qualifications.
- 6 I follow the rules of safe manual handling.
- 7 I use safety devices and personal protective equipment appropriate to the hazards that may occur.
- 8 I follow the ban of smoking, consumption of alcohol and intoxicants.
- 9 I follow all safety rules when working with dangerous substances.
- 10 I come to work in a good health and spirit!

### **An important right of an employee, and an obligation within the QEMETICA Group, is to refrain from work if the working conditions pose such a hazard that the health or life of anyone is at risk.**

We continuously monitor hazards in the work environment through regular inspections carried out not only by OHS services, but also as a team, with the participation of area owners (managers of organisational units) or representatives of the Maintenance Department. Identified threats or irregularities are prioritised and appropriate corrective actions are carried out by designated persons.

2023 was the second year of validity of the Group's current corporate strategy, which runs until 2024. We put safety first - we intend to become an industry leader and reduce the frequency of injuries by 30%.

Thanks to the involvement of the Health & Safety Team, the support of the Management Boards of the subsidiaries of the QEMETICA Group and the efforts of all employees of the Group, we did not only achieve this ambitious goal, but also exceeded it already in the first year of the Strategy. The following year we maintained the downward trend. However, we do not rest on our laurels and make every effort to ensure the complete safety of our employees, contractors and visitors.

### **In 2023, we had a record-low LTIF injury ratio: 2.0 (- 20% y/y)**

Three of our companies received distinctions from the Management Board of QEMETICA for achieving the recordable result of "zero accidents" throughout 2023. Among the production companies, QEMETICA Polyurethanes deserved special mention, in which the record of days without any registered injury, affecting accident statistics, was 1,885 days (as of 31 December 2023). QEMETICA Salz Deutschland closed 2023 with another impressive result - 783 days without an injury.

Since 2015, we have not recorded a fatal injury in the Group, and last year we did not record any serious injury.

## "Q\_safe" Project

**In 2023, we continued the extensive "Q\_safe" project, under which we focus on developing a safety culture, both in the area of the work environment and the behaviour of our employees at each level of the organisation.**

The "Q\_safe" project is a crucial element of the Group's strategy for 2022-2024. Prioritising the issue of safety in the workplace is key both to maintaining high quality production and ensuring the well-being of employees. With various actions and initiatives, the QEMETICA Group strives to instil a safety culture in each employee to make the workplace even more safe and friendly.

**To date, as part of the project, we have done the following:**

- We have updated the OHS Policy to meet the requirements of ISO 45001. One of our companies, QEMETICA Agricultural Solutions Poland S.A. was the first company in the Group to receive a certificate of compliance with this standard already in 2021. In 2023, yet another company in the Group - QEMETICA S.A. – was certified in terms of compliance with the requirements of ISO 45001. By 2024, we plan to raise the certification level of our production companies to 50%.
- We refreshed 10 work safety rules of the QEMETICA Group, which are the basis for talks on safety, from which, among others, we are now starting internal meetings.
- We conduct a series of trainings on risk perception and reacting to dangerous situations, "See? React!". After training employees in managerial positions in Polish companies in 2022, we extended the programme to other groups of employees in 2023. Currently, training is provided to all employees by previously selected internal trainers.
- Since 2022, we have been implementing a programme of Safety Visits carried out by representatives of top management in production areas. The visits are aimed at talking to employees about safety and listening to their voices and taking them into account. In 2024, we plan to expand the campaign and involve management staff in it.
- We improve the technical competences and interpersonal skills of employees of the team responsible

for security, both at the headquarters and in individual companies.

- We have changed the structure of the Health & Safety team, including: by integrating the team for fire protection and industrial process safety in 2023 and separating the function for internal health and safety training.
- We have developed a new, comprehensive occupational risk analysis procedure, including last-minute risk assessment (LMRA).
- We celebrate our successes together - at the beginning of the year we always appreciate companies from the Group that stand out with high scores in safety statistics. Moreover, we are expanding the scope of awards to emphasise the individual commitment of our employees.

Our activities under the #Q\_safe programme have been appreciated by external institutions - in November 2023, during the 26th Conference of the Safe Work Leaders Forum, we received the Green Card of the Safe Work Leader of the Central Institute for Labour Protection - National Research Institute. We continuously improve working conditions, introducing new solutions for the sake of our employees and contractors.

In connection with further improvements in the coming years, we also plan the following:

- introduction of comprehensive software gathering data from the companies, facilitating their verification, analysis, assignment of consistent corrective actions and their management,
- continuation of training for all employees of the Group as part of the "See? React!" campaign,
- conducting first aid training for all employees of the Group,
- development of the training system, including the competence of leaders in the field of safety,
- improving a coherent system of inspections and internal audits,
- further modernisation of production plants in the area of infrastructure,
- Certification of further production companies in accordance with the ISO 45001 standard.



## Safety training

GRI 403-5

The competences of our employees in the area of occupational safety are a guarantee of safety for our entire organisation, including associates, contractors. Therefore, in addition to mandatory training, resulting directly from the regulations, such as introductory or periodic training, we hold a number of meetings dedicated to specific target groups. As far as possible, we try to make these trainings take the form of practical workshops, taking into account the needs of various recipients.

We are in the process of implementing workshops for top-level staff and managers in the area of "Safety Leadership". The training is a continuation of the OHS Leader programme conducted from 2022 and aims to acquire knowledge on how to be successful in implementing a safety-based culture.

## COMPREHENSIVE COMMUNICATION IN THE SAFETY AREA

GRI 403-4

Information on occupational health and safety is provided primarily through direct meetings between supervisors and employees, as well as the internal portal of the QEMETICA Group, posters or online meetings, depending on the group of employees concerned.

In 2022, we focused on promoting the 10 Principles of Safe Work in the QEMETICA Group through monthly messages published on the internal communication website, leaflets, and meetings of superiors and employees.

Currently, our actions are divided into thematic areas, presented on a quarterly basis. In 2023, our communication focused on quarterly topics regarding maintaining safety in dangerous situations and the most common injuries occurring at work. As part of, among others, "Safe Hands" and "Safe Eyes" campaigns, managers conducted short occupational health and safety lessons for their employees, which were aimed at strengthening their awareness of threats existing at the workplace, but also at reminding them about safety measures and good practices used during everyday work.

On Safe Driver Day, we reminded how important it is:

- to comply with the rules and regulations established in road traffic,
- to be careful during everyday driving, drawing attention to the fact that we are not the only road users who want to reach their destination safely and on time. To remind you of the rules of maintaining safety both before and during a car trip, the Health & Safety Department and the Fleet Management Department presented video material demonstrating good practices and tips that may be useful not only at work, but also in everyday life. This topic enjoyed great interest among employees of the QEMETICA Group.

We also organise regular meetings to discuss recommendations from inspections, procedures after accidents and near-misses, and observations, e.g. during safety visits of leaders. They are attended by people responsible for particular areas, which allows for efficient management of assigned activities.

After accidents and near-accidents, we prepare the so-called Safety Alerts, discussed during local operational meetings, as well as meetings of Health & Safety Teams and meetings of the Management Boards of Group companies. We start internal meetings by discussing security issues, and the so-called "safety slides", prepared by the Health & Safety Team, contain current statistics and news, such as the topic of the month or a new Safety Alert.

Our main Health & Safety training activities in 2023 included:

- conducting training "See? React!" for all employees of the QEMETICA Group, broken down by target groups:
  - top management - responsibility and care for teams, safety visits;
  - operational management - safety psychology, sense of responsibility for the area, practical support for employee safety;
  - all employees - mutual care for health and life within the team;
- including in the LEADER programme the issue of responsibility for occupational safety and leadership for safety - building a safety culture based on care for employees;
- taking over trainings conducted by external companies to conduct them as practically as possible and with reference to local conditions and expectations of the QEMETICA Group;
- continuous improvement of the health and safety section during the induction programme so that our safety expectations are communicated to the employees joining us from the beginning of their employment.

Trainings are conducted taking into account the language of the recipients - for example, trainings for contractors engaging employees from Ukraine are conducted in the presence of an interpreter to ensure the greatest possible effectiveness and understanding of our expectations and safety rules.

Training takes place during working hours. With a view to facilitating the participation of people working in shifts, we organise them on varied days and times.

After the training, participants are provided with questionnaires evaluating the entire training, including e.g. the quality of interpreting ambiguities or usefulness in everyday work. This supports the assessment of contractors (if it is an external training) and adjustment of the scope and content in subsequent editions of periodical training.

## „SEE? REACT!“

is our largest training programme, focused primarily on:



Development of risk perception competencies even despite long-term work in the same place, similar conditions and threats.



Responsibility of the management for OHS and development of communication skills with employees in terms of responsibility for the workplace, activities in the sphere of influence and developing own solutions to improve work.



Responsibility of employees for their own work area and strengthening the feeling that all health and safety activities are carried out for their sake, so that they can return home safely and in full health every day.

As part of the "See? React" programme, over 840 employees were trained, which accounts for approximately 30% of all employees. In 2024, training will take place according to the adopted schedule.





# Risk assessment

GRI 403-2

**For us, risk assessment means a comprehensive approach that allows minimising the risk to the health and safety of our employees and other stakeholders. It is an integral part of our processes, such as purchases or investments.**

The risk assessment process is an important element of systemic occupational health and safety management. In the QEMETICA Group, we have extended it beyond the mandatory occupational risk assessment. Based on global good practices, the QEMETICA Group is currently implementing the Risk Assessment Standard - a unified set of processes, including risk assessment for non-routine, non-standard works that always occur in the industry. The occupational risk assessment process has also been unified, targeting work processes and not only formal positions.

The risk assessment process is also an important component of the Subcontractor Safety Management Standard, as the way they perform their work may affect the safety of our employees and the other way round. Only effective cooperation in this area is able to ensure an adequate scope of protection for both groups of people working for QEMETICA.

In order to prevent ill-considered and random actions and shortcuts, we have implemented the so-called

Five-step method (5S), which allows for an effective assessment of our preparation for the safe performance of work.

Occupational risk assessment is a continuous process, i.e. it is documented, reviewed and updated on an on-going basis.

**The occupational risk assessment process is initiated in each of the following cases:**



when creating new workplaces



when introducing (technological or organisational) changes to workplaces,



a change in the applicable legal and other requirements with regard to the assessed workplaces,



changes in the applied protective measures, equipment, devices and substances,



occurrence of a near-accident or accident at work.

The occupational risk assessment process, coordinated by representatives of the OHS service, involves employees from a specific area, and, if necessary, also industry experts. As part of this process, we take into account all environmental factors and perform the following:

- defining general requirements for rooms/premises and workstations,
- describing the type of work, including hazard zones,
- assessing compliance with the requirements for each job,
- describing and evaluating any hazards that may occur during the performance of work,
- estimating the value of occupational risk and determining its admissibility,
- developing a plan of corrective and preventive actions.





# First edition of work safety days in the QEMETICA Group

GRI 403-4, GRI 403-6

In the announced business strategy of the QEMETICA Group for 2022-2024, safety has been given the highest priority. In the corporate pillar (one of three in the business strategy), the main directions of activities and transformation concern further increasing the level of safety of the Group's employees and implementing best practices in production plants. The Group's goal is to reduce the frequency of injuries in the Health & Safety area by 30% by 2024 vs 2019, and the safety area has been the highest priority for the management boards of all individual companies of the Group.

## WORK SAFETY DAYS IN QEMETICA GROUP COMPANIES

Employee safety is the foundation of the activities of every responsible company. The QEMETICA Group is perfectly aware of this fact. In 2023, the company took the initiative to organise the first edition of Work Safety Days, focused on increasing awareness and education in the field of safe practices in the workplace.

All events were closely related to the annual World Day for Safety and Health at Work, which falls on 28 April. The inauguration of the Work Safety Days in the QEMETICA Group took place on 9 May 2023 in Łódź. The events - from April throughout the summer - were held in the Group's Polish companies and were entirely devoted to safety topics. Each of them consisted of various modules, such as practical workshops and shows that engaged employees in active participation and use of the acquired knowledge.

### Safety Days topics

The topics of the Work Safety Days were comprehensive and included areas such as:

#### 1. Correct body posture - work ergonomics:

This part of the training covered issues related to work ergonomics, i.e. the science of adapting the work environment to human anatomy, physiology and psychology. Participants learned about the dangers of inappropriate body posture during work and the effects of long-term improper body load. Employees also received practical tips on how to take care of their health and avoid injuries by properly stretching and strengthening their muscles.

#### 2. Audits of workstations equipped with screen monitors:

Taking into account the time spent at a computer in the modern world, the topic of ergonomics when working with a computer and a screen monitor cannot be omitted. During individual consultations, employees learned how to ensure comfortable work at a desk, arrange equipment in an ergonomic way and how to properly care for their eyes while working at a monitor for many hours. The audit was conducted under the supervision of an ergonomics specialist who individually advised employees on what they could do better to adopt the correct sitting position when working with a monitor to relieve the spine.



### 3. Protection of the respiratory tract, eyes and skin in contact with chemical substances during work and daily household duties:

Employees whose tasks involve exposure to chemical substances must be properly protected. This part of the training discussed the risks associated with chemicals, provided information on how to properly handle them, and presented various personal protective equipment, such as protective masks, glasses and various types of gloves. Practical workshops using various types of personal protective equipment were also conducted. Our goal was also to educate people about household chores in which we use chemical substances and mixtures without realising the dangers their improper use may cause.

### 4. Review of the functions and testing of personal protective equipment:

The selection of appropriate personal protective equipment is crucial to ensuring employee safety. During the workshops, practical tests were carried out to check the effectiveness of various types of measures, such as half masks, earplugs, protective footwear and gloves. Thanks to this, employees could find out which measures are most appropriate for specific activities at work.

### 5. Safe work at height:

Working at height carries a high risk of accidents. Therefore, during this module, safe rules were discussed, appropriate techniques related to the use of equipment for working at heights were presented, and a hanging simulation was carried out after a hypothetical fall from a height to show the importance of the correct use of safety harnesses.

During the events held, all participants received safe gadgets to remind them of the importance of taking care of their safety at work.

A total of 629 employees of the Group in 8 different locations took part in the first edition of the Work Safety Days in the QEMETICA Group. At 5 thematic stations, employees could expand their knowledge and practical skills in the field of good safety practices. We are proud of the fact that the initiative enjoyed great commitment and interest from people employed in the QEMETICA Group.

## Figures and ratios

All injuries, incidents and near misses are recorded in the IT system, which enables tracking of ratios, results and trends in the area of occupational safety.

Accidents at work in the countries where we operate are defined in accordance with the requirements of local law. In order to harmonise standards in international operations, we have implemented a uniform definition and method of calculating QEMETICA injuries, the so-called recordable. It is the basis for calculating one of our main ratios in occupational safety – LTIF (Lost Time Incident Frequency).

The LTIF ratio includes all incidents in which our employees were involved, however, it does not include injuries on the way to and from work and injuries of sub-contractors, which we record separately.

QEMETICA (recordable) injury – is an injury at work that:

- required professional medical assistance (except first aid and/or administering or prescribing painkillers)

and, at the same time,

- its effects caused a serious impact on the further life and everyday functioning of the injured.

LTIF ratio calculated as the number of QEMETICA (recordable) injuries per 1 million of hours worked.

## GRI 403-9

Employees	2021			2022			2023		
	W	M	Total	W	M	Total	W	M	Total
Number of fatal injuries	0	0	0	0	0	0	0	0	0
Number of lost (working time) injuries	8	44	52	1	30	31	3	30	33
Number of all reported injuries	10	51	61	5	53	58	3	36	39
LTIF	5.08			2.48			1.99		
Subcontractors	W	M	Total	W	M	Total	W	M	Total
Number of fatal injuries	0	0	0	0	0	0	0	0	0
Number of lost (working time) injuries	0	14	14	0	6	6	1	11	12
Number of all reported injuries	15			6			12		

W- woman M-man

# Our impact on the environment

06

QEMETICA®

**Sustainable development plays a key role for the QEMETICA Group, taking into account in particular the minimisation of the impact of its operations on the environment. To this end, the QEMETICA Group strives for the highest possible production and energy efficiency, and consequently, reduction of emissions into the atmosphere (including greenhouse gases), improvement of the quality of wastewater and rational management of water resources and waste while maintaining high quality of products.**

Within the QEMETICA Group, the area of environmental protection is treated as a priority, our environmental commitments include:

- striving for climate neutrality and reducing the impact on the environment,
- responsible management of water resources,
- responsible and sustainable waste management,
- sustainable packaging and responsible management of packaging waste,
- protection and restoration of biodiversity,
- full compliance of environmental declarations and communications.

Since 2016, all companies have implemented an Environmental Protection Policy consistent for the entire Group. In 2023, a new integrated Quality, Health & Safety and Environmental Protection Policy was announced and implemented, as well as Standards in this area were developed and implemented (Integrated Management System at QEMETICA).

Environmental protection is one of the pillars of the ESG strategy, which obliges the QEMETICA Group to comply with applicable environmental legislation, reduce emissions into the environment and the amount of waste generated, rational use of natural resources and counteract climate change, as well as maintain good relations with local communities in places where business activities are conducted.



## Environmental standards





**All production plants of the QEMETICA Group operate based on the required permits and administrative decisions. Additionally, most production companies have implemented environmental management systems that comply with the requirements of the ISO 14001:2015 standard. In 2023, QEMETICA S.A. implemented and certified the Integrated Management System, extending it to include the ISO 14001:2015 and 45001:2018 standards.**

In 2023, the QEMETICA Group carried out a number of investments aimed at reducing emissions of pollutants into the air, through the modernisation and reconstruction of boilers in the QEMETICA Soda Polska plants in Janikowo and Inowrocław, including: restoring their nominal efficiency, renovation of electrostatic precipitators or reconstruction of low-emission burners. In 2023, we continued to work on operationalising our energy strategy. The Energy Transformation department led projects to improve our energy and process efficiency and reduce CO<sub>2</sub> emissions. We worked on a strategy to move away from coal in Poland and from gas in Germany. We are at the stage of determining the target, most favourable fuel mix. in CHP plants.

Last year, we also conducted a comprehensive dust audit at the QEMETICA Soda Polska plant in Inowrocław, which resulted in the preparation of a report with indication of directions of mitigating activities in this area. In 2024, decisions will be made on the scope of activities aimed at minimising dust at the plant.

Additionally, in 2023, we implemented environmental protection training for QEMETICA S.A. and QEMETICA Global Solutions employees, expanding the group of trainees to include all employees - so far, environmental training concerned employees engaged in production plants. The training presented the environmental commitments of the QEMETICA Group, Environmental Protection Standards, the Environmental Management System according to the ISO 14001:2015 standard and the competences and tasks of the Environmental Protection Department. Further work is planned in this area, including the provision of annual refresher training and update training presentations, with a particular focus on environmental risks and legal requirements.

The key issue in terms of sustainable products is the modernisation and expansion of the Glyphosate installation, which was completed in December 2023 at QEMETICA Agricultural Solutions Poland. This installation is intended for the production of plant protection products based on Glyphosate, including the production of a new, innovative herbicide BGT (Glyphosat 180 SL). The launch of BGT Herbicide is the realisation of the ideas underpinning the Green Deal ('The European Green Deal') and the Farm to Fork Strategy ('Farm to Fork Strategy'), which postulate the search for a compromise between the inevitability of using PPPs and the resulting side effects on the environment. BGT herbicide, thanks to its unique formula, enables up to 50% reduction in the amount of glyphosate applied to the environment in order to protect 1 hectare of agricultural crops, with the same herbicidal effectiveness compared to currently used preparations containing this active substance. This represents the first revolutionary change on the Glyphosate market in 45 years. The current knowledge of the domestic and foreign markets indicates and confirms the need for innovative products that reduce the amount of the active substance Glyphosate applied per 1 hectare. This process innovation will bring benefits in the form of lower manufacturing costs due to lower energy consumption and reduced product manufacturing time.

## Research Work

In 2023 the plant located in Strassfurt started cooperating with companies specialising in planning and optimising production systems for the life sciences, pharmaceutical, biotechnology, chemical, metallurgical as well as oil and gas sectors. The aim of the research was to develop possible solutions to improve the distillation system efficiency. The next stage, to be implemented in 2024, is developing technological documentation and modernising one distillation system.

In terms of waste management, cooperation began with companies specialising in recycling, waste management and sustainable development consulting. The aim of the research was to develop a concept for the clear lye processing to reduce chlorides, taking into account the spatial situation as well as legal, economic and operational framework.



# Carbon footprint of the organisation

GRI 305-1; GRI 305-2; GRI 305-3; GRI 305-5

In 2023, for the first time we calculated the carbon footprint of the QEMETICA Group, i.e. Corporate Carbon Footprint (CCF), which shows the total amount of greenhouse gases (GHG) emitted directly or indirectly as a result of the activities of the entire capital group and its individual business segments.

Greenhouse Gas Protocol (GHG Protocol), the international standard for calculating and reporting greenhouse gas emissions, according to which we calculated our carbon footprint, divides emissions into three scopes:

## Scope 1: direct emissions

Greenhouse gas emissions that are directly released into the atmosphere as a result of a company's activities. Direct emissions result from the combustion of fuels in stationary or mobile sources owned or supervised by the company, emissions resulting from technological processes or escaping refrigerants.

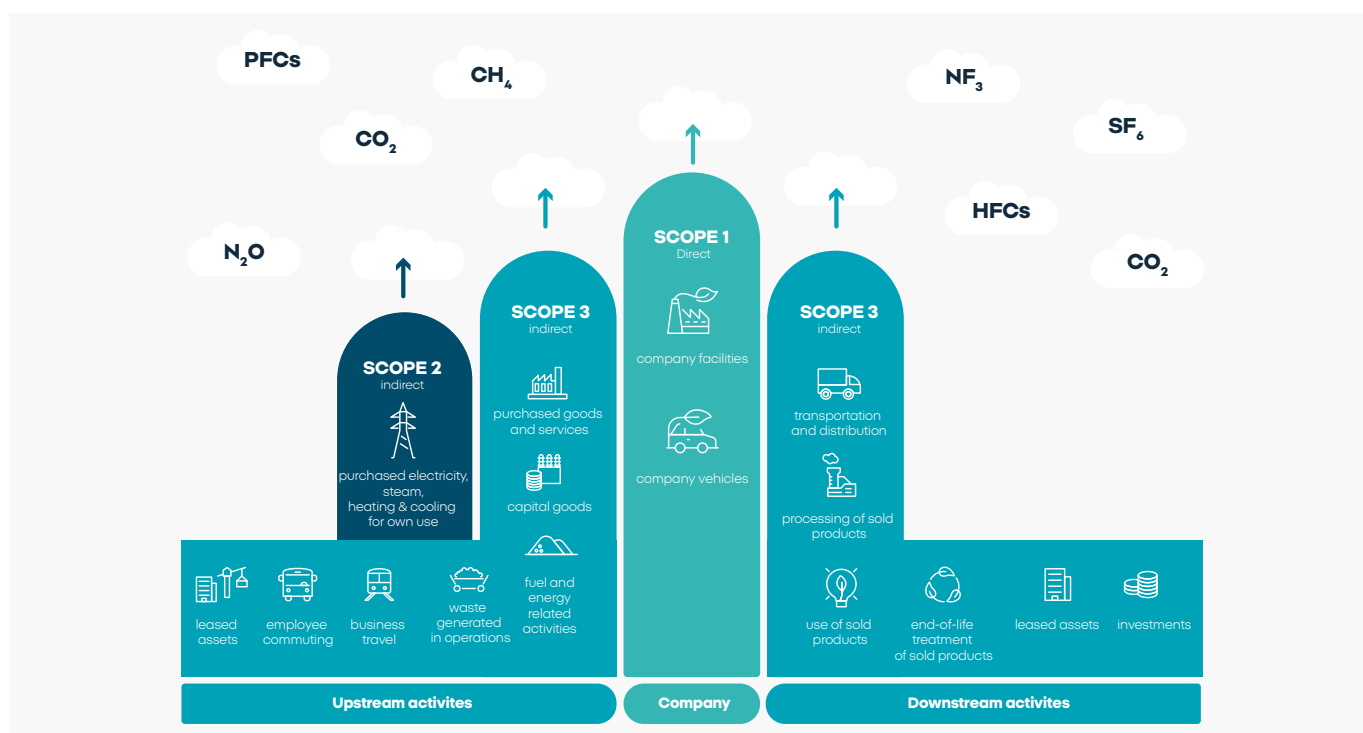
## Scope 2: indirect emissions

Greenhouse gas emissions resulting from the use of imported (purchased or supplied from outside) electricity, heat, process steam and cold. For example, it is the electricity that keeps the lights on in buildings, powers the kettle that we use to boil water for a cup of tea, and maybe even charges electric vehicles.

## Scope 3: indirect emissions in the supply chain

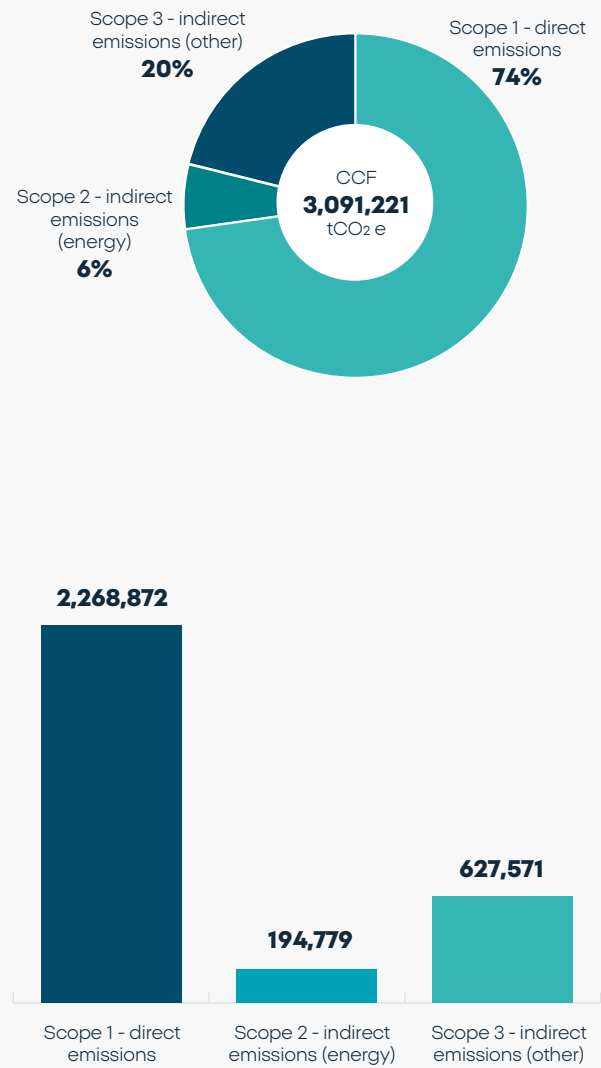
Other indirect emissions not included in Scope 2 arising throughout the value chain. Divided into:

- **Upstream** - greenhouse gas emissions from purchased or acquired goods and services.
- **Downstream** - greenhouse gas emissions from goods and services sold; also include emissions from products that are distributed but not sold (i.e. without receiving payment).

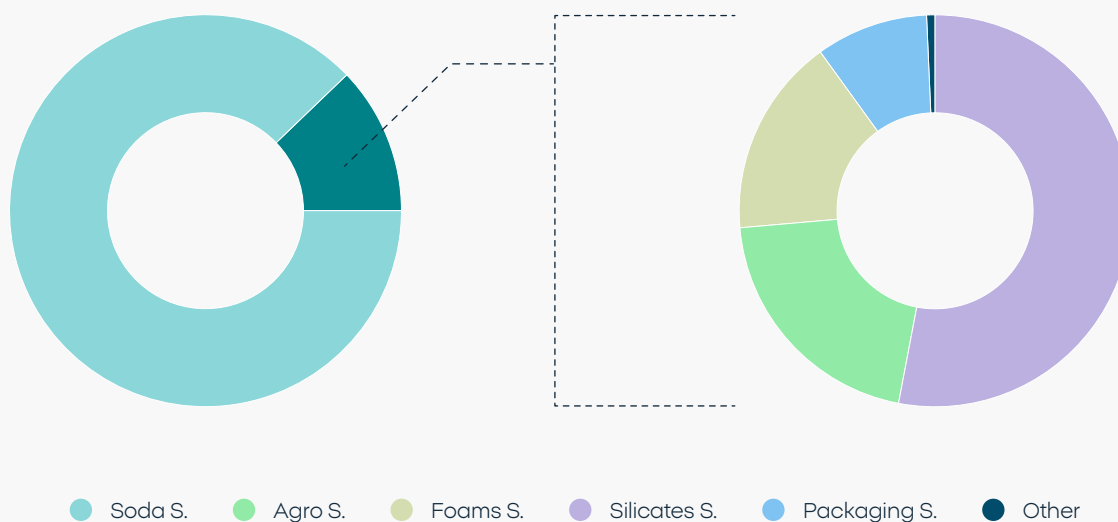




Carbon footprint of the QEMETICA Group in 2023 [CO<sub>2</sub> tonnes equiv]



## Carbon footprint of the QEMETICA Group divided into business segments (Scope 1, 2, 3) in 2023 [CO<sub>2</sub> tonnes equiv]



QEMETICA Group [CO <sub>2</sub> tonnes equiv]	2019	2020	2021	2022	2023
Scope 1 – direct emissions	2,920,868	2,641,428	2,671,490	2,695,745	2,268,872
Scope 2 – indirect emissions (energy)	674,702	199,794	237,610	191,920	194,779
Scope 3 – indirect emissions (other)	n/a	n/a	n/a	749,886	627,571
<b>Total Scope 1 &amp; 2</b>	<b>3,595,570</b>	<b>2,841,222</b>	<b>2,909,100</b>	<b>2,887,665</b>	<b>2,463,651</b>
<b>Total Scope 1 &amp; 2 &amp; 3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>3,637,550</b>	<b>3,091,221</b>





**We have increased the repository of Scope 1 emissions data - we have improved the reporting of the passenger car fleet data**



**We have improved the quality of Scope 2 emission reporting by switching to market-based calculations**



**We have verified our emissions and CO<sub>2</sub> emission reduction target for 2033 in the Science Based Targets initiative (SBTi)**



**We have introduced the ESG Dashboard tool, thanks to which QEMETICA Group employees can track the company's CO<sub>2</sub> emissions and energy consumption**



**We improved our CDP rating by one notch - to level C, placing us at the level of the global average for the chemical sector.**

## Science Based Targets initiative (SBTi)



DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

**The QEMETICA Group received the Science Based Targets Initiative certification.**

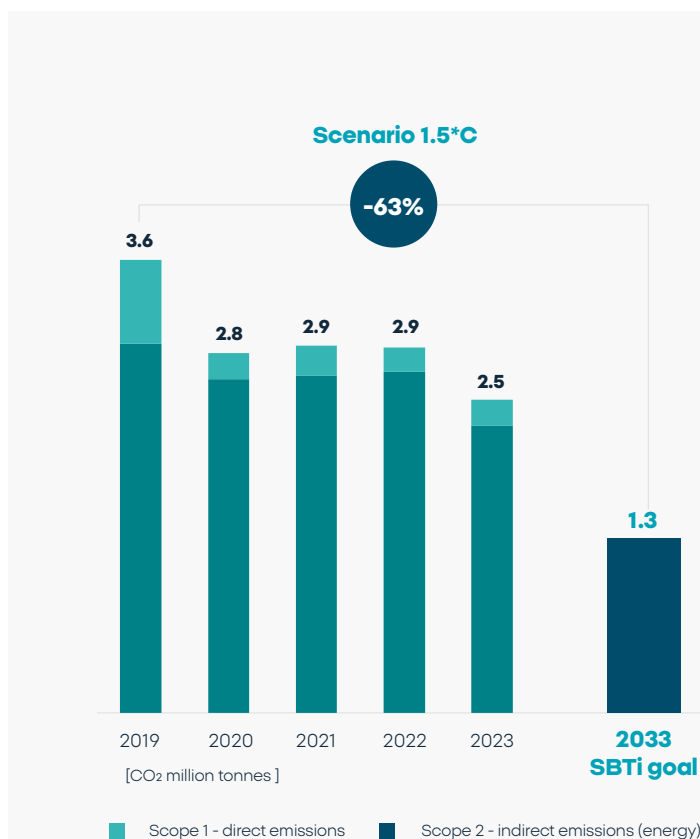
**Our CO<sub>2</sub> reduction targets are ambitious and support global climate action.**

The QEMETICA Group was the first among large industrial companies in Poland to join the Science Based Targets ("SBTi") initiative, created, among others, by: United Nations Global Compact, CDP (Carbon Disclosure Project), World Resources Institute (WRI) and World Wide Fund for Nature (WWF).

In accordance with the goal of the ESG Strategy, in 2023 we started the process of verifying our emissions and defining the goal of reducing greenhouse gas emissions in line with the assumptions of the Paris Agreement.

**We have adopted a new ambitious goal of reducing CO<sub>2</sub> emissions from Scope 1 and Scope 2 by 63% by 2033 compared to the base year 2019, which we subjected to certification. Our new goal on the decarbonisation path has been recognised by the SBTi as consistent with the Paris Agreement, which assumes action to limit the temperature increase to 1.5°C.**

The QEMETICA Group will continue to implement the adopted decarbonisation strategy, including short term goal for 2026. In the long term, the QEMETICA Group strives for a low-emission future and achieving climate neutrality by 2040. More about the decarbonisation path on page 30.







## About SBTi

The Science Based Targets Initiative (SBTi) defines a methodology that supports ambitious companies in setting reduction targets and transforming their business activities to adapt them to the realities of the future low-emission economy.

The project aims to set climate goals for individual companies based on scientific knowledge and regularly monitor progress. SBTi member companies aim to keep global warming below 1.5 degrees Celsius compared to the pre-industrial era, in line with the Paris Agreement.

The main activities of the Science Based Targets initiative include:

- defining and promoting best practices in reducing emissions and defining climate neutrality goals,
- providing technical assistance and expert resources to member companies in setting climate goals in line with the latest scientific knowledge,
- bringing together a team of experts that will provide member companies with independent assessment and validation of goals.

### Entities interested in joining the Science Based Targets initiative undergo a five-step process:

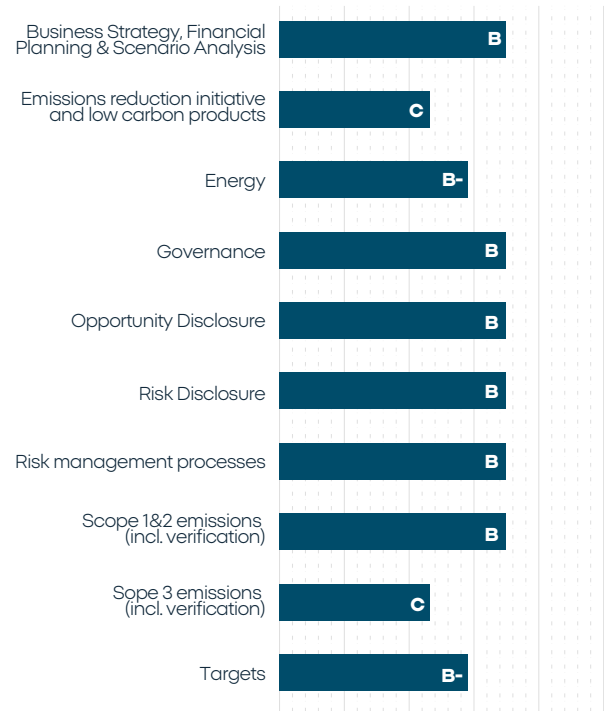


# CDP – Climate Change rating improvement

Thanks to the consistent transformation towards sustainable development, we have improved our score in the global Carbon Disclosure Project (CDP) rating, one of the most prestigious and credible ESG rating. The rating is used to monitor and report information on companies' impact on the environment. The rating for the chemical group in the "Climate Change" categories, relating to CO<sub>2</sub> emissions and energy transformation, increased by one level - to level C. Thus, the QEMETICA Group is currently at the level of the global average for chemical companies. Progress in the global ranking is the result of the joint efforts of many teams in the QEMETICA Group and improved standards for collecting and reporting qualitative data. It was possible, among others, thanks to the ESG Dashboard - a tool based on the Power BI system in the cloud computing (more on page 93).

Published annually, the CDP rating results constitute the highest standard of environmental reporting for the global economy. Participation in the rating is also a confirmation for stakeholders that the entity subject to the assessment treats its impact responsibly and transparently, and sustainable development is an integral part of its business strategy.

The rating is the results of a cross-sectional assessment on many levels, from reported data on greenhouse gas emissions and energy, to climate risk assessment, compliance and business strategy.





## Dashboard ESG tool

**We have implemented our own ESG Dashboard tool, based on Business Intelligence. It enables employees to keep track of emissions and pursue climate neutrality goals.**

**QEMETICA Group employees can track the company's CO<sub>2</sub> emissions and energy consumption.**

We have implemented our own ESG Dashboard tool, based on Business Intelligence. It enables employees to keep track of emissions and pursue climate neutrality goals.

We use business analytics and Business Intelligence software to track CO<sub>2</sub> emissions on an ongoing basis. Using a specially prepared ESG Dashboard tool, running in the cloud, we collect, manage, process and analyse data intended to illustrate the effects of our projects related to the energy transformation and the implementation of key obligations specified in the ESG strategy.

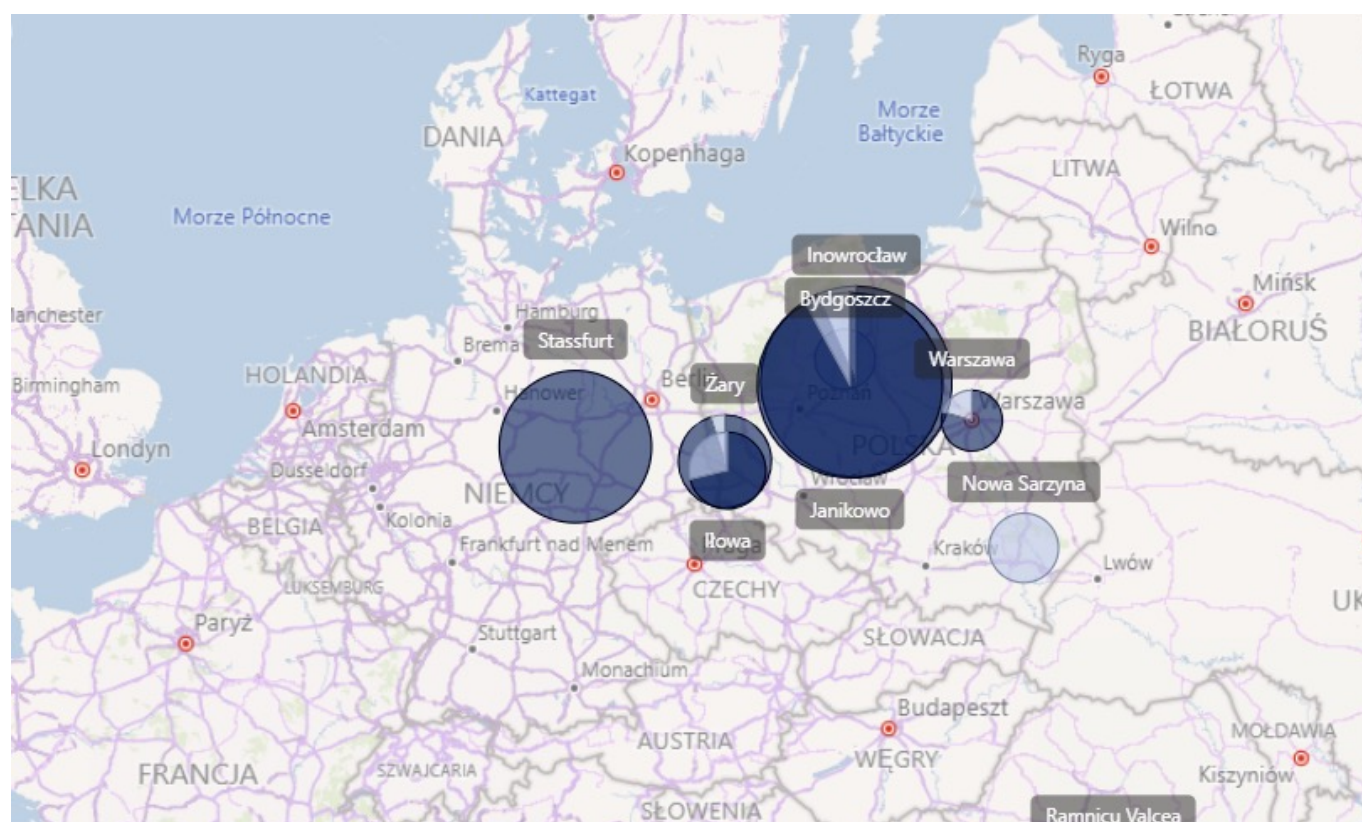
Information and data on emissions and energy can be read both from the perspective of the entire Group and for individual segments and companies, and their level

can be traced over the years since 2019.

Using this solution, employees can learn for instance:

- at what stage of CO<sub>2</sub> emission reduction the Group is,
- in the context of numerous aspects of QEMETICA's operations, what do CO<sub>2</sub> emissions from Scope 1 (concerning direct emissions) or Scope 2 (concerning indirect emissions) mean,
- how many of its emissions are covered by the EU ETS emissions trading system,
- how the Group's energy mix is changing and, finally, how much electricity and thermal energy QEMETICA produces and consumes.

We plan to further develop the ESG Dashboard, including: in the area of Scope 3 emissions and energy consumption.



# Scope 1

GRI 305-1; GRI 305-5

**Scope 1, i.e. the group's direct emissions arise from the combustion of fuels and raw materials in sources owned by the group or under its control.**

In the QEMETICA Group, the main source of direct carbon dioxide emissions are energy assets owned in Poland and Germany, which generate electricity and heat energy in the form of, among others, high parameters of process steam for the needs of production processes:

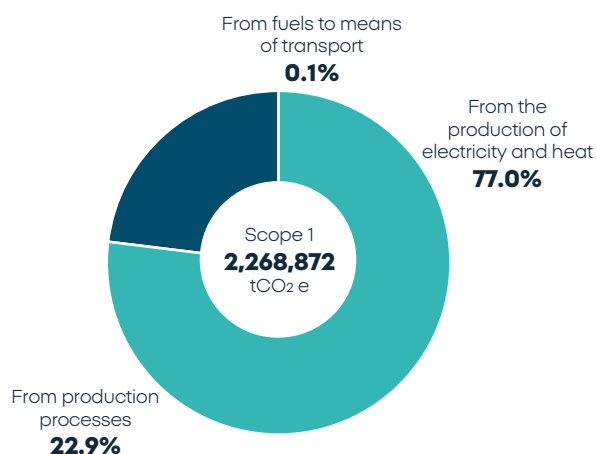
- two coal-fired heat and power plants (Inowrocław and Janikowo),
- gas-fired heat and power plant (Stassfurt),
- glass furnace (Iłowa) and silicate furnaces (Iłowa, Żary),
- gas boilers (Stassfurt, Iłowa, Żary, Ramnicu Valcea).

The production processes themselves are also a source of direct emissions, in particular the production of soda ash and baking soda (Inowrocław, Janikowo, Stassfurt, and until 2019 - Ramnicu Valcea), as well as the production of glass packaging (Iłowa) and silicates (Iłowa, Żary, Ramnicu Valcea).

In addition, the QEMETICA Group owns or uses means of transport that emit greenhouse gases (diesel locomotives, a fleet of passenger cars). Their impact on the total level of direct emissions of substances into the air is insignificant compared to the aforementioned categories.

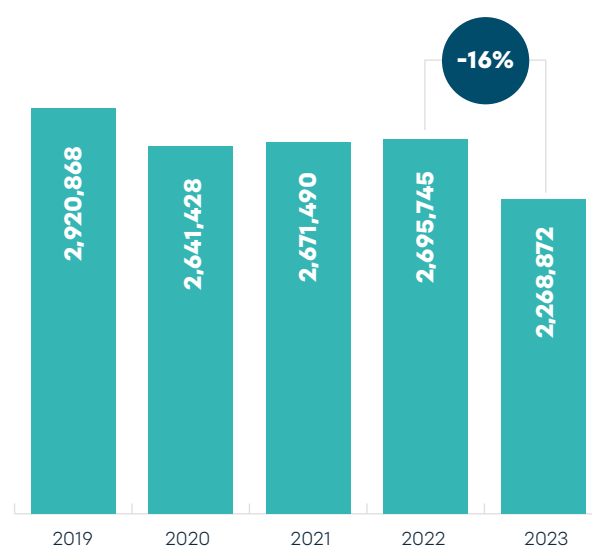
**The QEMETICA Group does not emit greenhouse gases other than carbon dioxide in Scope 1 and Scope 2.**

Scope 1 – direct CO<sub>2</sub> emissions [CO<sub>2</sub> tonnes equiv]



In 2023, the QEMETICA Group generated 16% less direct CO<sub>2</sub> emissions compared to the previous year. The decrease in direct emissions results both from our energy transformation programme and from a lower production volume than in the previous year.

Scope 1 - direct CO<sub>2</sub> emissions [CO<sub>2</sub> tonnes equiv]



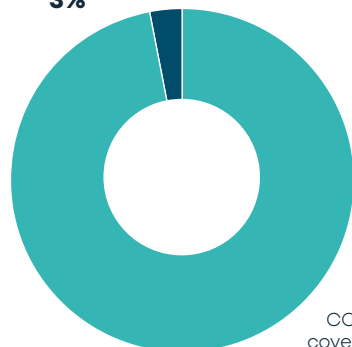
In accordance with the SBTi methodology, we show CO<sub>2</sub> emissions of all companies, including QEMETICA Soda Romania, which remains in hibernation.

## EUROPEAN EMISSIONS TRADING SYSTEM (EU ETS)

Scope 1 – direct emissions in 2023  
**2,268,872 tCO<sub>2</sub>**

CO<sub>2</sub> emissions not covered by EU ETS

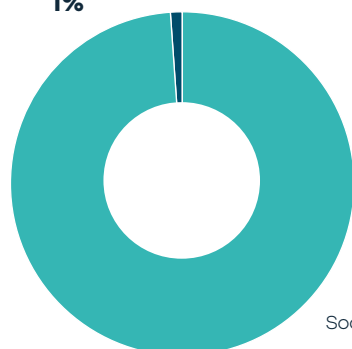
3%



CO<sub>2</sub> emissions covered by EU ETS  
**97%**

CO<sub>2</sub> emissions covered by EU ETS in 2023  
**2,197,268 tCO<sub>2</sub>**

Packaging segment  
 1%



Soda segment  
**99%**

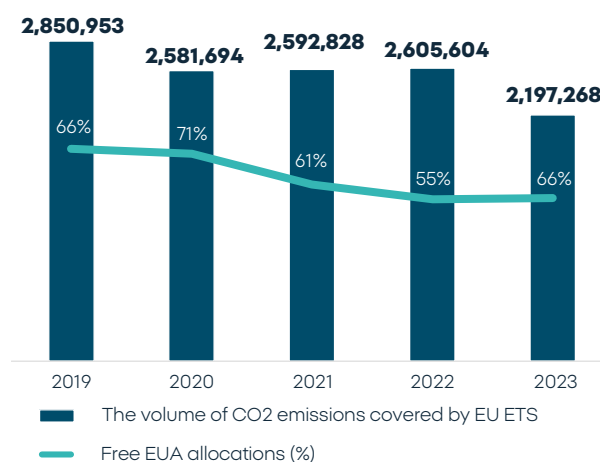
## DIRECT CO<sub>2</sub> EMISSIONS COVERED BY THE EUROPEAN EMISSIONS TRADING SYSTEM (EU ETS)

In the QEMETICA Group, the vast majority of direct carbon dioxide emissions (Scope 1) are covered by the European Emissions Trading System (EU ETS), which includes activities conducted in two of the Group's five business segments. CO<sub>2</sub> emissions covered by the EU ETS come primarily from activities in the largest Soda segment - mainly from energy production and soda production processes, and to a lesser extent from glass production in the Packaging segment.

**CO<sub>2</sub> emissions covered by the EU ETS account for approximately 97% of the QEMETICA Group's direct emissions (Scope 1) and are subject to mandatory external verification by an independent auditor.**

As part of the EU ETS, QEMETICA Group companies are obliged to submit a written CO<sub>2</sub> report to the competent national administration, together with a report on the verification of emissions by an independent third party.

**Scope 1 direct CO<sub>2</sub> emissions covered by the European Emissions Trading System (EU ETS) and the level of coverage by free allocation of CO<sub>2</sub> emission certificates (EUA).**





Direct Scope 1 carbon dioxide emissions covered  
by the European Emissions Trading System (EU ETS)  
[CO<sub>2</sub> tonnes]

QEMETICA Group	2019	2020	2021	2022	2023
<b>Scope 1- direct CO<sub>2</sub> emissions, including:</b>	<b>2,920,868</b>	<b>2,641,428</b>	<b>2,671,490</b>	<b>2,695,745</b>	<b>2,268,872</b>
CO <sub>2</sub> emissions covered by EU ETS	2,850,953	2,581,694	2,592,828	2,605,604	2,197,268
percentage	98%	98%	97%	97%	97%
CO <sub>2</sub> emissions not covered by EU ETS	69,916	59,734	78,662	90,141	71,604
percentage	2%	2%	3%	3%	3%





## Scope 2

GRI 305-2; GRI 305-5

### Scope 2 indirect emissions of the group arising from the use of purchased electricity and heat energy.

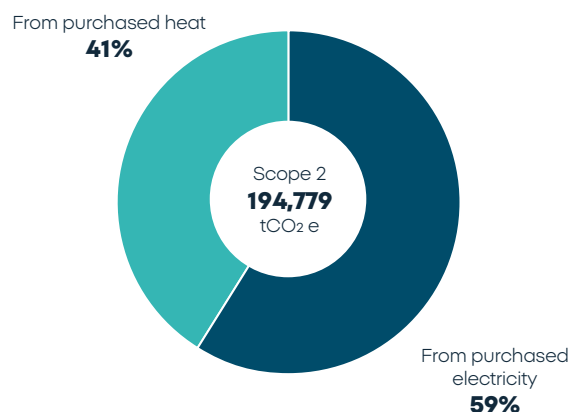
The calculation of indirect CO<sub>2</sub> emissions from Scope 2 is based on the volume of electricity or heat purchased from external entities for own consumption within the QEMETICA Group. According to the end-user principle, CO<sub>2</sub> emissions from energy purchased for further re-sale were not included in the current methodology.

**In 2023, we switched to calculating Scope 2 emissions using the market-based method. In the calculation, we use energy emission indicators specific to energy suppliers or those announced in the European Residual Mixes report published by the Association of Issuing Bodies (AiB).**

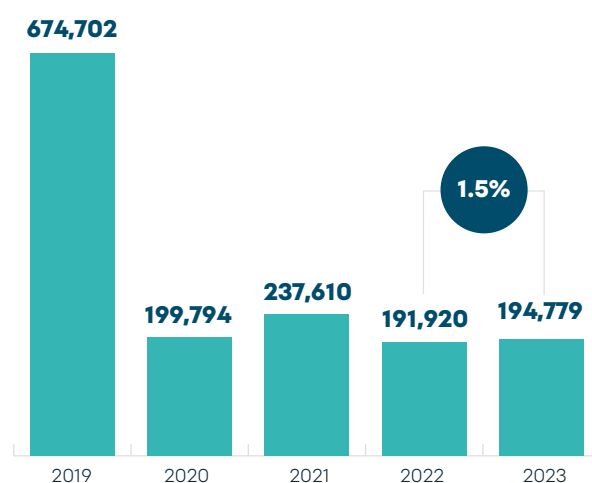
To calculate Scope 2 emissions for the companies: QEMETICA Polyurethanes, QEMETICA Soda Romania, QEMETICA Energy Deutschland, we used emission indicators for 2022 due to absence of published indicators for 2023.

The level of CO<sub>2</sub> emissions in the category of indirect emissions from purchased electricity and heat saw a slight year-on-year increase of 1.5%.

#### Scope 2 – indirect CO<sub>2</sub> emissions [CO<sub>2</sub> tonnes equiv]



#### Scope 2 – indirect CO<sub>2</sub> emissions [CO<sub>2</sub> tonnes equiv]



In accordance with the SBTi methodology, we show CO<sub>2</sub> emissions of all companies, including QEMETICA Soda Romania, which remains in hibernation.



## Scope 3

GRI 305-3

In 2023, we started the process of modelling a calculator of indirect emissions included in Scope 3 and building a reporting process and collecting data from the supply chain.



In 2023, Scope 3, i.e. indirect emissions, accounted for approximately 20% of the QEMETICA Group's carbon footprint

### 627,571 tCO<sub>2</sub> e

Our top 3 categories contributing most to Scope 3 emissions are:

**Cat. 3 Activities related to fuels and energy**

### 192,540 tCO<sub>2</sub> e

(emissions not included in Scopes 1 and 2)

**Cat. 1 Purchase of products and services**

### 156,534 tCO<sub>2</sub> e

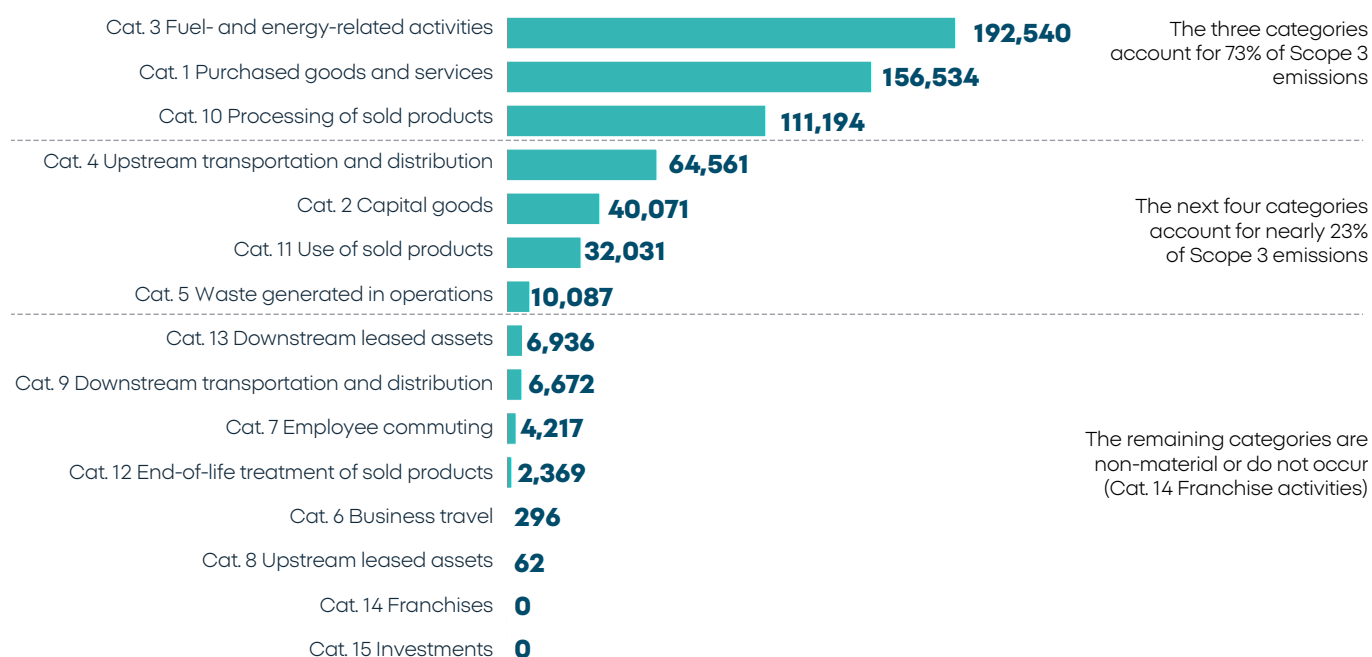
**Cat. 10 Processing of sold products**

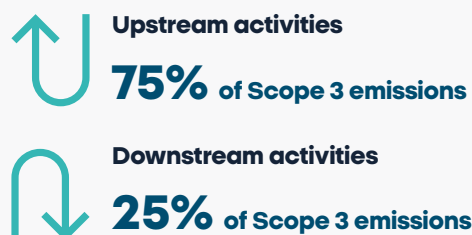
### 111,194 tCO<sub>2</sub> e

**Together, they account for approximately 73% of Scope 3 emissions.**

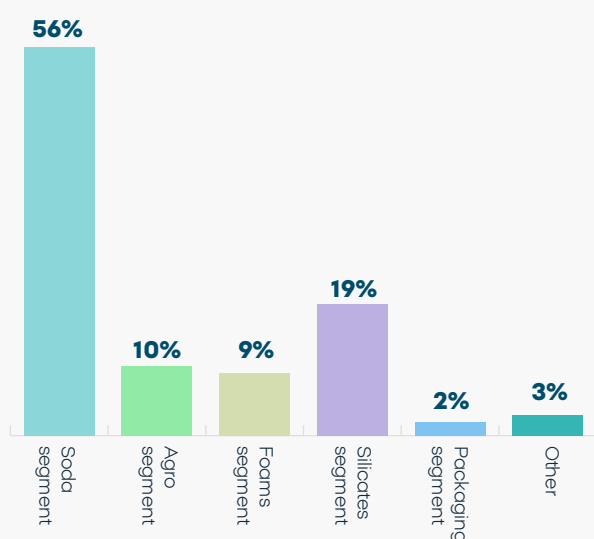


Scope 3 emissions can be divided into 15 categories, but 6 of them account for 95% of QEMETICA's emissions, [CO<sub>2</sub> tonnes equiv]





Scope 3 – share of individual business segments [%]



## Detailed information on CO<sub>2</sub> emissions in individual segments and companies

The QEMETICA Group's business segments are characterised by different levels of CO<sub>2</sub> emission intensity depending on the specificity of the industrial activities conducted within them. From the perspective of individual segments, the key element influencing the level of emissions is the energy consumption of production and the occurrence of production processes using raw materials. The vast majority of the QEMETICA Group's CO<sub>2</sub> emissions are related to the production of soda and the energy used for its production.

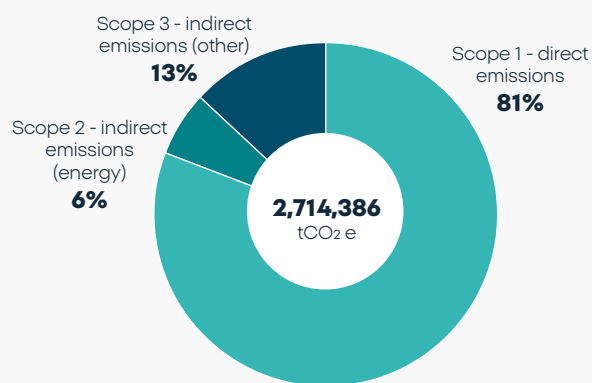
Carbon dioxide emissions from Scope 1, 2 and 3 by business segment [CO<sub>2</sub> tonnes equiv]

CO <sub>2</sub> emissions– Scope 1 & 2 & 3	2019	2020	2021	2022	2023
Soda segment	3,461,271	2,743,224	2,792,060	3,201,509	2,714,386
Agro segment	22,271	9,184	9,421	110,230	72,488
Foams segment	2,095	1,308	1,273	61,921	57,704
Silicates segment	79,159	60,625	78,872	208,280	186,195
Packaging segment	20,237	17,290	17,695	30,839	32,561
Other and corporate functions segment	10,537	9,591	9,779	24,771	27,887
<b>Total Scope 1 &amp; 2</b>	<b>3,595,570</b>	<b>2,841,222</b>	<b>2,909,100</b>	<b>2,887,665</b>	<b>2,463,651</b>
<b>Total Scope 1 &amp; 2 &amp; 3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>3,637,550</b>	<b>3,091,221</b>

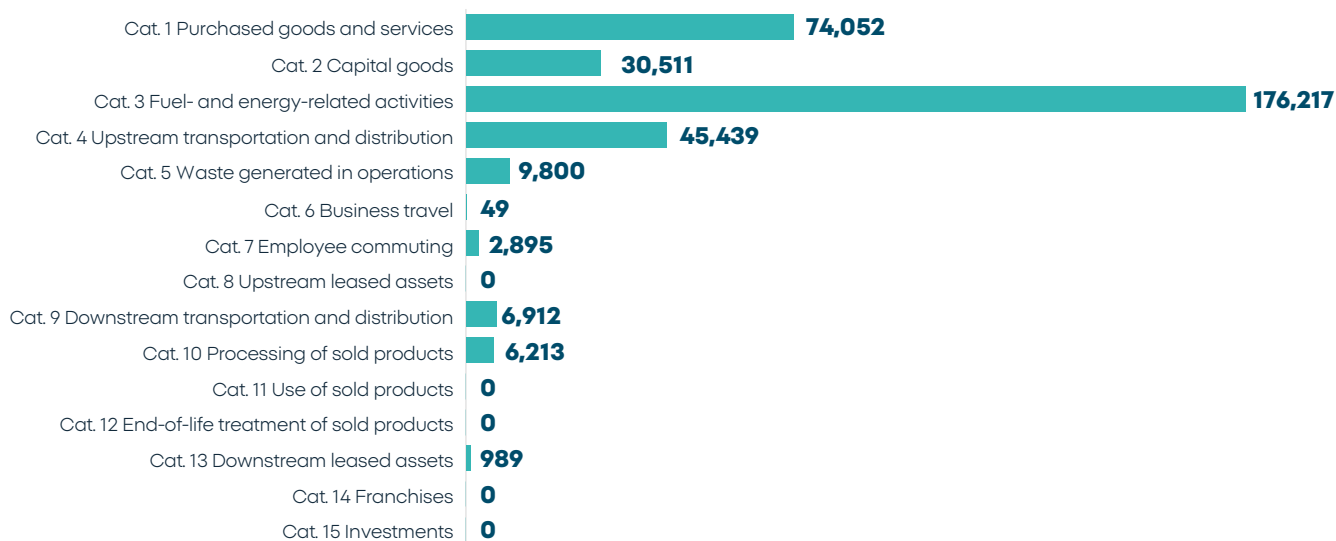


## SODA SEGMENT

Carbon dioxide emissions in the Soda segment divided into categories from Scopes 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]



Scope 3 emissions in the Soda segment divided into 15 categories [CO<sub>2</sub> tonnes equiv]





### Carbon dioxide emissions divided into categories from Scope 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]

Soda segment	2019	2020	2021	2022	2023
<b>Scope 1 – direct emissions, including:</b>	<b>2,837,236</b>	<b>2,568,156</b>	<b>2,581,477</b>	<b>2,595,211</b>	<b>2,186,392</b>
From production of electricity and heat	2,094,972	2,004,343	2,029,908	2,035,210	1,698,867
QEMETICA Soda Polska	1,664,857	1,558,318	1,597,470	1,654,970	1,360,306
QEMETICA Energy Deutschland	426,834	444,677	429,609	376,855	336,050
QEMETICA Soda Romania	3,281	1,348	311	247	172
QEMETICA Salz	n/a	n/a	2,518	3,138	2,339
From production processes	742,264	563,813	551,569	560,001	487,343
QEMETICA Soda Polska	476,326	403,046	420,000	433,253	345,069
QEMETICA Soda Deutschland	148,880	160,767	131,569	126,748	142,274
QEMETICA Soda Romania	117,058	n/a	n/a	n/a	n/a
From consumption of fuels for means of transport	n/a	n/a	n/a	n/a	182
QEMETICA Soda Polska	n/a	n/a	n/a	n/a	182
<b>Scope 2 – indirect emissions, including:</b>	<b>624,035</b>	<b>175,068</b>	<b>210,583</b>	<b>169,080</b>	<b>174,917</b>
From purchased electricity	224,879	105,067	138,603	95,492	98,015
QEMETICA Soda Polska	173,355	84,547	78,626	33,406	85,800
QEMETICA Energy Deutschland	28,913	19,322	59,041	61,516	11,805
QEMETICA Soda Romania	22,611	1,198	936	570	410
From purchased heat	399,156	70,001	71,980	73,588	76,901
QEMETICA Soda Deutschland	73,546	70,001	71,980	73,588	76,901
QEMETICA Soda Romania	325,610	n/a	n/a	n/a	n/a
<b>Scope 3 – indirect emissions (other)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>437,218</b>	<b>353,077</b>
<b>Total - Scopes 1 &amp; 2</b>	<b>3,461,271</b>	<b>2,743,224</b>	<b>2,792,060</b>	<b>2,764,291</b>	<b>2,361,309</b>
<b>Total - Scopes 1 &amp; 2 &amp; 3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>3,201,509</b>	<b>2,714,386</b>

The market-based method was used to calculate indirect CO<sub>2</sub> emissions (Scope 2), based on emission indicators published by energy suppliers. To calculate emissions for QEMETICA Soda Romania and QEMETICA Energy Deutschland, emission indicators announced in the European Residual Mixes report published by the Association of Issuing Bodies (AiB) were used. The transition to the market-based method was also made for emission calculations in 2019-2022.

Scope 3 indirect emissions generated in the Soda segment are most significantly influenced by categories: 3, 1, 4, which account for 84% of emissions, while the next four categories generate approximately 15% of emissions. There are no emissions in five categories (categories: 8, 11, 12, 14, 15).

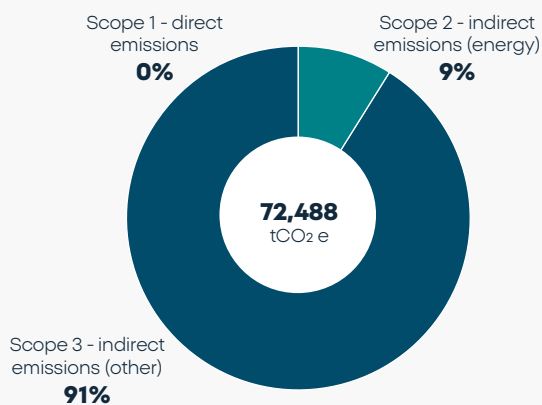
## QEMETICA SODA DEUTSCHLAND AND QEMETICA ENERGY DEUTSCHLAND

GRI 2-4

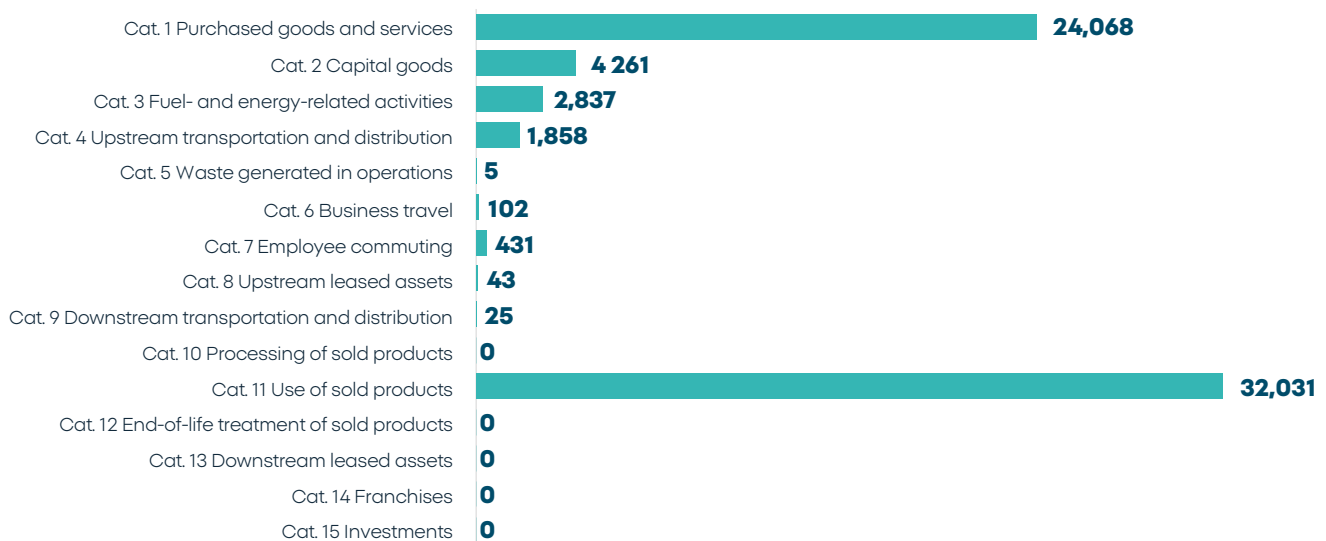
Due to the verification by an external company of CO<sub>2</sub> emissions from the soda production process covered by the European Emissions Trading System (EU ETS), an adjustment was introduced reducing the CO<sub>2</sub> emissions reported by QEMETICA Soda Deutschland for 2022 in the category "From production processes" by 4 821 tCO<sub>2</sub>. An adjustment was also made to reduce CO<sub>2</sub> emissions in the category "From electricity and heat production" in QEMETICA Energy Deutschland by 26 528 tCO<sub>2</sub>.

## AGRO SEGMENT

Carbon dioxide emissions in the Agro segment divided into categories from Scope 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]



Scope 3 emissions in the Agro segment divided into 15 categories [CO<sub>2</sub> tonnes equiv]



Carbon dioxide emissions divided into categories from Scope 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]

Agro segment - QEMETICA Agricultural Solutions Poland and QEMETICA Agricultural Solutions Spain	2019	2020	2021	2022	2023
<b>Scope 1 - direct emissions, including:</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>311</b>
From fuels for means of transport	n/a	n/a	n/a	n/a	311
<b>Scope 2 - indirect emissions, including</b>	<b>22,271</b>	<b>9,184</b>	<b>9,421</b>	<b>8,728</b>	<b>6,518</b>
From purchased electricity	12,889	5,594	5,388	5,750	4,328
From purchased heat	9,382	3,590	4,033	2,979	2,191
<b>Scope 3 - indirect emissions (other)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>101,502</b>	<b>65,659</b>
<b>Total - Scopes 1 &amp; 2</b>	<b>22,271</b>	<b>9,184</b>	<b>9,421</b>	<b>8,728</b>	<b>6,829</b>
<b>Total - Scopes 1 &amp; 2 &amp; 3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>110,230</b>	<b>72,488</b>

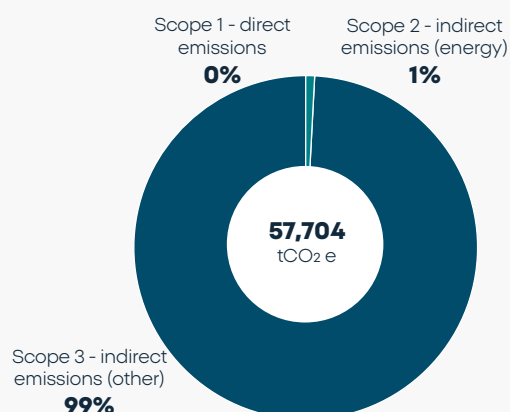
QEMETICA Agricultural Solutions Poland generates direct CO<sub>2</sub> emissions only from the combustion of fuels in means of transport. For production and administrative needs, the company obtains electricity and heat energy. The supplier of heat energy is the modern Nowa Sarzyna Heat and Power Plant located nearby (from outside the QEMETICA Group). In the case of electricity, in 2019-2021, part of the energy supplies also came from the Nowa Sarzyna Heat and Power Plant.

The market-based method was used to calculate indirect CO<sub>2</sub> emissions (Scope 2), based on emission indicators published by energy suppliers. The transition to the market-based method was also made for emission calculations in 2019-2022. In order to make the calculation as accurate as possible, CO<sub>2</sub> emissions resulting from slight losses in energy transmission were taken into account and the flows going outside the QEMETICA Group as part of the resale of energy to housing estates in the vicinity of the plant were precisely mapped. The QEMETICA Agricultural Solutions Spain company operating in Spain, belonging to the Agro segment, does not generate emissions from Scope 1 and 2.

Indirect Scope 3 emissions are generated by QEMETICA Agricultural Solutions Poland and QEMETICA Agricultural Solutions Spain. Three main categories account for 92% of Scope 3 emissions, with the next four generating approximately 8% of emissions. In some categories, no emissions are generated (categories: 10, 12-15).

## FOAMS SEGMENT

Carbon dioxide emissions in the Foams segment divided into categories from Scope 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]



Scope 3 emissions in the Foams segment divided into 15 categories [CO<sub>2</sub> tonnes equiv]

Cat. 1 Purchased goods and services	44,167
Cat. 2 Capital goods	458
Cat. 3 Fuel- and energy-related activities	67
Cat. 4 Upstream transportation and distribution	1,896
Cat. 5 Waste generated in operations	1
Cat. 6 Business travel	10
Cat. 7 Employee commuting	177
Cat. 8 Upstream leased assets	0
Cat. 9 Downstream transportation and distribution	0
Cat. 10 Processing of sold products	10,239
Cat. 11 Use of sold products	0
Cat. 12 End-of-life treatment of sold products	173
Cat. 13 Downstream leased assets	0
Cat. 14 Franchises	0
Cat. 15 Investments	0



Carbon dioxide emissions divided into categories  
from Scope 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]

Foams segment - QEMETICA Polyurethanes	2019	2020	2021	2022	2023
<b>Scope 1 - direct emissions, including:</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>60</b>
From fuels for means of transport	n/a	n/a	n/a	n/a	60
<b>Scope 2 - indirect emissions, including</b>	<b>2,095</b>	<b>1,308</b>	<b>1,273</b>	<b>1,086</b>	<b>456</b>
From purchased electricity	1,297	638	590	551	0
From purchased heat	798	670	683	536	456
<b>Scope 3 - indirect emissions (other)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>60,835</b>	<b>57,188</b>
<b>Total - Scopes 1 &amp; 2</b>	<b>2,095</b>	<b>1,308</b>	<b>1,273</b>	<b>1,086</b>	<b>515</b>
<b>Total - Scopes 1 &amp; 2 &amp; 3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>61,921</b>	<b>57,704</b>

## QEMETICA Polyurethanes

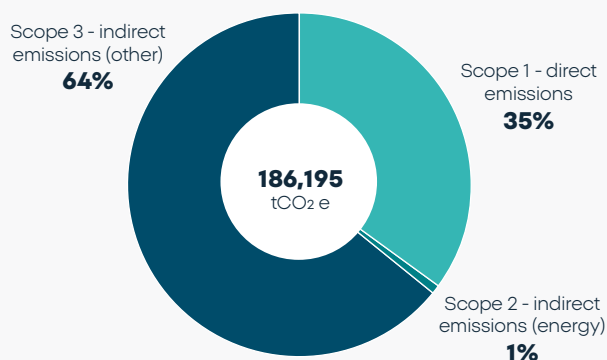
QEMETICA Polyurethanes generates direct CO<sub>2</sub> emissions only from the combustion of fuels in means of transport.

We adopt the market-based method to calculate indirect CO<sub>2</sub> emissions from Scope 2 from 2023. We rely on emission indicators published by energy suppliers (electricity) and for thermal energy the emission factor published by the Energy Regulatory Office. The transition to the market-based method was also made for emission calculations in 2019-2022.

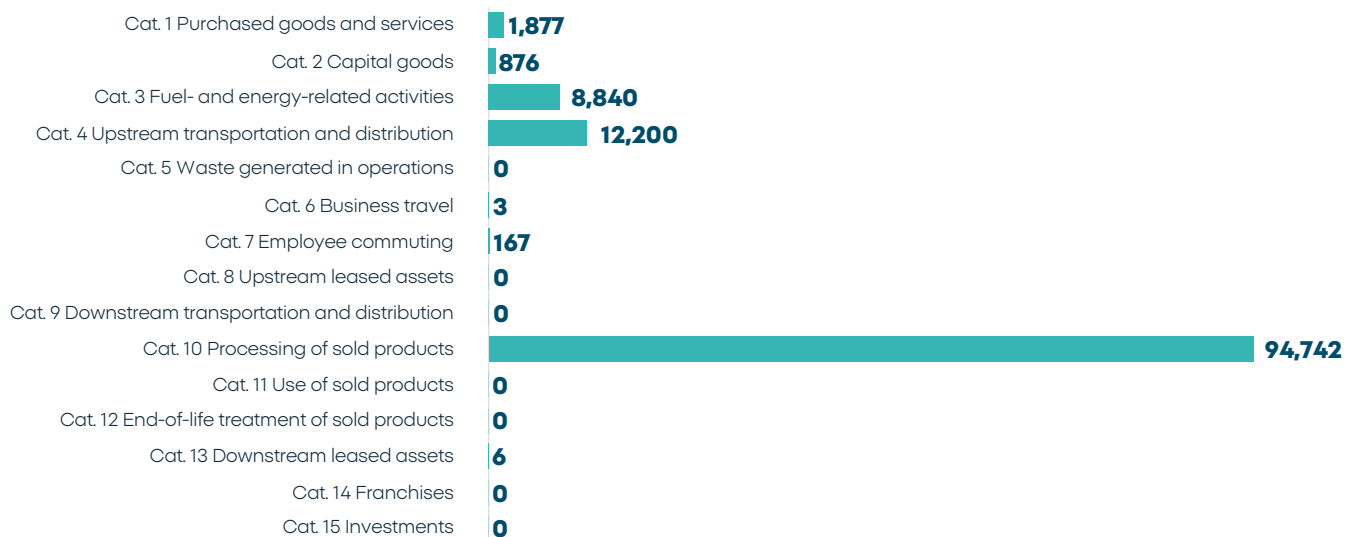
Scope 3 indirect emissions generated in the Foams segment are most significantly influenced by categories 1 and 10, which account for 95% of emissions, while the next two categories generate approximately 4% of emissions. There are no emissions in six categories (categories: 8, 9, 11, 13-15).

## SILICATES SEGMENT

Carbon dioxide emissions in the Silicates segment divided into categories from Scope 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]



Scope 3 emissions in the Silicates segment divided into 15 categories [CO<sub>2</sub> tonnes equiv]



### Carbon dioxide emissions divided into categories from Scope 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]

Silicates Segment - QEMETICA Silicates	2019	2020	2021	2022	2023
<b>Scope 1 - direct emissions, including:</b>	<b>67,044</b>	<b>56,483</b>	<b>72,583</b>	<b>82,781</b>	<b>65,958</b>
From electricity and heat production	38,948	33,024	42,502	46,123	36,432
From production processes	28,096	23,459	30,081	36,658	29,471
From fuels for means of transport	n/a	n/a	n/a	n/a	54
<b>Scope 2 - indirect emissions, including</b>	<b>12,115</b>	<b>4,142</b>	<b>6,289</b>	<b>1,035</b>	<b>1,526</b>
From purchased electricity	12,115	4,142	6,289	1,035	1,526
<b>Scope 3 - indirect emissions (other)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>124,464</b>	<b>118,711</b>
<b>Total - Scopes 1 &amp; 2</b>	<b>79,159</b>	<b>60,625</b>	<b>78,872</b>	<b>83,816</b>	<b>67,484</b>
<b>Total - Scopes 1 &amp; 2 &amp; 3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>208,280</b>	<b>186,195</b>

## QEMETICA Silicates

Direct CO<sub>2</sub> emissions (Scope 1) in the Silicates segment, to which QEMETICA Silicates belongs, come from heat energy generated in gas furnaces for the production of silicates in Łłowa and Żary, as well as a small amount of heat produced for administrative needs. Additionally, in the silicate production process, raw materials are burned, including: soda ash. Direct emissions also arise from the combustion of fuels in means of transport. The Silicates segment produces inorganic chemicals that are not covered by the European Emissions Trading System (EU ETS).

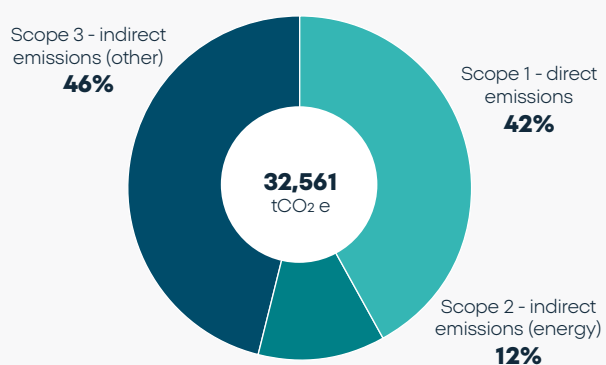
The emission index published by the energy supplier was used to calculate indirect Scope 2 CO<sub>2</sub> emissions resulting from the consumption of electricity purchased from third parties.

In the case of heat energy, the total demand of QEMETICA Silicates is covered by its own production.

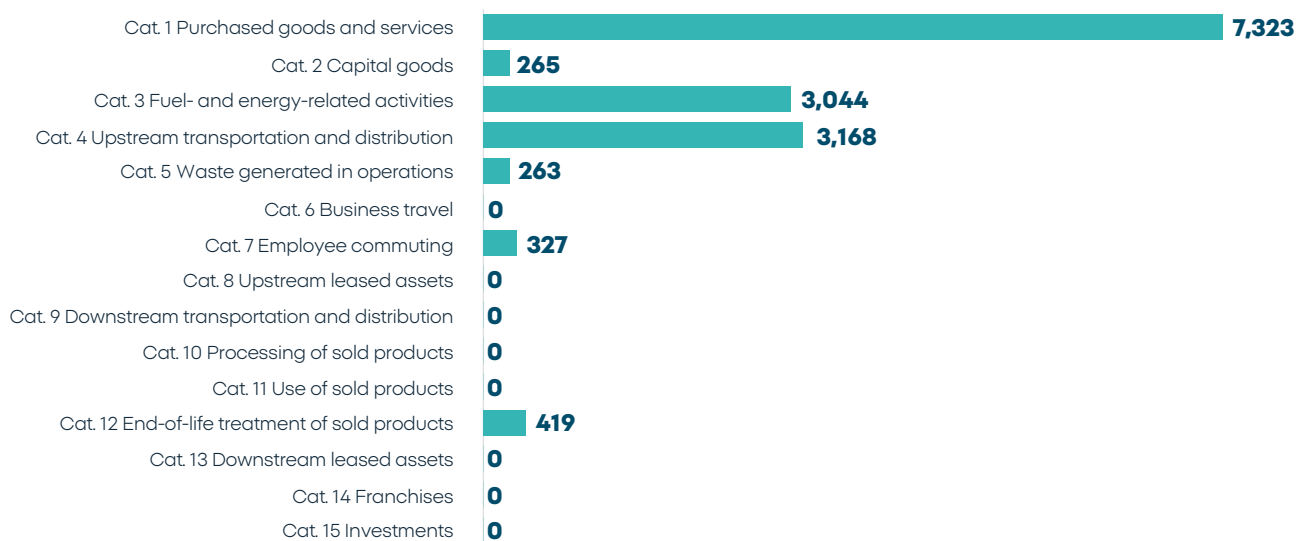
Scope 3 indirect emissions generated in the Silicates segment are most significantly influenced by categories: 10, 4, 3, responsible for 98% of emissions, the next two categories generate approximately 2% of emissions. There are no emissions in seven categories (categories: 5, 8, 9, 11, 12, 14, 15).

## PACKAGING SEGMENT

Carbon dioxide emissions in the Packaging segment divided into categories from Scope 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]



Scope 3 emissions in the Packaging segment divided into 15 categories [CO<sub>2</sub> tonnes equiv]





### Carbon dioxide emissions divided into categories from Scope 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]

Packaging Segment - QEMETICA Glass	2019	2020	2021	2022	2023
<b>Scope 1 - direct emissions, including:</b>	<b>13,874</b>	<b>13,740</b>	<b>14,019</b>	<b>13,846</b>	<b>13,703</b>
From electricity and heat production	10,749	10,899	11,152	11,494	11,564
From production processes	3,124	2,841	2,867	2,352	2,101
From fuels for means of transport	n/a	n/a	n/a	n/a	37
<b>Scope 2 - indirect emissions, including</b>	<b>6,364</b>	<b>3,549</b>	<b>3,676</b>	<b>3,790</b>	<b>4,050</b>
From purchased electricity	6,364	3,549	3,676	3,790	4,050
<b>Scope 3 - indirect emissions (other)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>13,203</b>	<b>14,809</b>
<b>Total - Scopes 1 &amp; 2</b>	<b>20,237</b>	<b>17,290</b>	<b>17,695</b>	<b>17,637</b>	<b>17,752</b>
<b>Total - Scopes 1 &amp; 2 &amp; 3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>30,839</b>	<b>32,561</b>

## QEMETICA Glass

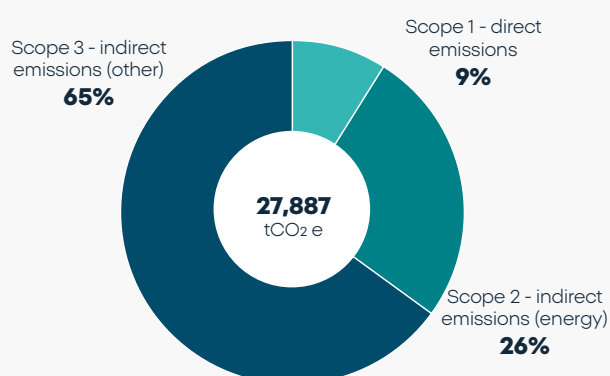
As part of direct emissions, CO<sub>2</sub> emissions from gas used to generate thermal energy in a glass furnace are reported - "From electricity and heat production" category, and CO<sub>2</sub> emissions resulting from the combustion of raw materials (soda ash, limestone flour) - "From production processes" category. Direct emissions also arise from the combustion of fuels in means of transport. The vast majority of these emissions are settled within the EU ETS. Additionally, the calculation included small amounts of CO<sub>2</sub> emissions generated from the gas boiler in Łłowa, which are not covered by the EU ETS.

The emission index published by the energy supplier was used to calculate indirect Scope 2 CO<sub>2</sub> emissions resulting from the consumption of electricity purchased from third parties.

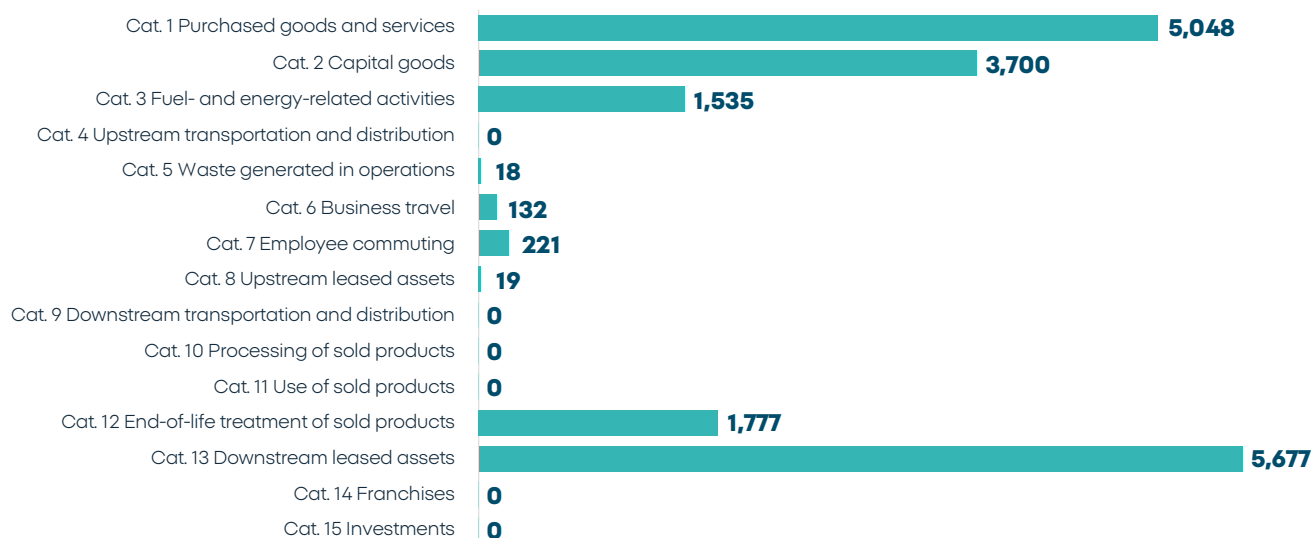
The following categories have the most significant impact on Scope 3 indirect emissions generated in the Packaging segment: 1, 4, 3, which account for 91% of emissions, while the next four categories generate approximately 9% of emissions. There are no emissions in eight categories (categories: 6, 8 - 11, 13 - 15).

## OTHER AND CORPORATE FUNCTIONS SEGMENT

Carbon dioxide emissions in the Other and corporate functions segment divided into categories from Scope 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]



Scope 3 emissions in the Other and corporate functions segment divided into 15 categories [CO<sub>2</sub> tonnes equiv]



### Carbon dioxide emissions divided into categories from Scope 1, 2 and 3 [CO<sub>2</sub> tonnes equiv]

Other and corporate functions segment	2019	2020	2021	2022	2023
<b>Scope 1 - direct emissions, including:</b>	<b>2,715</b>	<b>3,049</b>	<b>3,411</b>	<b>3,907</b>	<b>2,448</b>
From electricity and heat production	n/a	n/a	n/a	n/a	n/a
From production processes	2,715	3,049	3,411	3,907	2,448
From fuels for means of transport	7,822	6,542	6,368	8,200	7,313
<b>Scope 2 - indirect emissions, including</b>	<b>7,822</b>	<b>6,542</b>	<b>6,368</b>	<b>8,200</b>	<b>7,313</b>
From purchased electricity	n/a	n/a	n/a	n/a	n/a
From purchased heat	n/a	n/a	n/a	n/a	n/a
<b>Scope 3 - indirect emissions (other)</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>12,664</b>	<b>18,127</b>
<b>Total - Scopes 1 &amp; 2</b>	<b>10,537</b>	<b>9,591</b>	<b>9,779</b>	<b>12,107</b>	<b>9,760</b>
<b>Total - Scopes 1 &amp; 2 &amp; 3</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>24,771</b>	<b>27,887</b>

This section presents emissions generated by other companies of the QEMETICA Group. Direct CO<sub>2</sub> emissions within the Other segment are generated mainly by QEMETICA Cargo and are related to fuel used for diesel locomotives and fuel burned by other means of transport. Direct emissions also include emissions related to fuel combustion by fleet cars used in the following companies: QEMETICA S.A., QEMETICA Global Solutions, QEMETICA Serwis.

Scope 2 indirect emissions are related to the purchase of electricity for the needs of a fleet of electric locomotives; their calculation using the market-based method was based on the indicator published by the energy supplier.

The indirect Scope 3 emissions generated in the Other segment are most significantly influenced by categories: 13, 1, 2, which account for 80% of emissions, while the next two categories generate approximately 18% of emissions. There are no emissions in six categories (categories: 4, 9 - 11, 14, 15).



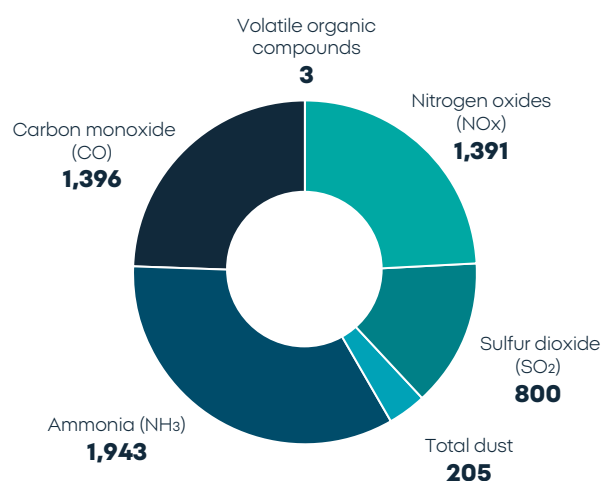


# Air quality

GRI 305-7

Reducing greenhouse gas emissions and other gases and dust into the air is one of our key goals in the area of environmental protection. Striving to improve this aspect, we streamline our processes and look for new technological solutions to reduce air emissions.

**The emission of selected compounds into the air [Mg] in 2023 (except carbon dioxide):**



In order to reduce air emissions, our installations are equipped with various atmospheric protection devices with high pollution reduction efficiency. These devices include:

- wet dust collectors (efficiency of 85.5%),
- cyclones and scrubbers (efficiency of 99%),
- multi-cyclones (efficiency of 95%),
- bag filters (efficiency of 95% - 99.9%).

Measurements of air emissions in the QEMETICA Group are carried out in accordance with applicable regulations and permits held. Gas and dust emissions are monitored through installed continuous monitoring systems (thermal power plants) and through periodic measurements at other emitters. Additionally, modern measurement systems have been installed on emitters, especially those related to the Soda segment, which allows emissions to be monitored with greater accuracy and precision.

Having invested in solutions to increase the efficiency of sodium dust capture in previous years, we continue to strive for improvement in this aspect. In 2023, a com-

prehensive dust audit at the QEMETICA Soda Polska plant in Inowrocław, conducted by an external entity, was completed, including an analysis of organised and unorganised dust emissions at the plant. As a result of the audit, critical areas of unorganised and organised emissions were identified, which we can improve in the future. Within these areas, solutions limiting the spread of dust into the air have been proposed, which will be subject to further economic analysis.

	2019	2020	2021	2022	2023
Nitrogen oxides (NO <sub>x</sub> )	1,988	1,771	1,785	2,160	1,391
Sulphur dioxide (SO <sub>2</sub> )	1,655	1,085	891	944	800
Total dust	251	176	169	370	205
Ammonia (NH <sub>3</sub> )	4,451	2,130	2,253	4,811	1,943
Carbon oxide (CO)	9,867	6,699	1,590	1,552	1,396
Volatile organic compounds (VOC)	46	46	9	11	3
<b>Total</b>	<b>18,258</b>	<b>11,907</b>	<b>6,698</b>	<b>9,846</b>	<b>5,737</b>

Reducing air pollutant emissions also applies to transport. In order to reduce emissions into the atmosphere in the activities of QEMETICA Cargo, in 2023 the company leased two electric locomotives with a Gama type access module, which replaced the diesel locomotive. The use of electric locomotives resulted in a reduction in fuel consumption (eco-driving) by 25,474 litres compared to 2022, and thus a reduction in air emissions. Thanks to the introduced change, the failure rate of locomotives also decreased, leading to an increase in their availability by 38% compared to 2022.

In the QEMETICA Group, we also popularise ecomobility - we have ten electric cars and our own network of charging points. Due to the diverse location of our production plants, many employees travel by car. Therefore, we created an "electric bridge" along the line: Warsaw - Inowrocław - Bydgoszcz, and at the end of the year Nowa Sarzyna, Żary and Iłowa also joined in. Thanks to this solution, our electric fleet travelled a total of 55,000 km in 2023 without using any petrol.

QEMETICA meets the highest standards for managing the company's vehicle fleet in terms of reducing negative environmental impacts while ensuring the highest level of safety for employees. In 2023 the use of manual car washes helped us save 1 045 670 litres of water and 11 687 kg of CO<sub>2</sub>.



LEGAL ENVIRONMENT:

The Industrial Emissions Directive (IED) is one of the key instruments of EU law that regulates air pollution (mainly in terms of emissions of nitrogen oxides, sulphur oxides and dust). Due to the need to adapt national regulations to the requirements of the directive, entities required to have an integrated permit are obliged to meet more stringent emission standards for dust emissions (20-25 mg/Nm³), sulphur oxides (200-250 mg/Nm³) and nitrogen oxides (200 mg/Nm³) for large combustion plants (LCP). In turn, as of 18 August 2021, new very restrictive emission levels for large combustion plants will apply, resulting from the new BAT Conclusions for LCP. The new emission levels are: for dust (15-20 mg/Nm³), sulphur oxides (130-200 mg/Nm³) and nitrogen oxides (150-180 mg/Nm³). Moreover, for sources with a nominal power above 300 MW, continuous measurement of mercury emissions should be carried out.

In 2022, the European Commission published an application proposing a draft amendment to the IED Directive, which was to be a response to the implementation of the European Green Deal strategy and achieving the goal of climate neutrality by 2050 by reducing pollution. In March 2024, the European Parliament adopted an agreement on industrial emissions. The next hurdle will be the implementation of EU regulations into national legislations. Meeting the new reduction targets will be a challenge facing European industry.

The BREF LVIC (Large Volume Inorganic Chemicals) requirements are also being revised, which cover, among others, soda and glassy silicate/water glass production processes. The planned completion of the revision is 2027. The QEMETICA Group actively participates in the BREF LVIC revision process.

Energy sector

GRI 302-1; GRI 302-4



6,159,907 MWh

Energy produced and purchased in 2023



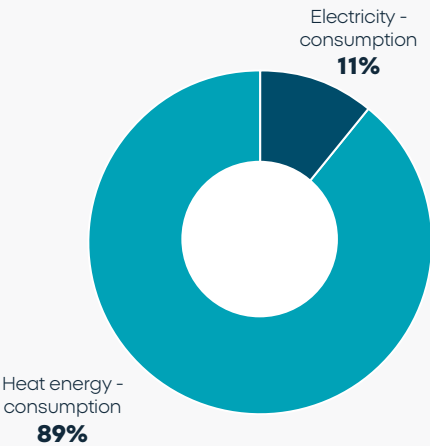
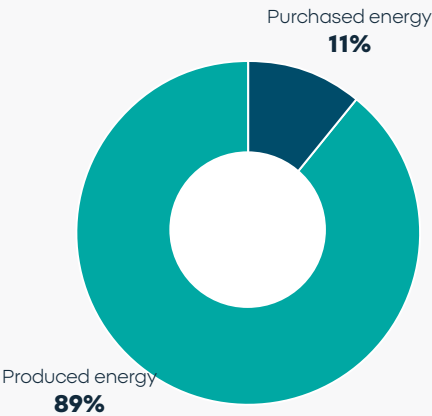
495,399 MWh

Energy sales in 2023



5,664,508 MWh

Energy consumption in 2023



## ENERGY ASSETS OF THE QEMETICA GROUP

The QEMETICA Group has its own energy assets, which were located in the Soda segment due to technological connections. Production plants in the Soda segment are the main recipient of the energy produced due to the high energy consumption of production processes. Two of the QEMETICA Group's heat and power plants are located in Poland, and one in Stassfurt. Operationally, the heat and power plant installations are part of the technological process carried out as part of the production of soda and salt.

### SODA SEGMENT

#### QEMETICA SODA POLSKA (INOWROCŁAW AND JANIKOWO)

The Inowrocław CHP plant with a total thermal power of 356 MWt is equipped with four steam boilers feeding three back-pressure turbine sets (TPP) with steam with a total generator power of 37.4 MWe. The heat produced in cogeneration comes from the combustion of hard coal.

The Janikowo CHP plant with a total achievable thermal power of 405.55 MWt is equipped with five steam boilers feeding steam to five back-pressure turbine sets (TPP) with a total generator power of 56.0 MWe. The heat produced in cogeneration comes from the combustion of hard coal.

The coal-fired heat and power plants of QEMETICA Soda Polska meet environmental requirements (IED directive) thanks to the operation of the flue gas desulfurization and denitrification installations.

Moreover, QEMETICA Soda Polska, as an energy company, in addition to its energy activities consisting in the production of electricity and heat, also serves as a distribution system operator (OSD) on its own network.

#### QEMETICA ENERGY DEUTSCHLAND (STASSFURT)

The Stassfurt CHP plant, with a total thermal power of 553 MWt, is equipped with two gas turbines with recovery boilers and two gas boilers, and powers one back-pressure turbine set (TPP). The total installed capacity of generators is 134 MWe. The heat produced in cogeneration comes from the combustion of natural gas.

The QEMETICA Energy Deutschland heat and power plant is fired with natural gas and meets environmental requirements (IED directive) without the need to build additional flue gas treatment installations.

#### OTHER

In 2023, we installed photovoltaic panels at QEMETICA Soda Romania.

At the end of 2023, photovoltaic panels were already installed in 6 companies of the Group.

## EXTERNAL SOURCES OF PURCHASING ELECTRICITY AND HEAT ENERGY

#### QEMETICA SODA DEUTSCHLAND & QEMETICA ENERGY DEUTSCHLAND (STASSFURT)

For the production of soda in Germany, thermal energy and electricity supplied from the REMONDIS Thermische Abfallverwertung GmbH waste thermal processing installation located nearby are used. In 2023, the QEMETICA Group obtained 444 GWh of heat and electricity from this source.

#### QEMETICA SODA ROMANIA (GOVORA)

The soda plant in Romania is currently in hibernation. Until production was discontinued, it used technological steam produced in the assets of CET Govora, which uses lignite as fuel.

#### QEMETICA AGRICULTURAL SOLUTIONS POLAND (NOWA SARZYNA)

The Agro segment production plant located in Nowa Sarzyna obtains heat energy from the modern Nowa Sarzyna Heat and Power Plant (not related to the QEMETICA Group) located nearby, using natural gas. Since 2021, heat energy has been purchased through LERG S.A.

#### OTHER

In other cases, the source of electricity is in most cases a seller selected in a tender or having a natural monopoly (traction energy), and in the case of heat energy - local (network) suppliers).

## ELECTRICITY ORIGIN GUARANTEES

Guarantees of origin of electricity generated from renewable energy sources are a document certifying the end user who purchases them that the amount of electricity specified in this document introduced into the distribution network or transmission network comes from renewable energy sources (RES).

In 2023, as part of the renewable energy guarantee of origin (GoO) system, certificates were obtained for QEMETICA Silicates - a certificate of origin for 1,510 MWh of electricity from renewable sources, which helped avoid emissions of approx. 1 tonne of CO<sub>2</sub>.

## ELECTRICITY AND THERMAL ENERGY SALES

The Soda segment also conducts activities involving the sale and resale of electricity and heat to third parties.

Electricity is sold primarily by QEMETICA Energy Deutschland, which manages the combined heat and power plant in Stassfurt. The vast majority of electricity produced there goes to external customers.

Thermal energy is sold both by the German companies QEMETICA Energy Deutschland, QEMETICA Soda Deutschland and the Polish company QEMETICA Soda Polska, where the heat and power plants in Inowrocław and Janikowo are located.

Some companies from other segments resell small amounts of electricity and/or heat to external entities.

## ELECTRICITY

### QEMETICA GROUP – ELECTRICITY [MWH]

Electricity [MWh]	2019	2020	2021	2022	2023
Produced	1,029,348	1,053,020	1,036,927	891,765	731,310
Purchased from third parties	472,505	360,478	415,075	389,010	336,424
Sold outside the QEMETICA Group	688,115	717,896	729,598	530,656	401,625
<b>Consumption for own needs</b>	<b>813,738</b>	<b>695,602</b>	<b>722,404</b>	<b>750,118</b>	<b>666,110</b>

### QEMETICA SODA POLSKA – ELECTRICITY [MWH]

Electricity [MWh]	2019	2020	2021	2022	2023
Produced	331,194	316,374	334,168	348,574	269,442
Purchased from third parties	213,038	186,016	184,690	180,600	190,223
Sold outside the QEMETICA Group	18,038	17,260	18,109	15,540	14,200
<b>Consumption for own needs</b>	<b>526,194</b>	<b>485,130</b>	<b>500,748</b>	<b>513,633</b>	<b>445,465</b>

### QEMETICA SODA DEUTSCHLAND & QEMETICA ENERGY DEUTSCHLAND – ELECTRICITY [MWH]

Electricity [MWh]	2019	2020	2021	2022	2023
Produced	698,154	736,646	702,759	543,073	461,336
Purchased from third parties	126,863	118,403	167,207	156,582	103,897
Sold outside the QEMETICA Group	663,192	687,326	696,104	502,718	383,506
<b>Consumption for own needs</b>	<b>161,824</b>	<b>167,723</b>	<b>173,862</b>	<b>196,937</b>	<b>181,727</b>

## THERMAL ENERGY

### QEMETICA GROUP – THERMAL ENERGY [MWH]

Thermal energy [MWh]	2019	2020	2021	2022	2023
Produced	5,621,706	5,391,005	5,635,899	5,698,235	4,722,613
Purchased from third parties	1,329,926	344,982	355,057	357,144	369,560
Sold outside the QEMETICA Group	107,695	99,739	107,773	105,617	93,774
<b>Consumption for own needs</b>	<b>6,843,937</b>	<b>5,636,248</b>	<b>5,883,184</b>	<b>5,949,763</b>	<b>4,998,398</b>

### QEMETICA SODA POLSKA – THERMAL ENERGY [MWH]

Thermal energy [MWh]	2019	2020	2021	2022	2023
Produced	4,364,556	4,085,081	4,320,164	4,391,414	3,585,607
Purchased from third parties	0	0	0	0	0
Sold outside the QEMETICA Group	44,723	43,108	47,368	42,604	40,709
<b>Consumption for own needs</b>	<b>4,319,833</b>	<b>4,041,974</b>	<b>4,272,796</b>	<b>4,348,809</b>	<b>3,544,898</b>

### QEMETICA SODA DEUTSCHLAND& QEMETICA ENERGY DEUTSCHLAND – THERMAL ENERGY [MWH]

Thermal energy [MWh]	2019	2020	2021	2022	2023
Produced	1,254,135	1,301,686	1,297,464	1,286,096	1,121,706
Purchased from third parties	342,076	325,587	334,789	342,269	357,681
Sold outside the QEMETICA Group	58,459	56,631	60,404	63,012	53,065
<b>Consumption for own needs</b>	<b>1,537,752</b>	<b>1,570,641</b>	<b>1,571,848</b>	<b>1,565,354</b>	<b>1,426,321</b>

## ENERGY AREA MANAGEMENT

As part of energy management in the QEMETICA Group companies, the following areas are supervised:

- energy law - analysis of energy laws and regulations that affect business activities,
- energy and power market - analysing and ongoing monitoring of the energy and capacity markets and purchasing electricity for Group companies,
- tariffs and licences - handling matters related to the approval of tariffs for electricity and heat and the implementation of the tasks of the Distribution System Operator (DSO) for electricity,
- strategy – participation in the development and implementation of the energy strategy in the QEMETICA Group,
- supervision - supervision over the effective functioning of the energy sector, including participation in the analysis of current and future costs of energy, energy assets and their optimisation (maintaining continuity of energy supplies, reducing the carbon footprint and adapting to changing legal regulations),
- energy efficiency - representing the company before the Energy Regulatory Office regarding submitted applications for issuing energy efficiency certificates,
- representation - cooperation with institutions, offices, industry chambers and energy suppliers and consumers.



## ENERGY PRODUCED BY CATEGORY

	2019		2020		2021		2022		2023	
	[MWH]	[GJ]	[MWH]	[GJ]	[MWH]	[GJ]	[MWH]	[GJ]	[MWH]	[GJ]
Coal	4,695,749	16,904,697	4,401,456	15,845,240	4,654,332	16,755,596	4,739,988	17,063,955	3,855,049	13,878,178
Gas	1,955,304	7,039,094	2,042,569	7,353,248	2,018,493	7,266,575	1,849,923	6,659,724	1,598,700	5,755,322
RES	1	3	0	0	0	0	89	320	173	623
<b>Total</b>	<b>6,651,054</b>	<b>23,943,794</b>	<b>6,444,025</b>	<b>23,198,488</b>	<b>6,672,825</b>	<b>24,022,171</b>	<b>6,590,000</b>	<b>23,723,999</b>	<b>5,453,923</b>	<b>19,634,123</b>

## CONSUMPTION OF ENERGY BY TYPE

	2019		2020		2021		2022		2023	
	[MWH]	[GJ]	[MWH]	[GJ]	[MWH]	[GJ]	[MWH]	[GJ]	[MWH]	[GJ]
Electricity	813,738	2,929,455	695,602	2,504,168	722,404	2,600,654	750,118	2,700,426	666,110	2,397,996
Thermal energy	6,843,937	24,638,173	5,636,248	20,290,492	5,883,184	21,179,461	5,949,763	21,419,147	4,998,398	17,994,233
<b>Total</b>	<b>7,657,675</b>	<b>27,567,629</b>	<b>6,331,850</b>	<b>22,794,660</b>	<b>6,605,587</b>	<b>23,780,115</b>	<b>6,699,881</b>	<b>24,119,573</b>	<b>5,664,508</b>	<b>20,392,228</b>

## ENERGY EFFICIENCY

An important element of the activities of the QEMETICA Group companies is continuous enhancement and improvement of energy efficiency. Pursuant to the Energy Efficiency Act, a mandatory energy efficiency audit of the enterprise is performed in QEMETICA Soda Polska, QEMETICA Glass and QEMETICA Silicates every 4 years (last one carried out in 2021). Additionally, for projects implemented to improve energy efficiency, applications are submitted to the Energy Regulatory Office (URE) for the issuance of so-called energy efficiency certificates. White certificates traded on the Polish Power Exchange (TGE). In 2023, Group companies sold energy efficiency certificates in a total amount of 7,515 toe on the Polish Power Exchange (including 7,153 toe related to tasks carried out as part of the energy transformation). Sales revenue amounted to approximately PLN 15.6 million. At the end of 2023, there were no White Certificates remaining on the QEMETICA Soda Polska account.

White certificates sold [toe]	
Heat recovery in Inowrocław	4,717
Modernisation and replacement of industrial insulation in Janikowo	886
Modernisation and replacement of industrial insulation in Inowrocław	784
Modernisation of industrial insulation in Inowrocław (cooler)	604
Modernisation of DS4 units in Janikowo	162
<b>Total</b>	<b>7,153</b>

The unit of value of a white certificate is toe - tonne of oil equivalent, 1 toe = 41.868 GJ.

The efficiency improvement program plays an important role in the QEMETICA Group's strategic assumptions for the coming years. The table below presents a list of applications submitted to the Energy Regulatory Office in 2023, which includes tasks in progress.

White certificates requested [toe]	2023
Heat recovery in calcination	10,584
Distillation fluid for lime slaking	6,073
Heat recovery in calcination	3,354
Heating the filter liquor with circulating water	1,439
Construction of the new TS9 compressor in Janikowo	1 169
Drying the bicarbonate cake	1,015
Heat recovery from the dryer	981
Vacuum pump modernisation	124
<b>Total</b>	<b>24,739</b>

Further initiatives to improve energy efficiency, for which white certificates can be obtained, are under analysis.

Pursuant to the Renewable Energy Act, two companies of the QEMETICA Group are included in the category of energy-intensive enterprises. For this reason, in 2023 they received support resulting from the reduced obligation to share energy from renewable energy sources. For QEMETICA Soda Polska, the renewable energy obligation was reduced to 60%, and for QEMETICA Silicates to 80%, in the total amount of PLN 3.45 million.

Moreover, QEMETICA Soda Polska obtained aid for

energy-intensive sectors related to sudden increases in the prices of natural gas and electricity in the amount of PLN 18.7 million.

Pursuant to article 15 of the Energy Efficiency Act, QEMETICA Soda Polska, as an enterprise consuming over 100 GWh (over 500 GWh), settles accounts with the energy seller for the obligation to provide electricity with white certificates. Settlement is made by sending a declaration on the implementation of the task showing savings of 5,803 toe, i.e. approx. 67,490 MWh. Confirmation of the energy efficiency audit is submitted together with the declaration. There are 4,662 toe remaining in the register of QEMETICA Soda Polska. For 2023, another declaration will be issued for approx. 227 toe (the register will be reduced by this value), corresponding to savings of PLN 0.5 million in energy purchase costs due to the 1.5% share of white certificates in the energy mix.

Additionally, in 2023, in accordance with the Act on the compensation system for energy-intensive sectors and subsectors, QEMETICA Soda Polska and QEMETICA Silicates obtained receipts worth a total of PLN 36.1 million related to the settlement of 2022. In order to fulfil the obligation imposed by the Act on the compensation system, at QEMETICA Soda Polska, the tasks listed in the enterprise's energy efficiency audit were completed, while at QEMETICA Silicates, guarantees of origin in the amount of 1,510 MWh were purchased for PLN 17,000, corresponding to at least 30% of the electricity consumed covered by the compensation.



**In 2023, we saved PLN 82 million due to unrealised energy purchase costs and additional revenues as a result of implementing tasks to improve energy efficiency.**

## Water resources and sewage management

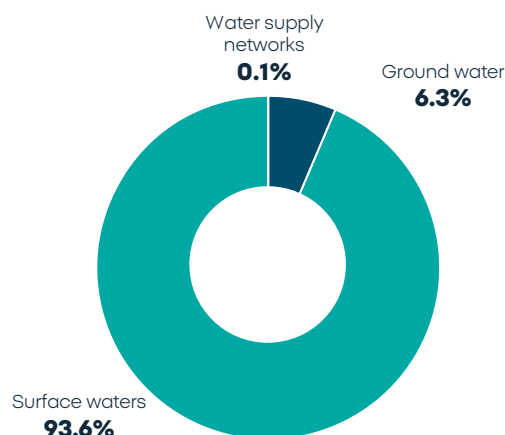
GRI 303-1; GRI 303-2, GRI 303-3, GRI 303-4



Total water intake in 2023

**35,754,889 m<sup>3</sup>**

**QEMETICA Group – Total water intake in 2023, broken down by category [m<sup>3</sup>]**



The goal of the QEMETICA Group is to continuously improve our operations so that water and sewage management is managed in an optimised and sustainable manner. The QEMETICA Group companies are obliged to use water resources in a responsible manner, thereby reducing the impact of our activities on water resources and the environment.

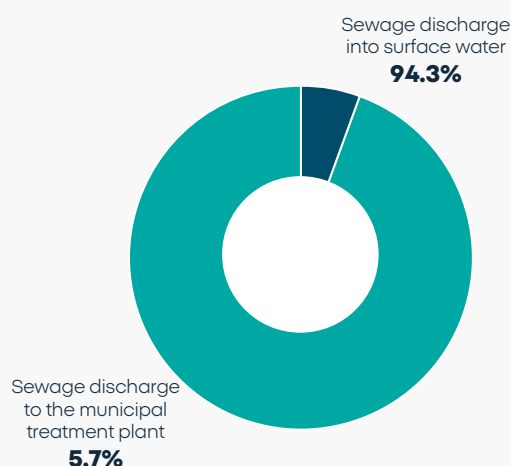
For the needs of production processes, the QEMETICA Group companies use water collected from both natural sources and municipal water systems. Water from natural sources is used for production, social and living, cooling and energy purposes. In order to limit its consumption, plants operate closed water circuits, which is consistent with the implementation of the assumptions of a closed-circular economy. Increasing water circulation in the technological cycle is aimed at reducing water consumption from natural sources.



Total sewage discharge in 2023

**34,272,871 m<sup>3</sup>**

#### QEMETICA Group – Total wastewater discharge in 2023, broken down by category [m3]



In order to improve the quality of wastewater and the sustainable use of natural resources, the following actions, among others, were taken last year:

- a comprehensive analysis of the water and sewage management in Inowrocław and Janikowo was carried out;
- new wells were constructed on the eastern barrier in Inowrocław in order to prevent the ingress of sa-

line leachate from the ponds into the surrounding areas and to improve the quality of groundwater on the eastern side of the ponds;

- the consumption of demineralised water was reduced by approximately 20 t/h in Inowrocław;
- modernisation of filter presses in Inowrocław was carried out;
- the Central Sanitary Sewage Pumping Station in Inowrocław was reconstructed;
- two sewage outlets located on the left bank of the Vistula River were cleaned of calcium carbonate deposits.

QEMETICA Soda Deutschland carries out activities aimed at reducing ammonia consumption which has an impact on wastewater quality. Initiatives implemented in 2022-2024 allowed for a 53% reduction in its consumption. The following action was taken:

- installing sewage recirculation to prevent the outflow of wastewater with high ammonia content;
- increasing the temperature of the heat exchanger after the distillation condensate;
- adding quicklime to increase the conversion of NH<sub>3</sub> into pre-lime;
- adjustment of trays in distillation columns to increase the amount of reacted ammonia;
- installing advanced process control (APC) to optimise steam and limewater control.

#### QEMETICA Group – Total water intake in 2019-2023 by category [m3]

QEMETICA Group	2019	2020	2021	2022	2023
Surface water	41,721,743	31,905,286	31,892,815	33,666,130	33,471,516
Groundwater	2,931,806	2,523,176	2,443,404	2,264,075	2,252,525
Water supply networks	36,888	27,078	35,493	30,011	30,848
<b>Total water intake</b>	<b>44,690,437</b>	<b>34,455,540</b>	<b>34,371,712</b>	<b>35,960,216</b>	<b>35,754,889</b>

Figures for 2023 do not include QEMETICA Salz

#### QEMETICA Group – Total wastewater discharge in 2019-2023 by category [m3]

QEMETICA Group	2019	2020	2021	2022	2023
Discharge of sewage into water	42,917,646	34,133,155	33,780,598	33,701,753	32,333,898
Discharge of sewage to a municipal treatment plant	1,314,668	1,619,433	1,902,573	1,937,190	1,938,973
<b>Total wastewater discharge</b>	<b>44,232,314</b>	<b>35,752,588</b>	<b>35,683,171</b>	<b>35,638,943</b>	<b>34,272,871</b>

Figures for 2023 do not include QEMETICA Salz

### CDP – Water Security score improvement

Thanks to the transformation towards sustainable development, we have improved our rating in the global Carbon Disclosure Project (CDP) ranking, one of the most prestigious and credible in the field of ESG. The QEMETICA Group's rating in the "Water security" category, referring to reducing the risk and taking advantage of opportunities related to water management, has improved by one level - to level C. Thanks to this, we are currently at the level of the average rating in the industry and in Europe. Our progress in the global ranking is the result of the collaborative efforts of many teams and improved standards for collecting and reporting qualitative data.

The CDP rating results published annually constitute the highest standard of environmental reporting. Participation in the rating is also a confirmation for stakeholders that the entity subject to the assessment treats its impact responsibly and transparently, and sustainable development is an integral part of its business strategy.

The rating is the results of a cross-sectional assessment on many levels, from reported data on water consumption and sewage discharge, to risk assessment, implemented policies and business strategy.



CDP SCORE

C

## Waste and hazardous materials

GRI 306-1, GRI 306-2, GRI 306-3



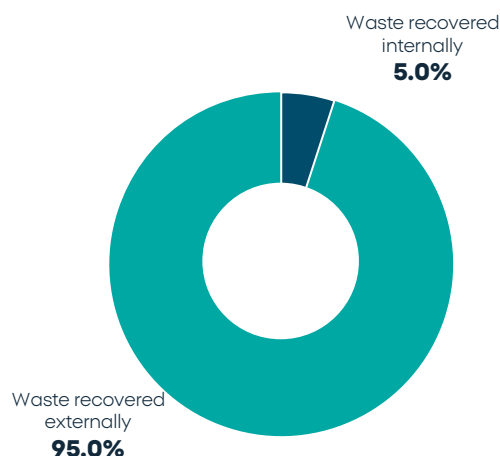
Total amount of waste in 2023

**427,500 tonnes**



Recycled waste

**402,708 tonnes**



**In 2023, the Packaging segment achieved its strategic goal of increasing the share of recycled glass cullet to 60% (the goal was achieved a year earlier than declared in the ESG strategy).**

Due to dynamically changing obligations and regulations in the field of waste management, we constantly adapt to changes in the formal and legal environment and strive to reduce the amount of waste generated, as well as to sustainably manage waste and raw materials. The QEMETICA Group produces waste, the main source of which is production processes in individual plants. Waste management is carried out in accordance with the permits and administrative decisions held.



All QEMETICA Group companies that are subject to the registration obligation in the database on products and packaging and waste management (BDO) have appropriate registrations. Our companies maintain current quantitative and qualitative waste records.

We also make every effort to ensure that entities cooperating with us in the field of waste management are guided by the same values as the QEMETICA Group, conducting their activities responsibly and with care for the environment. The selection of entities collecting and managing waste generated in the QEMETICA Group companies is preceded by a detailed analysis of current permits and administrative decisions.

**At the beginning of 2024, the Agro segment joined the RafCycle® programme run by UPM Raflatac, the aim of which is the chemical recycling of label linings - this action is consistent with the idea of a circular economy. We estimate that in this way we will manage approximately 6 tonnes of multi-material waste annually, which cannot be recycled and is sent for thermal recovery.**

The QEMETICA Group implements the assumptions of circular economy, using part of the waste it generates as secondary raw materials or materials for the recultivation of areas transformed by human economic activity. Some of the waste we generate is secondary raw materials for other industries, for example, our waste is used in the production of cement and clinker, which allows us to reduce the use of natural aggregates and emissions into the environment. In order to find further opportunities and areas for improvement in waste management, we have launched the Sustainable Waste Management project in 2023. The aim of the project is to verify the types and quantities of waste generated in the QEMETICA Group and to map the possibilities of using solutions that could result in reducing the amount of waste generated, returning it to the process or transferring it for further management. This will allow you to give waste a "second life" and implement good practices in the area of waste management. The project is also intended to verify the possibility of comprehensive implementation of a rational circular economy.

For the entire QEMETICA Group, we have set a reduction goal of reducing the amount of generated packaging waste by 20% by 2025 compared to 2019. In 2023,

we started the Sustainable Waste Management project, under which we introduce tools and training in areas, emphasising the proper segregation of waste, including waste considered as secondary raw materials and searching for new recipients and methods of managing the generated post-production waste. For this purpose, the QEMETICA Group conducts research and development work.

In 2023, at the QEMETICA Agricultural Solutions plant in Sarzyna, we introduced prints on cardboard boxes instead of glued labels and changed the stretch film to a reinforced one, which allowed us to reduce the size of packaging introduced to the market. Changing the type of wrapping foil contributed to a reduction by approximately 45% of the type of packaging used for products with a capacity of 5 dm<sup>3</sup> and 10 dm<sup>3</sup> and approx. 42% for finished products with a capacity of 1 dm<sup>3</sup> (reductions refer to the amounts that were used before the modifications were introduced).

In the area of packaging and packaging waste management, we expect the introduction of a number of regulations at the national and EU level. In Poland, we are waiting for an act implementing the "Extended Producer Responsibility" (ROP), which, among others, will determine the percentage level of recycled raw materials content in packaging. At the European Union level, the most important change in this area will be the implementation of the regulation on packaging and packaging waste. The regulation aims to reduce the consumption of primary raw materials, increase the share of reusable packaging and implement solutions consistent with the idea of sustainable development.

The direction of activities in the area of packaging in the QEMETICA Group for 2024 is primarily to reduce the amount of packaging introduced to the market with the product - both by reducing the basis weight of transport packaging in the Agro segment, as well as by increasing the share of using packaging or raw materials for their production from the secondary packaging market in the Packaging and Soda segments, verification of the possibility of using reusable packaging in the Soda segment as well as deposit or returnable packaging.

## QEMETICA Group - Total amount of waste in 2019-2023, broken down by category [tonnes]

QEMETICA Group	2019	2020	2021	2022	2023
Hazardous waste	833	589	366	183	259
Non-hazardous waste (excluding municipal waste)	1,049,671	512,442	523,569	528,870	425,750
Municipal waste	n/a	n/a	n/a	n/a	1,491
<b>Total amount</b>	<b>1,050,504</b>	<b>513,031</b>	<b>523,935</b>	<b>529,053</b>	<b>427,500</b>

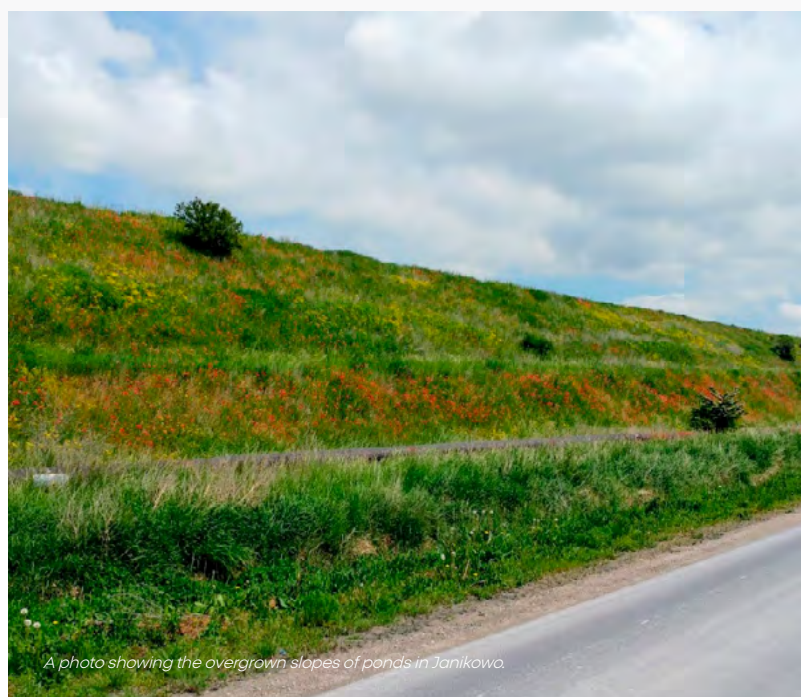
# Restoration of degraded areas and biodiversity improvement

GRI 2-25

**In order to minimise the impact of our operations on the environment, the QEMETICA Group performs a number of reclamation works. Reclamation is a process of restoring utility and natural values to areas that have been transformed as a result of human economic activity or by natural factors.**

In recent years, we have carried out reclamation works on landfills where, in the past, e.g. distillation sludge was stored.

Based on the administrative decisions, the works are carried out in accordance with the assumptions of the schedule, in which the sequence of activities related to the technical closure of the pond with a technical mixture, and then biological reclamation with the use of an agrotechnical mixture, plays an important role. The area prepared in this way is finally left for self-cleaning by natural succession.



*A photo showing the overgrown slopes of ponds in Janikowa.*

## PHASE I - TECHNICAL CLOSING OF THE POND WITH A TECHNICAL MIX.

As part of the formation of the technical layer, ash and slag, ash-slag mixtures and lime 09 produced in one of the QEMETICA Group companies are applied on the surface of the ponds.

## PHASE II - BIOLOGICAL RESTORATION WITH THE USE OF AGROTECHNICAL MIX.

The agrotechnical layer is a mixture of ash and slag maintained in a 2:1 ratio to sewage sludge. Stabilised sewage sludge is collected from the Municipal Sewage Treatment Plant and from the Municipal Water and Sewage Company. The physical and chemical properties of the sewage sludge used are controlled by accredited laboratories in terms of meeting the requirements for their use as part of reclamation works.

**At the end of 2022, in accordance with the schedule resulting from the administrative decision, we completed the landfill recultivation process. Currently, as a result of natural succession, the area is covered with ruderal vegetation and the plan is to sow perennial plants with the ability to quickly and permanently sod.**

In 2023, we also continued other reclamation projects. One of them is a project to restore the area after the post-production sewage retention reservoir. Reclamation is carried out using processed sewage sludge from the municipal biological sewage treatment plant. As a result of the works carried out, a forested post-retention area is to be created in the area subject to recultivation.

Another project continued last year was work on the remediation of historical land pollution. Historical pollution, which in the past escaped from post-production waste storage facilities and sewage spills, and as a result of failures and leaks in the industrial sewage system, is constantly being reduced. The work is carried out using the "in situ" method and involves creating a dynamic barrier against the spread of pollutants outside the plant area, using zoological holes. The estimated completion date of the project is 2035.

## BIODIVERSITY

All QEMETICA Group companies make every effort to ensure that their activities do not negatively impact local biodiversity. If such an impact is identified, minimising or renaturation measures are always taken. Our plants are located outside protected areas.

For investment or modernisation projects, project information sheets or reports on the investment's impact on the environment are prepared as part of the environmental impact assessment procedure in accordance with applicable regulations. The decisions obtained on this basis specifying the environmental conditions for the implementation of the investment are respected, and the requirements regarding the use of solutions limiting the impact on the environment are met.

The QEMETICA Group companies operate on the basis of issued permits, which strictly define the framework for using the environment, including the impact on biodiversity. The conditions of these permits are met through close monitoring of the impact of the plants' activities on individual environmental components.

The Group minimises the impact of water infrastructure on the biodiversity, among others, of rivers and lakes



through the construction of fish passes, stocking fish, cooperation with external entities in the field of ecological education.

In 2023, QEMETICA Soda Polska co-financed the activities of Gospodarstwo Rybackie "Gopło" in Kruszwica relating to the restocking of fishing district number 261 in the area of: Lake Gopło, Gocanowo, Szarlej-Łojewo and the Noteć River, with restocking eels with weight of over 300 kg. The project of stocking the waters of the Oder Basin with European eel fry is being carried out in order to recover its population. The project is in line with the "Eel Management Plan In Poland", developed on the basis of Council Regulation (EC) No 1100/2007. As an endangered species, the European eel has been protected since June 2007 under the Washington Convention (Convention on International Trade in Endangered Species of Wild Fauna and Flora - CITES). As per classification of the International Union for Conservation of Nature (IUCN), it has been classified as a critically endangered species with a high risk of extinction in the wild. Moreover, in 2023 QEMETICA Soda Polska supported the activities of the District Polish Fishing Association in Toruń which consisted in restocking the Lower Vistula water region with stocking material of northern pike. QEMETICA Soda Polska financed the purchase of 1,444,500 pieces of summer pike fry, which were introduced into the Vistula River waters in May 2023.

The mapping of the dragonfly fauna along five sections of the Bode (River) was carried out in 2023, commissioned by QEMETICA Soda Deutschland, using visual observations and drawn tests. At intervals of at least two weeks, seven inspections were carried out for each



selected site in the period between May and September. This task was aimed at verifying the occurrence of dragonfly species in various stages of development, and the obtained results contributed to the nature conservation database of the National Environmental Office of Saxony-Anhalt.

Since 2021, the QEMETICA Agricultural Solutions Poland plant has been implementing the provisions of the Forest Management Plan for 2021-2030 for forests located on the premises of its plant in Nowa Sarzyna, under the permanent management of QEMETICA Agricultural Solutions Poland and owned by the State Treasury. In order to preserve and restore biodiversity – depending on microhabitats and environmental conditions – 10 to 30 percent of the forest area is planned for admixed and biocenotic species (based on the Principles of Forest Husbandry). With a view to improving the biological resistance of tree stands and ensuring their proper development, the following maintenance treatments and breeding cuts were carried out in 2022 - 2023, taking into account the protection of biocenotic admixtures:

- natural renewal on a total area of approx. 21 ha,
- crop care by cultivating the soil and cutting out suckers of undesirable species in an area of approx. 12 ha,
- crop care by chemically protecting seedlings against browsing by animals on an area of approx. 1 ha,
- planning and carrying out thinning in an area of approx. 68 ha,
- planning and carrying out partial felling on a total area of approx. 66 ha.

As part of measures to prevent fire, the mineralised fire zone in the plant's fence was loosened, and bushes, vines and thickets in the fence net were cut down, suckers was combated and cuts were made to clear fire paths. Within the framework of implementing the provisions of the Forest Management Plan, specific forest protection tasks are carried out in order to stop or limit damage resulting from the impact of harmful factors such as:

- abiotic (strong winds, flooding, lowering of ground-water levels),
- biotic (primary and secondary pests, Melolonthinae, crop pests, pathogenic fungi).

In 2022 and 2023, these activities included monitoring tree stands for threats, removing trees inhabited by pests, and cleaning up wood remains after sanitary and breeding cuts. Active dead trees inhabited by the sharp-toothed bark beetle were also cut, and infested trees inhabited by the *Phaenops cyanea* were select-

ed and removed on an ongoing basis. In order to reduce the occurrence of the common pine shoot beetle and other secondary pests, the remains of sanitary and breeding pruning were cleared on a total area of 134.60 ha. The condition of tree stands throughout the forest was continuously monitored and trees damaged by unfavourable weather conditions, such as heavy snow or strong wind, were removed, as well as deadwood and trees infected with pine conk were removed. Preventive or combative actions are carried out as soon as possible after identifying the need for them, with particular emphasis on their degree of urgency and quality. The principle of priority for natural renewal applies to all types of renovation works, including planned plantings.

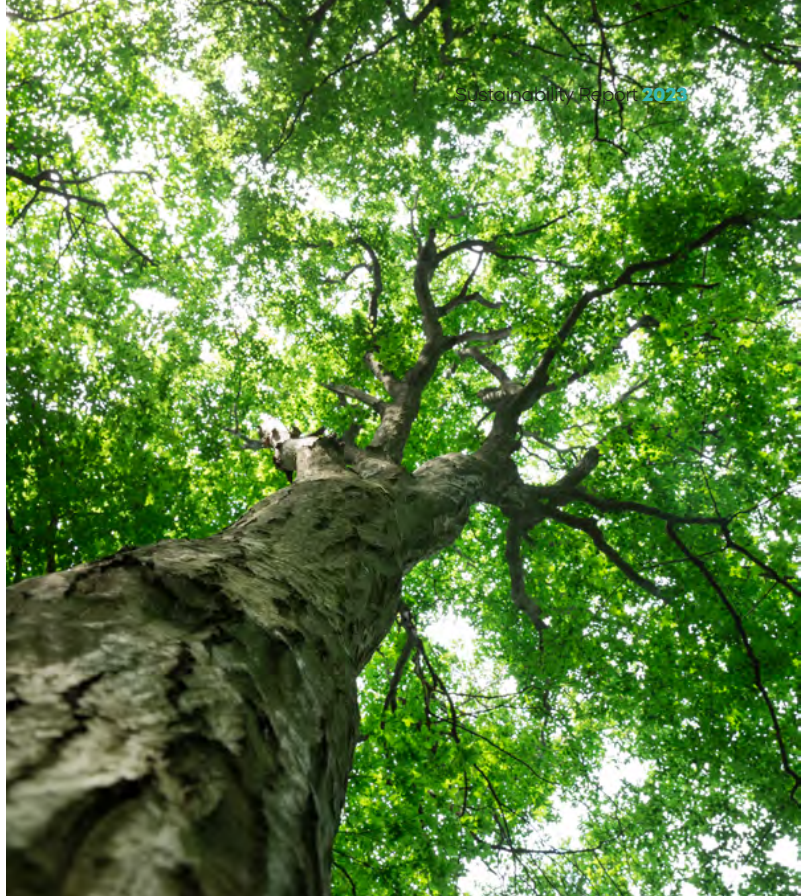
In order to protect forest fauna, the following activities were performed in 2022-2023 in forests managed by the QEMETICA Agricultural Solutions Poland plant:

- water was prepared and replenished in 20 artificial reservoirs to quench the thirst of forest animals during drought,
- 370 nesting boxes were hung to enable bird nesting and breeding,
- licks with fodder salt were placed in 14 points located in the managed area in order to limit damage caused by deer,
- 3 feeders dedicated to feeding deer with concentrated fodder were constructed and fodder was supplemented during the most difficult winter period.



# Legal status of using the environment

The activities of the QEMETICA Group in the field of environmental protection are defined and closely related to a number of legal acts that regulate the requirements and obligations of the activities of individual companies. The QEMETICA Group operate on the basis of currently applicable legal provisions and current permits and administrative decisions regulating the manner and scope of use of the environment. All QEMETICA Group companies operating IPPC installations have obtained integrated permits.



## List of integrated permits held by the QEMETICA Group companies in 2023

Company	Permit for	Validity period
QEMETICA Soda Polska Production Plant in Inowrocław	Integrated permit for installation to manufacture soda and soda derived products	Indefinite
QEMETICA Soda Polska Production Plant in Janikowo	Integrated permit for installation to manufacture soda and soda derived products	Indefinite
QEMETICA Soda Polska Energy Plant in Inowrocław	Integrated permit for heat and power station's installation (4 OP-110 boilers)	Indefinite
QEMETICA Soda Polska Energy Plant in Janikowo	Integrated permit for heat and power station's installation (3 CKTI boilers and 2 OP-140 boilers)	Indefinite
QEMETICA Soda Deutschland	Integrated permit for installations to manufacture light and dense sodium carbonate, and sodium bicarbonate	Indefinite
QEMETICA Energy Deutschland	Integrated permit for the installation of a combined heat and power plant	Indefinite
QEMETICA Soda Romania	Integrated permit for installation to manufacture sodium carbonate	11.09.2024
QEMETICA Agricultural Solutions Poland	Integrated permit for installations to manufacture crop protection products (MCPA i MCPP and esters from the esterification of phenoxyacids)	Indefinite
QEMETICA Silicates Plant in Żary	Integrated permit for installations to manufacture sodium silicate glass and potassium silicate glass	Indefinite
QEMETICA Silicates Plant in Itowa (QEMETICA Glass)	Integrated permit for installations to manufacture water solution of sodium and potassium silicates (water glass), glass packaging and solid sodium silicate (glassy sodium silicate)	Indefinite
QEMETICA Polyurethanes	Integrated permit for installations to manufacture PUR foams	Indefinite

# Corporate Governance

08

QEMETICA®

# Governance structure

GRI 2-9; GRI 2-10; GRI 2-11; GRI 2-12; GRI 2-17; GRI 2-18, GRI 2-19, GRI 2-20

## QEMETICA

### GENERAL MEETING OF SHAREHOLDERS

As per Articles of Association of QEMETICA S.A., powers and authorities of the General Meeting of Shareholders include in particular:

- consideration and approval of the Management Board's report on the Company's activities, the financial statements for the previous financial year, the consolidated financial statements and the report on the activities of the capital group of which the Company is the parent entity, if prepared by the Company, and the annual written report of the Supervisory Board, as well as granting discharge to members of the Company's governing bodies for the performance of their duties;
- adopting resolutions on the distribution of profits or coverage of losses;
- adopting the Regulations of the General Meeting;
- amendments to the Company's Articles of Association;
- change in the scope of the Company's business;
- decision to sell and lease the Company's enterprise or its organised part and establish limited property rights in rem thereon;
- appointing and dismissing, as well as determining the amount of remuneration for, members of the Supervisory Board;
- increasing or decreasing the share capital;
- adopting resolutions regarding the issue of bonds, including bonds convertible into shares;
- merger of the Company with any other companies, division and transformation of the Company;
- dissolution of the Company;
- expressing consent to the Company's purchase of shares for the purpose of redemption and adoption of the conditions for such redemption;
- adopting other resolutions provided for by law or the Articles of Association.

### SUPERVISORY BOARD

There is a Supervisory Board at QEMETICA, the powers and authorities of which are specified in the Articles of Association of QEMETICA, and its proceedings by the Regulations of the Supervisory Board. According to the Articles of Association of QEMETICA, the Supervisory Board shall consist of 5 to 9 members, appointed by the General Meeting of QEMETICA. The number of members of the Supervisory Board is determined by the General Meeting by way of resolution. The joint term of office of the members of the Supervisory Board is five years. The Supervisory Board elects from among its members the Chairperson of the Supervisory Board and - if necessary - their deputy and the secretary.

The Supervisory Board adopts resolutions by an absolute majority of votes in the presence of at least half of the Supervisory Board members, and in the event of an equal number of votes, the vote of the Chairperson of the Supervisory Board is decisive.

The Supervisory Board supervises the Company's activities. The competences of the Supervisory Board include:

- evaluation of the Management Board's report on the Company's activities, the financial statements for the previous financial year and the consolidated financial statements as well as the report on the activities of the capital group of which the Company is the parent entity, if prepared by the Company, in terms of their compliance with the accounting books and documents, as well the actual situation, and the Management Board's proposals regarding the distribution of profit or coverage of losses, as well as submitting an annual written report on the results of this evaluation to the General Meeting;
- considering and giving opinions on the strategies and long-term financial plans and action plans of the Company developed by the Management Board;
- considering and giving opinions on draft resolutions and matters to be deliberated by the General Meeting;
- adopting the Regulations of the Supervisory Board;
- approving the Regulations of the Management Board;
- defining, in the form of regulations, detailed rules for participation in meetings of the Supervisory Board, Supervisory Board committees and the General Meeting using means of direct distance or electronic communication;
- adopting the Regulations of the Audit Committee and other committees appointed by the Supervisory Board;

- appointing and dismissing members of the Management Board, including the President of the Management Board;
- establishing the principles and the amount of remuneration for members of the Management Board, including the President of the Management Board;
- selection of an audit firm to audit the Company's financial statements and the consolidated financial statements of the Company's capital group;
- expressing consent to the purchase and sale of real estate, perpetual usufruct or share in real estate;
- expressing consent to make specific legal decisions or assume specific obligations;
- giving opinions on candidates for members of supervisory boards of companies in which the Company is a partner or shareholder;
- approval of the annual financial plan of the Company, the Company's Capital Group and changes thereto;
- expressing consent to charging the Company's assets for a specific amount;
- expressing consent to the Company granting sureties or guarantees or establishing other security for a specific security value
- expressing consent to the payment of an interim dividend;
- expressing consent for the Company to exercise ownership rights granted to it as a partner or shareholder of a subsidiary or parent entity, in relation to matters with a value exceeding a specified amount;
- expressing consent for the Company to conclude a significant transaction with its related party in the manner and on the terms specified in the Act of 29 July 2005 on public offering and conditions for introducing financial instruments to the organised trading system and on public companies;
- temporary withdrawal from the application of the remuneration policy in the manner and on the terms specified in the Act;
- preparing annual remuneration reports in the manner and on the terms specified in the Act.

Pursuant to the Regulations of the Supervisory Board, its member should inform the other members of the Supervisory Board about the conflict of interests, in particular the Chairperson of the Supervisory Board or the Deputy Chairperson of the Supervisory Board, and refrain from speaking in the discussion and from voting on the adoption of a resolution on the matter in which such conflict of interest occurs.

## MANAGEMENT BOARD

The competences of the Management Board of QEMETICA S.A. include all economic matters and

decisions not reserved by the provisions of the Commercial Companies Code or the Articles of Association of QEMETICA to the exclusive jurisdiction of the Supervisory Board or the General Meeting. Two members of the Management Board jointly or one member of the Management Board acting together with a proxy are authorised to make declarations of will and sign documents on behalf of the Company.

The Management Board of QEMETICA shall consist of at least two members appointed by the Supervisory Board. The President of the Management Board presides over the Management Board and coordinates its work. The President shall also have a decisive vote in adopting resolutions – where there is an equal number of votes for and against the resolution, the President of the Management Board shall have the casting vote.

The organisation of the Management Board's work, the manner of conducting the Company's affairs and the rules for adopting resolutions are specified in the Regulations of the Management Board.

QEMETICA has an internal division of competences among Members of the Management Board in terms of managing its affairs. The detailed scope of competences of individual Members of the Company's Management Board is determined by the Management Board. Within the scope of ordinary activities of the Company, each Member of the Management Board is obliged and authorised to independently manage the Company's affairs remaining within their competences, in accordance with the division made by the Management Board.

Resolutions of the Management Board are adopted by an absolute majority of votes with the participation of at least half of the Management Board members. In case of equality of votes, the vote of the President of the Management Board is decisive.

Only matters that exceed the scope of the Company's ordinary activities require a resolution of the Management Board, including in particular:

- adoption and amendment of the Regulations of the Management Board;
- adoption and amendment of the Company's Organisational Regulations;
- accepting requests/motions addressed to the Supervisory Board or the General Meeting;
- convening General Meetings and setting their agenda;
- adopting annual and long-term financial plans and development strategies of the Company;
- granting commercial representation (proxy) or general powers of attorney;
- borrowing powers;



- extending loans and donations;
- disposing of rights or incurring liabilities worth more than PLN 500,000 net, excluding the purchase and sale of raw materials, semi-finished goods and products, commercial goods, energy, gas, greenhouse gas emission allowances, utilities, logistics and transport services and packaging related to the Company's business activities up to the value of PLN 6 million net in one or a series of related transactions;
- incurring liabilities under bank or insurance guarantees, incurring liabilities under bills of exchange, granting all types of sureties and establishing any other security.

In accordance with the principle of good practice, the Regulations of the Management Board stipulate that in the event of a conflict between the interests of the Company and the personal interests of a Member of the Management Board, their spouse, second-degree relatives or in-laws or persons to whom they are personally related, the Member should refrain from participating in the deliberations on such matters and demand that it be noted in the minutes of the Management Board meeting.

**On 25 May 2023, Kamil Majczak, a Member of the Management Board of QEMETICA S.A., was appointed its President by the Supervisory Board of the company. Simultaneously, Marcin Puziak, the Controlling Director, assumed the position of Chief Financial Officer (CFO) as a Member of the Management Board.**



**KAMIL MAJCZAK**  
President of the Management Board of QEMETICA S.A.

He has held the office of the President of the Management Board of QEMETICA S.A. since 27 May 2023. Previously, from June 2022, he was a Member of the Management Board of QEMETICA S.A. responsible for strategy and business transformation. He has been associated with the QEMETICA Group since 2018, when he took up the position of Director of the Strategy Department at QEMETICA responsible for developing and implementing the Group's strategy. In 2020-2021, he simultaneously served as the President of the Management Board of QEMETICA Żywiec.

His key achievements to date at QEMETICA include: preparation of the Group's strategies for 2019-2021 and 2022-2024 and support in their implementation. Moreover, coordination of activities related to improving efficiency in the soda business (digitalisation), preparation of a plan for the modernisation of energy sources in accordance with the adopted ESG Strategy, and a review of the Group's businesses, including the sale of the QEMETICA Żywiec business for PLN 160 million in 2021.

### Professional experience

From 2018 to 2021, Kamil Majczak also worked for Kulczyk Investments. His previous professional experience also includes employment with the strategic consulting company Bain & Company in Warsaw and Melbourne (2014-2018) and the consulting company PricewaterhouseCoopers in London (2012-2014).

### Education

Kamil Majczak has a master's degree in economics from the University of Cambridge and a bachelor's degree in economics from the Warsaw School of Economics.

Scope of responsibilities at QEMETICA S.A. - supervision over individual Business Units (Soda, Salt, Agro, Foams, Silicates, Packaging) and the activities of the units:

- Strategy
- Business Transformation & Capital Allocation,
- Energy Transformation,
- Corporate Research and R&D,
- Corporate Development & New Ventures,
- ESG and Corporate Communication,
- Legal department,
- HR,
- Internal Audit and Risk,
- Engineering.



In the lower part of the photograph from the right: Kamil Majczak - President of the Management Board of QEMETICA S.A., Marcin Puziak - new CFO; In the upper part of the photograph from the right: Dawid Jakubowicz - former President of the Management Board of QEMETICA S.A.; Jarosław Romanowski - former CFO.



### MARCIN PUZIAK

Member of the Management Board of QEMETICA S.A.

Marcin Puziak has been working in the QEMETICA Group since 2019. As the Head of the Controlling Department, he built a new efficient structure of the department, implemented a management reporting system, and introduced Business Intelligence for the Group. He has also been involved in implementing several key initiatives in the areas of: mergers and acquisitions, refinancing, taxation, treasury, performance management and organisational restructuring. He is a promoter of a data-driven enterprise culture.

### Professional experience

From 2011 to 2013, he was associated with Franklin Templeton Investments. Simultaneously, from 2009 to 2019, he served as an Assistant Professor at the Department of Microeconomics at the Poznań University of Economics, combining scientific and teaching work with practical experience in financial and economic management in various entities.

### Education

Marcin Puziak holds a Ph.D. in economics and completed his studies at the Poznań University of Economics, where he worked as a lecturer for ten years. He specialises in sectoral competitiveness and profitability of enterprises.

Scope of responsibilities at QEMETICA S.A. - supervision over the activities of units:

- Taxes and accounting,
- Finance management,
- Controlling,
- Purchases,
- IT,
- Fleet,
- Security Representative,
- QEMETICA branch in Germany,
- QEMETICA Global Solutions.

In 2022, the Diversity Policy for the QEMETICA Management Board was adopted, specifying mechanisms for determining the composition of the QEMETICA's Management Board, enabling full application of the diversity principle. In accordance with the Policy, the selection of Members of the QEMETICA Management Board should be dictated by the best interests of the Company, taking into account the principle of diversity in the Company's Management Board. The composition of the Company's Management Board should ensure diversity of competences, professional experience, knowledge and skills, taking into account the Company's business profile. By 2025, the Management Board of QEMETICA should include at least 30% of representatives of a specific gender, except when the composition of the Management Board would be impaired by the failure to include people guaranteeing the highest standards in terms of knowledge, management skills and competences.

## MEMBERS OF THE SUPERVISORY BOARD OF QEMETICA S.A.

### SEBASTIAN KULCZYK

Chairperson of the Supervisory Board of QEMETICA S.A. since October 2015

### Professional experience:

Since 2010, he has been associated with the Kulczyk Investments Group, and since December 2013 as the President of the Management Board (Chief Executive Officer) of Kulczyk Investments. Member of the Supervisory Boards of the following companies: Polenergia S.A., Autostrada Wielkopolska S.A. and Autostrada Wielkopolska II S.A. In 2009-2010, he worked at the Lazard investment bank in London. He has experience in managing companies operating in the electronic business sector. He also worked in the digital media department of SonyBMG in New York. He has been investing and developing new-tech projects for many years.

### Education:

Graduate of the Faculty of Law and Administration at the Adam Mickiewicz University, Management and Marketing programme. Studied at the London School of Economics.

**MAREK KOŚNIK**

Deputy Chairperson of the Supervisory Board of QEMETICA S.A. since 2020, he has sat on the Supervisory Board since 2019

**Professional experience:**

He works in a private equity fund - CVC Capital Partners - as a Senior Managing Director with responsibility for assessing investment projects, supervising the portfolio and implementing digital strategies. In the past, he worked for such companies as Bain & Company, Terra Firma Capital Partners and McKinsey & Company. He has gained experience in building company strategies, investment processes, restructuring and digital transformations. An investor in new technologies projects.

**Education:**

A graduate of the Faculty of Management at the University of Warsaw and MBA studies at Harvard Business School.

**MARTIN LAUDENBACH**

Member of the Supervisory Board of QEMETICA S.A. since May 2020

**Professional experience:**

From 2010 to 2017, he was associated with the Solvay Group. He oversaw, among others, the business activities of Solvay Group companies in the Asia-Pacific region. He was also a member of the Supervisory Board of Vinythai Public Company (listed on the Thailand Stock Exchange, Solvay Group) and prior the President of Solvay Polyamide & Intermediates (formerly Rhodia). From 2007 to 2009, he was the CEO of Almatris Group (leader in development, manufacture and supply of specialty alumina and alumina-based products). From 1988 to 2005, he was associated with BASF Group, managing BASF's Fine Chemicals Division.

**Education:**

Graduate of the Business Administration Faculty of the University of Mannheim. He also completed "Making Corporate Boards More Effective" course organized by Harvard Business School in Boston.

**ŁUKASZ RĘDZINIAK**

Member of the Supervisory Board of QEMETICA S.A. since January 2020

**Professional experience:**

Born in 1968. Attorney-at-law. Since 1996, a member of the District Bar Association in Warsaw. In 1990–1991, a research assistant at the Faculty of Law and Adminis-

tration of the Jagiellonian University. Lawyer at Consoft Consulting Sp. z o.o. (1991 - 1992); attorney-at-law in an individual law firm cooperating with Dewey Ballantine Sp. z o.o. (1997 - 2000), lawyer at Dewey & LeBoeuf LLP (1993 - 2007), and a partner of this law firm since 2001. In 2007–2009, Undersecretary of State in the Ministry of Justice of the Republic of Poland. Since 2009, the managing partner of the office of Studnicki Pleszka Œwiąkowski Górski Sp. K. in Warsaw. From 2013 to 2020, Member of the Management Board of Kulczyk Investments S.A. In addition, in 2004–2007 and 2013–2021, he was a Member and Secretary of the Supervisory Board of Firma Oponiarska Dębica S.A.

Currently, a member of the management board of Kulczyk Privatstiftung, STK Properties Limited and Windrose Air Jetcharter GmbH. He is also the Chairperson of the Board of Directors of Serinus Energy plc and a member of the supervisory boards of Autostrada Wielkopolska S.A., Autostrada Wielkopolska II S.A. and A2 Route sp. z o.o.

**ARTUR OLECH**

Member of the Supervisory Board of QEMETICA S.A. since July 2014

**Professional experience:**

An expert in business process management. Since October 2016, he has been the founder and President of hiPRO Sp. z o.o. Until August 2016, Mr Artur Olech was the President of the Management Board of Pocztove Towarzystwo Ubezpieczeń Wzajemnych S.A. and Pocztove Towarzystwo Ubezpieczeń na Źycie S.A. From November 1998 to February 2014, Artur Olech served in the Management Board of the Generali Group. In 2003–2008, he was Member of the Management Board, then Vice-President of the Management Board responsible for life and pension insurances. In 2010, he was appointed President of the Management Board, and he held this position until 2014. In 1997–1998, he served as Director of Volkswagen Bank Polska/Volkswagen Leasing Polska-Warszawa. From 1996 to 1997, he worked as analyst in the Polish Institute of Management (PIM Sp. z o.o.). Previously, he worked for three years as project manager in Fundacja CASE Consulting (Fundacja Centrum Analiz Społeczno-Ekonomicznych) in Warsaw.

In 2012, he received a prestigious award for the best manager in the insurance industry (awarded by magazine "Wprost"). Artur Olech was also responsible for the project entitled "Procesy wyjścia w gospodarce przejściowej" ("Exit processes in transitional economy"), prepared on behalf of the World Bank, under the supervision of Professor Leszek Balcerowicz.

**Education:**

Graduate of the Law Faculty of the University of Warsaw and of the Finance and Banking Faculty of the Warsaw School of Economics. Artur Olech completed numerous training courses for senior management, e.g. at the Harvard Business School, Kellogg School of Management and Chicago GSB.

**NATALIA SCHERBAKOFF**

Member of the Supervisory Board of QEMETICA S.A. since 2021

**Professional experience:**

Ms Natalia Scherbakoff is a Senior Executive with a demonstrated history of working in the chemical, automotive, and composites industry. As Global Technology and Innovation Director at Trinseo (Switzerland), she is responsible for Research, Development, and Innovation Sustainability. She supports key corporate growth initiatives such as M&A. She is also a Board Member (Non-Executive) of Clayens NP and a Member of Forbes Technology Council.

**Education:**

Ms Natalia Scherbakoff holds Ph.D. and M.Sc. degrees in Macromolecular Science from Case Western Reserve University (USA), Chemical Engineer title from Mauá Engineering University (Brazil) and MBA diploma from Getulio Vargas Foundation (Brazil).

## COMMITTEES OF THE MANAGEMENT BOARD OF QEMETICA

In 2019, the Management Board of QEMETICA S.A. appointed the following Committees:

**EXECUTIVE COMMITTEE**

It consists of Members of the Management Board of QEMETICA S.A., Business Unit Directors and Executive Directors designated by a resolution of the Management Board.

This Committee has specific advisory and decision-making powers specified in its Regulations. It has the following tasks:

- support of the Management Board of QEMETICA S.A. in the scope of supervision over Business Units/Companies/organisational units;
- defining guidelines and goals, assumptions for the Group Strategy and the Strategy of Business Units/Companies;
- assessment of strategic risks and defining preventive and corrective actions, contingency plans in the event of strategic risks materialising;
- review of the level of implementation of the objectives resulting from the Financial Plan, strategic objectives resulting from the Group Strategy, the status of strategic initiatives and project implementation, along with the identification of potential corrective actions;
- assessment of the planned strategic directions of allocation of funds (investments, divestments) in the planned business areas;
- reviewing the Corporate Documents of the QEMETICA Group and issuing recommendations regarding their application.

**REMUNERATION AND NOMINATIONS COMMITTEE**

This Committee consists of Members of the Management Board of QEMETICA S.A., the Managing Director, the Director of the HR and Administration Department, the Director of the Legal Department and, on an ad hoc basis, in matters relating to a specific Business Unit/Company, the Director of the Business Unit or a Member of the Company's Management Board or the Director of the Ownership Supervision Department.

The tasks of this Committee include:

- approving the HR Strategy of the QEMETICA Group;
- supervision over the implementation of the QEMETICA Group's HR Strategy;
- establishing a policy regarding the selection and appointment of the QEMETICA Group's Management Staff;
- designating candidates for the Supervisory Boards of companies among people who have been given a positive recommendation of the Supervisory Board of QEMETICA S.A.;
- assessment and recommendation to the Supervisory Board of QEMETICA S.A. persons to sit on the Supervisory Boards of companies;
- assessment and recommendation to the Management Board of QEMETICA S.A. of candidates for Members of the Company's Management Boards and Directors;
- assessing and recommending candidates for the Management Staff to Directors of Business Units and Companies and Directors;
- establishing guidelines for the remuneration policy in the QEMETICA Group, in terms of the financial strategy plan;
- approving the methodology for evaluating Employees;
- establishing short-term incentive programmes in the



QEMETICA Group;

- approving the QEMETICA Group's car fleet management policy;
- approving KPI target levels for the Management Team;
- assessment of the implementation of KPIs by the Management Staff and the related decision on the implementation of KPIs/payment of monetary benefits;
- assessment of the implementation of KPIs set for the QEMETICA Group and approval, based on the degree of implementation of selected indicators, for the launch of bonus funds in the QEMETICA Group;
- determining the career paths of the Management Staff, including non-financial motivation of the Management Staff (such as participation in training and studies);
- conducting a summary of the Employee evaluation carried out in the QEMETICA Group based on the criteria established by the Committee.

## PURCHASING COMMITTEE

It is composed of Members of the Management Board of QEMETICA S.A., the Director of the Purchasing Department and - on an ad hoc basis - the Director of the Business Unit/Member of the Management Board or the Executive Director of the Company in the event of making decisions regarding a specific Business Unit/Company.

This Committee has decision-making powers within the scope specified in the resolution of the Management Board of QEMETICA S.A. and in the Regulations of this Committee. Its tasks include:

- approving the Strategy for the Purchasing Department, consistent with the Group's Strategy;
- supervising the effective implementation of the strategy for the Purchasing Department and recommending corrective actions, if any;
- monitoring and assessing the effectiveness of purchasing processes and procedures, appropriate IT systems, and approving and monitoring activities related to the continuous improvement of the effectiveness of the purchasing function within the QEMETICA Group;
- monitoring the Purchasing Department in the scope of updating Corporate Documents falling under the responsibility of the Purchasing Department;
- review of tender procedures indicated by the Chairperson of the Committee.

## COMMITTEES OF THE SUPERVISORY BOARD OF QEMETICA S.A.

As part of the Supervisory Board of QEMETICA S.A. the following Committees operate: Audit Committee, Remuneration Committee and ESG Committee.

### AUDIT COMMITTEE OF THE SUPERVISORY BOARD OF QEMETICA S.A.

The first Audit Committee of the Supervisory Board of QEMETICA S.A. was appointed on 16 February 2005. The Committee has an advisory and opinion-giving function to the Supervisory Board and is appointed to improve the effectiveness of the Supervisory Board's supervisory activities in the scope of examining the correctness of the Company's financial reporting, the Company's financial results, the effectiveness of the internal control system, including internal audit and the risk management system.

The Audit Committee consists of at least three Committee Members, including the Chairperson of the Audit Committee. The majority of the Audit Committee members, including its Chairperson, should meet the independence criteria specified in article 129 section 3 of the Act.

As at 31 December 2023, the composition of the Audit Committee was as follows:

- Artur Olech – Chairperson of the Committee
- Marek Kośnik – Member of the Committee
- Martin Laudénbach – Member of the Committee

Audit Committee of the Supervisory Board of QEMETICA S.A. submits an annual report on its activities, which is part of the Report on the activities of the Supervisory Board of QEMETICA S.A., presented to shareholders during the Annual General Meeting of QEMETICA S.A.

#### REMUNERATION COMMITTEE OF THE SUPERVISORY BOARD OF QEMETICA S.A.

GRI 2-19; GRI 2-20

The first Remuneration Committee was appointed by Resolution No. 66/IV/2005 of the Supervisory Board of QEMETICA S.A. In accordance with the Regulations of the Remuneration Committee, the main task of the Committee is to advise the Supervisory Board on matters related to determining the principles and amounts of remuneration of Members of the Management Board of QEMETICA S.A.

As at 31 December 2023, the composition of the Remuneration Committee is as follows:

- Sebastian Kulczyk - Chairperson of the Committee
- Marek Kośnik - Member of the Committee

The Remuneration Committee of the Supervisory Board of QEMETICA S.A. submits an annual report on its activities, which is part of the Report on the activities of the Supervisory Board of QEMETICA S.A., presented to shareholders during the Annual General Meeting of QEMETICA S.A.

#### SUSTAINABLE DEVELOPMENT (ESG) COMMITTEE OF THE SUPERVISORY BOARD OF QEMETICA S.A.

This Committee was appointed by the Supervisory Board on 18 May 2022. The task of the ESG Committee is to support the Supervisory Board in the implementation of activities related to the objectives, policies and practices of the Company and the QEMETICA Capital Group regarding ESG and sustainable development, which include, among others, contributing to the mitigation and adaptation to climate change, preventing environmental pollution, restoring biodiversity and transitioning to a circular economy, contributing to building a better society, including by tackling inequality and exclusion and supporting social inclusion.

As of 31 December 2023, the composition of the Sustainable Development (ESG) Committee was as follows:

- Martin Laudénbach - Chairperson of the Committee
- Łukasz Rędziniak - Member of the Committee
- Natalia Scherbakoff - Member of the Committee

## SHAREHOLDERS OF THE QEMETICA GROUP

GRI 2-1

**Since 2014, the main shareholder of QEMETICA S.A. is a long-term strategic investor - Kulczyk Investments. An international investment group specialised in initiating and executing transactions on markets with the greatest growth potential.**

As a result of the tender offer for the sale of shares in QEMETICA S.A. announced in March 2023 by KI Chemistry S.á r.l. with its registered office in Luxembourg (a subsidiary of Kulczyk Investments, which is a shareholder of QEMETICA S.A.) and subsequent purchases of shares in QEMETICA S.A. by KI Chemistry S.á r.l., as advised by the Company in its Current Reports No. 48/2023, No. 52/2023, No. 57/2023, No. 60/2023, and No. 65/2023, KI Chemistry S.á r.l. became the sole shareholder of QEMETICA S.A. The acquisition of 100% of QEMETICA S.A. shares by KI Chemistry S.á r.l. based in Luxembourg took place on 17 November 2023.

Ultimately, based on the decision of the Extraordinary General Meeting of QEMETICA S.A. of 22 November 2023, QEMETICA S.A. submitted a request to the Polish Financial Supervision Authority for permission to withdraw QEMETICA S.A. shares from trading on the regulated market operated by Giełda Papierów Wartościowych w Warszawie (the Warsaw Stock Exchange) S.A. The last day of quotation of QEMETICA S.A. shares on the Warsaw trading floor was 6 March 2024. By decision of the Management Board of the Warsaw Stock Exchange, the shares were withdrawn, following the decision on this matter unanimously adopted by the Polish Financial Supervision Authority.

# Management standards and compliance system

GRI 2-23, GRI 2-24; GRI 2-27

We strive to set standards in the area of modern management, innovation, high-quality products and cooperation with customers and business partners.

Acting in accordance with the idea of sustainable development, economic, social and environmental issues are a key element of our business strategy, with particular emphasis on areas such as:



relations with employees



occupational health and safety



environmental protection



counteracting unlawful behaviour, including corruption

These rules are summarised in the Code of Conduct of the QEMETICA Group, which describes in detail the standards of conduct of the Group and its employees in individual areas.

The activities undertaken by the QEMETICA Group are supported by the implemented management system procedures based on international standards, ISO norms and numerous internal regulations.

The Compliance system has been operating in the QEMETICA Group since 2018. It is a set of procedures and systems designed to prevent legal risks. The Compliance System is designed to counteract the legal risk of non-compliance with the law and internal regulations of the QEMETICA Group. It includes continuously updated policies and procedures regulating labour, social, environmental, human rights, anti-corruption and irregularity reporting issues. The Compliance system is continuously updated to the dynamic regulatory changes and changes in the management system of the QEMETICA Group.

QEMETICA conducts initial and periodic training, including training in:

- rules of the Code of Conduct of the QEMETICA Group,
- rules of the Code of the Business Partner of the QEMETICA Group,
- Management System in the QEMETICA Group,
- the KYC Procedure of the QEMETICA Group,
- anti-fraud and anti-corruption policy of the QEMETICA Group,
- procedure for offering and accepting gifts within the QEMETICA Group,
- use of the anonymous violation reporting channel.
- methods of reporting violations and procedures for considering them.



# Code of conduct of the QEMETICA Group

Since 2021, the new Code of Conduct of the QEMETICA Group has been in force. The Code is based on Group's values. It also describes patterns of behaviour that are addressed to all employees and associates of our Group - regardless of the form of the concluded contract. The provisions of the Code are also addressed to our business partners, because we are convinced that common values and principles constitute the foundation for effective cooperation and sustainable development based on respect for law and honesty. The Code is a guideline for all decisions made at each level of our Group. Accordingly, internal policies and procedures are based on the provisions of the Code, creating a unified system of corporate documents. Below we present the core values of the QEMETICA Group contained in the Code of Conduct of the QEMETICA Group.

## WE CARE ABOUT...



### OUR PEOPLE



### OUR WORLD



### OUR GROUP



### OUR BUSINESS PARTNERS



## WE CARE ABOUT OUR PEOPLE

### WE RESPECT AND SAFEGUARD HUMAN RIGHTS

The human being is of essence to us. Therefore, we attach great importance to business ethics, which is permanently inscribed in our strategy and everyday work. We are proud to be a signatory of the United Nations Global Compact declaration. We adhere to internationally recognised human rights and labour standards. Within our Group and in relations with the market environment, we support and promote freedom of association. We support the elimination of all forms of slavery, forced labour, child labour and the actual abolition of juvenile labour.

### SAFETY AT WORK IS THE HIGHEST PRIORITY TO US

We care about the health and safe working conditions of our employees, customers, suppliers and subcontractors providing us with their services or staying on the premises of our plants. We are guided by the following two fundamental principles:

- zero tolerance for people who violate occupational health and safety regulations and standards, and,
- ensuring high OHS standards.

We are continuously improving our activities in the area of occupational health and safety, among others, by modernising our production technology, taking into account, first of all, our employees' safety. We systematically raise the awareness and qualifications of our employees in work safety, striving to eliminate accidents/injuries at work and occupational diseases. We promote the participation and involvement of employees in the continuous improvement of our occupational health and safety system, as well as in preventing potentially accidental events (near misses). The high health and safety standards that we have put in place apply not only to our employees, but also to our suppliers, subcontractors and any other individuals staying on our premises.



## WE ENSURE A FRIENDLY WORK ENVIRONMENT, FREE FROM MOBBING AND OTHER FORBIDDEN BEHAVIOURS

Together, we build friendly and partner relations. We have the common responsibility for professional behaviour to ourselves and others. We listen to and appreciate our associates, we respect their opinions and decisions, even if they differ from ours. We create a work environment free from any mobbing, humiliating, ridiculing or isolating behaviour. We promote the principles of equal treatment in the recruitment, employment, remuneration and promotion of our employees. We take care of the decent and friendly working environment for each engaged person, showing them due respect regardless of their religion, skin colour, beliefs, gender, sexual orientation or age.

## WE HAVE ZERO TOLERANCE FOR ALCOHOL AND INTOXICANTS IN THE WORKPLACE

Work requires conscious thinking and the ability to respond quickly as the safety of other associates or our business partners depends on it. We do not tolerate alcohol or drugs in the workplace, either their consumption or being under their influence at the time and place designated for carrying out official duties.



## WE CARE ABOUT OUR WORLD

## WE RESPECT THE NATURAL ENVIRONMENT

We are part of the chemical industry, which is of great benefit to mankind, but at the same time, there is some price involved, namely its impact on the environment. This means that while running our business, we remember about responsibility for the fate of future generations and our planet. We strive to eliminate any negative environmental effects of our operations, and where impossible, to minimise them. We make every effort to ensure that our actions are fully consistent and harmonious with the idea of environmental protection. We observe generally applicable environmental protection laws and, where possible, adopt more restrictive internal standards. We understand the impact of greenhouse gases on the climate and that is why we are implementing ambitious projects aimed at minimising emissions and full decarbonisation in the future. We minimise environmental protection risks, among others, by reducing the use of natural resources and energy, eliminating or reducing the amount of harmful emissions, by-products of production processes and waste.

We use water in a sustainable manner, minimising its consumption and taking care of the quality of local resources.

## WE SUPPORT LOCAL COMMUNITIES

We care for local communities, in particular, wherever our production plants are located. We are aware of our importance also as an employer in regions of our operations, that is why we work together with local authorities, NGOs and residents to improve their life quality. Our objective is developing good neighbourly relations based on open dialogue, consultation and collaboration. We engage in employee volunteering for local initiatives, and as a Group, we support socially significant initiatives in our immediate environment.



## WE CARE ABOUT OUR GROUP

## WE IMPROVE OURSELVES

We are prepared to make bold choices and decisions in line with our values and the Code of Conduct. We are continuously expanding our knowledge and experience to achieve excellence in the chemical industry. We strive to apply the best practices in all areas of our operation, while not forgetting about agile and innovative solutions.

## WE ENSURE COMPLIANCE

We proactively learn about and comply with applicable laws, internal regulations as well as industry and ethical standards – both in social and professional relations. Compliance with legal requirements and ethics in all areas of our Group's operations has a positive effect on our work, regardless of the tasks performed and the place in the structure of our Group.

## WE PROTECT OUR GROUP'S INFORMATION AND SECRETS

Confidential information plays a special role in our Group's business strategy, and any loss, destruction of, or access to, such information by unauthorised individuals may give rise to very serious consequences. We exercise particular care when accessing and processing trade secrets, personal data, expertise (know-how) of our Group and confidential information within the meaning of the public trading regulations. We protect our data against different types of threats, in particular, those related to cybercrime.

## WE USE OUR COMPANY ASSETS IN A RESPONSIBLE WAY

We protect the assets and resources of our Group entrusted to us against damage, destruction, theft or loss. We use the assets of our Group responsibly because we are aware that they have been made available to us in order to attain specific business goals. We use the Group's assets made available to us for personal purposes to a minimum necessary extent, in line with the Group's internal regulations. We never use the Group's assets entrusted to us for our personal gain or for competitive activity.

## WE DO NOT TOLERATE ANY FRAUD OR CORRUPTION

We clearly and consistently apply a zero-tolerance policy to all fraud and corruption. We show honesty in our business operations and in our daily duties, in relations with our business partners and state and local government officials, in all countries in which we operate. We also expect honesty and compliance from our business partners, with whom we work together to develop best practices to protect the trust, value and reputation of our Group.

## WE COMPLY WITH REGULATIONS AND GOOD PRACTICES

While QEMETICA was listed on the Warsaw Stock Exchange and Die Börse in Frankfurt, as a company, we were obliged to comply with Polish and international securities regulations and good stock exchange trading practices. We consistently pursue a transparent information policy, ensuring equal access to information.

eliminating or solving the problem. A conflict of interest may threaten the impartial and objective performance of official duties for our Group. We take action to identify, explain and manage connections, relationships, contacts, tokens of gratitude and transactions or other undertakings that may directly or indirectly affect the loyalty and impartiality of decisions made by employees of our Group. We disclose the possibility of a conflict of interest to our immediate supervisor or the Ethics Committee of the QEMETICA Group in order to make an objective and fair decision aimed at eliminating or solving the problem.

## WE REPORT DOUBTS AND VIOLATIONS

### CONTACT WITH THE IMMEDIATE SUPERVISOR

As part of everyday duties and professional situations, doubts, dilemmas and questions may arise. There may also be situations in which we find a violation of ethical principles, law or internal regulations. In any doubt, we contact our immediate supervisor who has adequate knowledge and experience in this regard. We report identified violations only in good faith. When reporting doubts or identified violations, we act in line with the values of our Group.

## WE CARE ABOUT OUR BUSINESS PARTNERS

### WE COUNTERACT CONFLICTS OF INTERESTS

A conflict of interest may jeopardise the impartial and objective performance of official duties for our Group. We take measures with a view to identifying, explaining and managing cases of connections, relationships, contacts, evidence of gratitude as well as transactions or any other commitments that may affect, either directly or indirectly, the loyalty and impartiality of decisions made by our employees. We disclose the possibility of a conflict of interest to the immediate supervisor or the Ethics Committee of the QEMETICA Group in order to make an objective and fair decision aimed at

# Code of the business partner of the QEMETICA Group

The QEMETICA Group companies place special emphasis on sustainable development and responsible business issues. We are aware of our role in the local environment and the impact we have on the activities and lives of our stakeholders. We are also aware of our impact on the natural environment. Products manufactured by the QEMETICA Group contribute to the achievement of the UN Sustainable Development Goals, and our objective is to focus on strengthening positive, and reducing negative, effects of our operations. We strive towards the long-term, sustainable development of the QEMETICA Group, which will benefit all our stakeholders: employees, customers, suppliers, neighbours, owners, as well as future generations. We collaborate with people, institutions and organisations that share our approach to doing business. Accordingly, we expect our business partners to help us achieve our sustainable development and responsible business conduct objectives and to identify with the values and principles we have adopted.

The Code of the Business Partner of the QEMETICA Group sets the minimum standards of conduct for our business partners, in particular: suppliers, contractors, distributors, recipients, sellers, service providers, other counterparties and entities with the help of which business partners perform business tasks in relation to the companies of the QEMETICA Group ("Partners"). The provisions of the Code apply to the company, members of governing bodies, employees and associates of our Partners.



## HUMAN RIGHTS AND LABOUR STANDARDS

### HUMAN RIGHTS

We expect our Partners to observe human rights, both in the context of working conditions of their employees and in business. All employees and associates of our Partners are treated in a fair, respectful and dignified manner.

### OCCUPATIONAL HEALTH AND SAFETY

We expect our Partners to provide their employees and associates with a safe workplace and comply with all applicable occupational health and safety standards and regulations. All employees and associates receive the adequate workplace instructions, incl. information on the OHS conditions and requirements, protective measures, and they are provided with appropriate training. Our ultimate goal is zero accidents/injuries at work.

### NO DISCRIMINATION

We expect our Partners not to discriminate, or tolerate any form of discrimination, against any person based on their gender, race, ethnicity, nationality, religion, beliefs, views, disability, age, sexual orientation, health, political beliefs, marital status or membership in organisations.





## NO MOBBING

We expect our Partners not to use, or tolerate any forms of, mobbing, harassment, incl. sexual harassment, and to have implemented procedures preventing any type of unlawful behaviour.

## PROHIBITION OF FORCED AND SLAVE LABOUR

We expect our Partners not to use any form of slave or forced labour, both in Poland and abroad. The work carried out by our Partners' employees is undertaken voluntarily and may be terminated by them on this basis.

## NO CHILD LABOUR

We expect our Partners not to use child labour in any form and to contribute to the actual abolition of any form of juvenile labour. When and if we employ any young people, their engagement with our companies complies with the law.

## RIGHT OF ASSOCIATION

We expect our Partners to recognise the employees' right to associate and organise, and respect this right.

## NO TOLERANCE FOR ALCOHOL AND INTOXICANTS IN THE WORKPLACE

We expect our Partners not to tolerate the presence of any alcohol and intoxicants in the workplace.



## RESPECT FOR THE NATURAL ENVIRONMENT

### COUNTERACTING CLIMATE CHANGES CAUSED BY GREENHOUSE GAS EMISSIONS

We expect our Partners and their suppliers to counteract climate changes caused by greenhouse gas emissions, among others, by reducing these emissions and increasing the efficiency of energy use. We have adopted ambitious decarbonisation targets to slow down and ultimately stop the negative climate changes caused by the emission of greenhouse gases into the atmosphere – we intend to achieve carbon neutrality by 2040.

### MINIMISING OTHER ENVIRONMENTAL RISKS

We expect our Partners to minimise other risks related to environmental protection and climate, among others, by reducing other harmful emissions, protecting water quality and resources, pursuing a policy of rational waste management. At the same time, we strive to ensure that their economic and social activity is environmentally and climate-friendly and contributes to the prevention and reduction of any negative phenomena in its functioning.

### COMPLIANCE WITH ENVIRONMENTAL LAWS AND REGULATIONS

We expect our Partners to comply with the provisions of environmental protection law, in particular, to have all permits and licences required by law and related to their operations, and to fulfil all operational and reporting obligations resulting therefrom.



## CONDUCTING ECONOMIC ACTIVITY

### ETHICAL CONDUCT OF OPERATIONS

We expect our Partners to apply the principles of ethical conduct in each area of their business and to strive to implement solutions that build awareness of ethical principles of conduct in the workplace among their employees and associates.

### COMPLIANCE WITH LAW

We expect our Partners to comply with all applicable local and international laws. In the event that the provi-



sions of local law are less restrictive than the principles of the Code, we expect our Partners to apply the principles set out in the Code.

### FAIR COMPETITION AND ANTITRUST LAWS

We expect our Partners to act in compliance with all applicable competition protection regulations, for example, by abstaining from dumping prices, price fixing or other unlawful arrangements.

### COMPLIANCE WITH INTERNATIONAL SANCTIONS

We expect our Partners to comply with international sanctions imposed on countries, economic operators or natural persons, and not to conduct any economic activity violating international restrictions.

### ZERO TOLERANCE FOR FRAUD AND CORRUPTION

We expect our Partners to apply a zero-tolerance policy to any fraud and corruption, regardless of its form. Our partners may not, directly or indirectly, offer or accept any undue advantage or promise thereof, including material, financial and personal benefits, unauthorised gifts, etc., in exchange for a specific act or omission.

### HONESTY IN COMMERCIAL ACTIVITIES

We expect our Partners to show honesty in their business activities, and as part of their daily duties, in relations with their customers, counterparties, suppliers and associates.

### INFORMATION SECURITY

We expect our Partners to implement and maintain high information security standards to enable us to effectively protect confidential information, including any trade/business secrets.

### COUNTERACTING CONFLICTS OF INTERESTS

We expect our Partners to avoid and counteract any conflict of interest that could weaken their credibility, or our trust, or the trust of third parties in the QEMETICA Group companies. We expect our Partners to report any situations that may indicate a conflict of interest and any cases in which employees or individuals representing the QEMETICA Group companies participate in the Partner's enterprise or are in any way related to them.

## COLLABORATION FOR SUSTAINABLE DEVELOPMENT

We encourage our Partners to work together in order to achieve the goals and strengthen the values described in the Code, in particular, in the area of exchanging experience, best practices and implementing joint activities and projects. We are convinced that the Sustainable Development Goals can only be attained if all interested parties actively collaborate with one another. We participate in our Partners' initiatives and engage in open dialogue with our customers, and subsequently our suppliers, to improve our ESG strategies and ensure sustainability throughout the value chain.

## AUDITS

We reserve the right to verify compliance with the standards defined in the Code using internal or external control mechanisms and to request changes that have been identified during conducted audits.

## REPORTING VIOLATIONS

We expect our Partners to report any suspected violations of the Code using one of the available channels, including anonymous.

[compliance@qemetica.com](mailto:compliance@qemetica.com)  
[qemetica.liniaetyki.com](https://qemetica.liniaetyki.com)



# KYC (Know Your Customer/Supplier) Verification

We verify our suppliers using the KYC Procedure (Know Your Customer/Supplier). Through the KYC procedure, we verify and confirm that our Partners conduct their activities in accordance with the standards of the Code of the Business Partner of the QEMETICA Group, especially in the field of compliance with human rights, environmental protection and ethics. KYC verification of our Partners is the fulfilment of the commitment from our ESG Strategy of the QEMETICA Group, which states that we are introducing ESG into our purchasing procedures. We examine the ESG status and risk of suppliers responsible for at least 70% of our expenses until 2023. As of the end of 2023, we examined the ESG status of suppliers responsible for around 60% of expenses of the QEMETICA Group. Not meeting the target was caused by low data availability from our suppliers. Many of the suppliers are in the early stages of reporting ESG data. KYC assessment methodology, process and targets are under revision and will be adjusted based on double materiality assessment results.

In our largest segment - Soda - we carry out KYC verification for Partners with an annual net turnover  $\geq$  PLN 4 million or with a net transaction value  $\geq$  PLN 4 million. In other segments and companies, we carry out KYC verification for Partners with an annual net turnover  $\geq$  PLN 2 million or with a net transaction value  $\geq$  PLN 2 million.

The condition for establishing cooperation with a Partner (concluding a contract/annex, placing an order or accepting an offer) is a positive KYC verification result. The Partner's KYC test result depends on the KYC risk assessment and is valid for 6, 12 or 24 months.

In the KYC verification process, we ask Partners to complete the KYC form, which has been divided into the following parts:

- General issues - in this section we ask, among others, about registration data, industries in which the Partner conducts business, quotations of the Partner's shares on stock exchanges, composition of the Partner's group of companies.
- Sanctions - in this section we ask, among others, about the Partner's activities in the markets covered by international sanctions, conducting business with persons or entities who are subject to international sanctions.
- Ethical conduct of business - in this section we ask about compliance with individual standards of the QEMETICA Group, specified in the Code of the Business Partner of the QEMETICA Group.
- Principles of ethical business conduct - in this part we ask the Partner, among other things, to attach its codes of conduct or its codes of the business partner.
- Target for reducing CO<sub>2</sub> emissions - in this section we ask, among other things, to provide a target for reducing CO<sub>2</sub> emissions.
- Proceedings related to the ethical conduct of business activity - in this part, we ask for answers to questions regarding the proceedings conducted, among others, against the partner or members of its bodies, regarding, for example, monopolistic practices, prohibited employment practices (mobbing, discrimination, youth labour, slave labour), money laundering and terrorist financing, bribery or corruption.

# List of internal procedures

	Employee area	Social area	Environmental area	Respect for human rights	Preventing other law violations
Code of the Business Partner of the QEMETICA Group	✓	✓	✓	✓	✓
Code of Conduct of the QEMETICA Group	✓	✓	✓	✓	✓
Occupational Health and Safety Policy of the QEMETICA Group	✓				
Information Security Policy of the QEMETICA Group	✓				
Information Protection Policy of the QEMETICA Group		✓		✓	
Environmental Protection Policy of the QEMETICA Group			✓		
Intellectual Property Protection Policy of the QEMETICA Group		✓		✓	
Policy of Counteracting Conflicts of Interest within the QEMETICA Group		✓			✓
Anti-fraud and anti-corruption policy of the QEMETICA Group	✓	✓			✓
Policy of Compliance with Competition Law within the QEMETICA Group		✓			✓
Compliance Policy of the QEMETICA Group					✓
Procedure - Counteracting mobbing and discrimination in the work environment within the QEMETICA Group	✓				
Procedure for counteracting money laundering and terrorism financing in QEMETICA Global Solutions					✓
Procedure - Regulations of the operation of the Ethics Committee of the QEMETICA Group	✓				✓
Detailed rules and procedure for compliance with the obligation of sobriety by employees within the QEMETICA Group	✓				
Procedure - offering and accepting gifts and invitations within the QEMETICA Group	✓				✓
Procedure - managing inspections of authorised bodies, services and authorities	✓	✓		✓	
Procedure - rules for monitoring and reporting Compliance Obligations within the QEMETICA Group					✓
Procedure for reporting violations of law, internal regulations and ethical standards applicable within the QEMETICA Group	✓				✓

# Rules for reporting violations

GRI 2-16, GRI 2-26

The QEMETICA Group has implemented and maintains a Procedure for reporting violations of law, internal regulations/procedures and ethical standards applicable within the QEMETICA Group, in particular, those contained in the Code of Conduct of the QEMETICA Group.

Violation is understood as an actual or potential activity contrary to the law, regulations/procedures or ethical standards as in force within the QEMETICA Group. We provide fully anonymous and open communication channels for reporting such violations. Such fully anonymous reporting channel is provided by: Linia Etyki Sp. z o.o. This reporting channel enables contact with the whistleblower, while maintaining a fully anonymous nature of the notification report and any correspondence. The reporting channel is run, among others, in Polish, English, German and Romanian.

Each employee or associate, intern, volunteer, individual participating in the recruitment process, customer, shareholder and member of governing bodies of companies of the QEMETICA Group may report a violation in any matter which, in the whistleblower's opinion, constitutes or may constitute a breach. In addition, any business partner of any company from the QEMETICA Group may also report the violation referred to above. We ensure the protection and anonymity of the whistleblower. In special cases, the QEMETICA Group protects the whistleblower who is an employee of the QEMETICA Group against the action of the management, employees or any other persons violating the employee's rights, privacy or any other forms of retaliation. The process of reporting violations and providing information related to the examination of a violation report, analysis of violations and carrying out the explanatory proceedings shall be strictly confidential.

Explanatory proceedings in cases of violations of regulations are conducted by the Compliance Officer of the QEMETICA Group, in cases of violations of ethical principles and conflicts of interest - by the Ethics Committee of the QEMETICA Group, and in cases of mobbing/discriminatory behaviour - by the Committee for Counteracting Unlawful Conduct.

In 2024, there are plans to implement changes in internal procedures in order to streamline processes and prepare the QEMETICA Group for legal changes that will be introduced along with the Act on the protection of persons reporting violations of the law.

# Counteracting corruption and fraud

GRI 205-1

As an active participant of business transactions, we apply a policy of zero tolerance for any fraud and corruption, promoting activities based on ethical values and attitudes and compliance with the law regulating the issues of counteracting fraud and corruption wherever we conduct our business. This approach builds and strengthens the reputation of the QEMETICA Group as a reliable partner acting in a responsible and transparent manner, gaining a competitive advantage based solely on market criteria: quality, price and through the innovative nature of the products, services and solutions offered. Any abuses, including corrupt behaviour, involve the risk of legal, financial and image liability by the Company, the management of the QEMETICA Group, and the employees themselves.

Members of the governing bodies of each Group company declare to avoid professional or non-professional activities that could lead to a conflict of interest. A member of the Supervisory Board should inform the other members of the Supervisory Board about the conflict of interest, in particular, the Chairperson of the Supervisory Board or the Deputy Chairperson of the Supervisory Board, and should refrain from taking part in the discussion and from voting on the adoption of the resolution in the matter in which the conflict of interest arose. In the event of a conflict between the interests of the Company and the personal interests of a Member of the Management Board, his or her spouse, relatives or in-laws up to the second degree or persons with whom he or she is personally related, he or she should refrain from participating in the resolution of such matters and request that this be recorded in the minutes of the Management Board meeting. The Supervisory Board of the Company, in accordance with the provisions of the Company's Articles of Association,



consents to the conclusion by the Company of a significant transaction with its related party in the manner and on the terms specified in the Act of 29 July 2005 on public offering and conditions for introducing financial instruments to organised trading and on public companies.

Moreover, an anti-fraud and anti-corruption policy of the QEMETICA Group is in force within the QEMETICA Group. As an appendix to this policy, the Group has developed a procedure for offering and accepting gifts within the QEMETICA Group. The process of counteracting fraud and corruption in the QEMETICA Group consists in compliance with the requirements of this policy by all employees of the QEMETICA Group, regardless of the type of employment contract concluded and the entrusted position, as well as other stakeholders, including associates, suppliers, subcontractors and counterparties.

Under the Procedure for offering and accepting gifts, we do not give any gifts to government officials. Giving or receiving a gift, as part of a business relationship, with a value exceeding PLN 200 gross, requires the consent of the immediate supervisor and the Compliance Officer of the QEMETICA Group. Giving and receiving a gift with a value exceeding PLN 200 gross must be recorded

QEMETICA Group employees may not accept any gifts, and in particular:

- from any counterparty or its related entities during negotiations, in connection with ongoing or planned negotiations,
- from any counterparty or its related entities in connection with the performance of the contract, including in particular, in connection with the work acceptance or work performance confirmation.

Employees who are responsible for making a decision in a specific case or participate in any capacity in the decision-making process related to a specific case, due to their role or official position, may not accept any gifts from counterparties associated with the case.

We require our counterparties to accept anti-corruption clauses when entering the tender procedure or when concluding contracts, in which they oblige themselves to adopt the Anti-Fraud and Anti-Corruption Policy of the QEMETICA Group.

## Observance of human rights

Within the QEMETICA Group, we place emphasis on promoting ethical values and behaviour aimed at observance of human rights among our stakeholders, predominantly our employees and counterparties. Accordingly, all companies of the QEMETICA Group joined the Declaration of Adoption of the Standard of the United Nations Ethical Program, thus committing themselves to comply with internationally recognised human rights and labour standards. According to the Declaration, they will, in particular, support and promote the freedom of association within the QEMETICA Group and in relations with the market environment, support the elimination of all forms of slavery and forced labour and contribute to the effective abolition of work by adolescents under the age of 18.

- We comply with all applicable laws in terms of working hours, overtime, pay and other employer's benefits. Wages and salaries are paid in a timely manner, in accordance with the applicable "Remuneration Regulations".
- We give our employees the freedom to join or withdraw their membership in trade unions and/or employee representation of their choice.
- We appreciate a diverse, inclusive work environment, and do not discriminate against, or tolerate any discrimination, on the basis of gender, age, race, religion, disability, sexual orientation, origin or any other characteristic protected by law.
- We do not use any type of forced labour. Employees have control over their identity documents and do not pay any fees related to obtaining or maintaining their employment.
- Using any physical or mental force, including mobbing, is prohibited.

# Competition protection

The Policy of Compliance with Competition Law within the QEMETICA Group defines rules aimed at protecting fair and healthy competition. In particular, as part of the observance of the principles of fair competition:

- we avoid making any kind of arrangements, without the consent and knowledge of our Legal Department, with entities from outside the QEMETICA Group, in the scope of pricing, sales and offer policies, production volume, costs and expenses as well as sales method. This restriction also applies to any contacts and information provided to all types of industry organisations, chambers of commerce, as well as expressing opinions on any other economic operator in a non-substantive manner,
- we treat as confidential any information on the pricing, sales and offer policies, and those that may be used to limit free competition, such as planned price changes, interest in participating in any tender and the content of the tender offer, and
- we treat our customers and counterparties in a fair and respectful manner. We exclude practices of unjustified privileging, or blocking or limiting access to products from the QEMETICA Group's offer.

# Counteracting conflicts of interest

The Policy of Counteracting Conflicts of Interest within the QEMETICA Group defines the rules of procedure aimed at excluding the possibility of a conflict of interest from our business operations. We assume that an employee is in a conflict of interest if, when acting for their own benefit or for the benefit of any other person or entity to whom they are obliged, they act at the same time against the interests of the QEMETICA Group. Such circumstances may threaten the employee's impartial and objective performance of official duties for the QEMETICA Group due to family, financial, personal,

emotional reasons, as well as political affiliations, economic interests or any other situation the existence or occurrence of which is or may be detrimental to the QEMETICA Group.

In some cases, a conflict of interest may also be regarded as a manifestation of corrupt behaviour. Accordingly, we take all steps in order to identify, clarify and manage cases of connections, relations, contacts, evidence of gratitude, as well as transactions or any other undertakings that may affect, directly or indirectly, the loyalty and impartiality of decisions made by the employees of the QEMETICA Group.

Where a conflict of interest exists, each employee of the QEMETICA Group shall immediately disclose such circumstances to their immediate supervisor or the Ethics Committee of the QEMETICA Group in order to make an objective and fair decision aimed at eliminating or solving the problem.

We require our counterparties to accept conflict of interest clauses when entering into contracts with them.

# Our environment

QEMETICA®

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# Membership in organisations

GRI 2-28



**Global Compact**  
Network Poland

## UN GLOBAL COMPACT

The QEMETICA Group has been a member of the United Nations Global Compact since 2020. By joining this initiative, the Group is able to draw on the knowledge and experience of this international organisation in the area of sustainable development, but also to bring its own extensive experience related to activities for climate protection, especially in the areas of energy and minimising the impact of production on the environment.

All UNGC principles are reflected in our internal regulations and actively promoted among the Group's business partners. Our partners are required to comply with our Business Partner Code, which is evidenced by relevant clauses incorporated into the contracts binding between us. The Code defines the basic principles of respecting human rights, environmental protection and business ethics. This practice also results from one of the eight key commitments of the ESG Strategy of the QEMETICA Group, adopted in May 2021 - its provisions are related, among others, to willingness to cooperate with business partners who share the Group's values and with whom it jointly implements the idea of sustainable development.

All QEMETICA Group companies have joined the Declaration of Adoption of the United Nations Ethical Programme Standard, thus committing themselves to comply with international standards of labour and human rights. As part of this commitment, the QEMETICA Group will promote the freedom of association and the elimination of slavery and forced labour, and will contribute to the actual abolition of work by adolescents under the age of 18.

The employees of the QEMETICA Group also participate in the UN Global Compact Network Poland Ethics Standard project, and within its framework they co-create the Working Group for ethical standards and responsible communication. The initiative aims to create a Responsible Communication Standard, which will be a set of principles defining ethical information management at the external and internal level in the organisation, and will also provide tools for implementing the developed solutions.



### HUMAN RIGHTS

Businesses should:

- Comply with and support internationally recognised human rights
- Eliminate all human rights violations by the company.



### LABOUR STANDARDS

Businesses should:

- Support the freedom of association and the effective recognition of the right to collective bargaining
- Support the elimination of all forms of slavery and forced labour
- Contribute to the effective abolition of child labour
- Counteract discrimination in the employment area



### ENVIRONMENTAL PROTECTION

Businesses should:

- Support a precautionary approach to environmental issues
- Undertake initiatives to promote greater environmental responsibility
- Support the development and diffusion of environmentally friendly technologies.



### ANTI-CORRUPTION

Businesses should:

- Work against corruption in all its forms, including bribery and extortion.





## POLISH CHAMBER OF CHEMICAL INDUSTRY

Since 2001, QEMETICA has been a member of the Polish Chamber of Chemical Industry (PIPC) - an organisation representing the chemical industry towards public administration bodies, domestic and foreign, as well as international organisations. During many years of co-operation, QEMETICA has been involved in a number of projects implemented by PIPC, and currently, through active membership in the Chamber, it is strengthening its position as an international, innovative chemical group.

Thanks to its membership in PIPC, the QEMETICA Group has the opportunity to influence the reduction of the effects of regulatory burdens and develop the most favourable legislative solutions for the chemical sector, as well as to strengthen its competitiveness and reduce financial and administrative encumbrances.

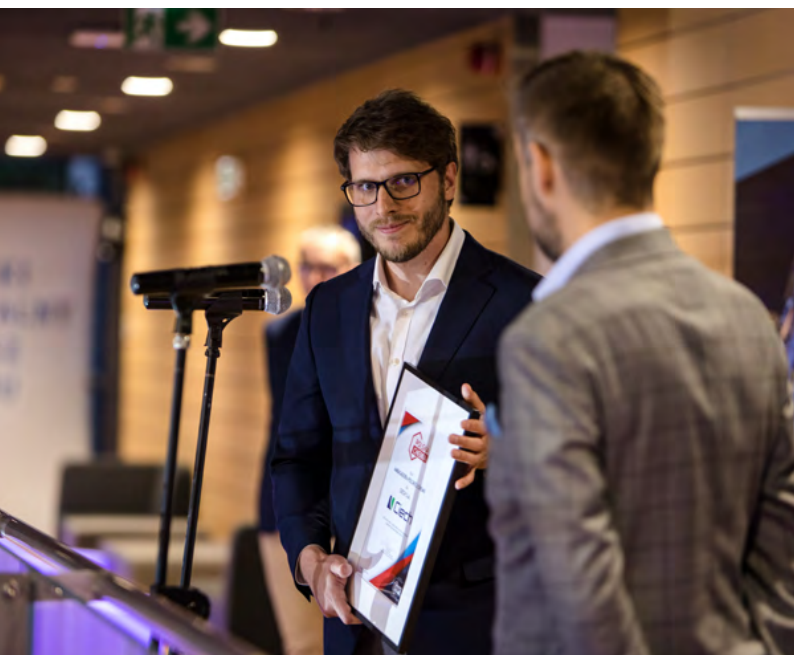
Thanks to the active participation of the Group's representatives in PIPC committees and thematic forums, QEMETICA also has the opportunity to participate

in giving opinions on EU legal regulations and take a real part in creating positions and giving opinions on national legal acts. The Group's experts participate in the meetings of the Safety and Technology Committee, the Transport and Distribution Committee, the Classification Forum and the Energy and Climate Forum established by the Polish Chamber of Chemical Industry.

The QEMETICA Group also participates in various events organised by the Polish Chamber of Chemical Industry, both online and traditional. In 2023, QEMETICA representatives participated in debates, talks and discussion panels, including: during one of the main industry events, of which QEMETICA was one of the partners - the Polish Chemistry Congress, organised annually by PIPC. Further activities of PIPC, under the patronage of QEMETICA, included the TECHCO Forum - an industry conference in the areas of technology, innovation, energy, environmental protection - and the year-long "Safe Chemistry" programme, devoted to issues of broadly understood safety in the chemical sector. Moreover, in 2023, the QEMETICA Group was conferred the prestigious title of "Ambassador of Polish Chemistry" awarded by the Polish Chamber of Chemical Industry. The distinction honours companies that, through their activities, contribute to the promotion and development of the chemical industry, both domestically and internationally.

Other activities undertaken as part of PIPC membership include QEMETICA expert articles that regularly appear in the Chamber's publications - Polish Chemistry Magazine, Safe Chemistry Programme Bulletin and Chemistry 4.0 Project Bulletin. Moreover, in 2023, the QEMETICA Group became involved in the ChemHR programme - an original PIPC project, the aim of which is to enable universities and companies to establish a dialogue and exchange information in terms of needs, challenges and opportunities in education. QEMETICA Group experts took part in two online events organised as part of the project, during which they had the opportunity, among others, to present the activities of the QEMETICA Group to a young audience, as well as development opportunities for students, graduates and doctoral students in the Group.

Thanks to QEMETICA's active membership in the Polish Chamber of Chemical Industry, as well as in events organised by PIPC, the QEMETICA Group has the opportunity to promote its activities as well as present the expert voice of its employees, thereby shaping the image of the entire company.



## OTHER ASSOCIATIONS AND ORGANISATIONS IN WHICH THE QEMETICA GROUP IS ENGAGED:

- Association of Stock Exchange Issuers,
- Bilateral Polish-Romanian Chamber of Commerce and Industry,
- Employers of the Republic of Poland,
- "Lewiatan" Confederation,
- "Polska Sól" (Polish Salt) Foundation,
- Polish Society for Human Resources Management,
- Chamber of Industrial Power and Energy Recipients,
- CEFIC – European Chemical Industry Council,
- The National Association of Candle and Gravelight Producers (membership until November 2023),
- Railway Business Forum,
- European Association of Flexible PU Foam Blocks Manufacturers – EUROPUR,
- SPOT System – Assistance System in the Carriage of Dangerous Materials,
- Polish Crop Protection Association (PSOR),
- ECCA – European Crop Care Association,
- Foundation for the Development of the Rzeszów University of Technology.

## Relations with local communities

The QEMETICA Group actively fulfils its mission of being a "good neighbour" incorporated into its ESG strategy and supports local initiatives in the environments where the Group's production plants operate. It actively participates in the organisation of sports and cultural events and educational programmes. These activities take the form of sponsorship and partnership. The Group implements charitable and volunteer projects, giving employees the opportunity to actively participate in them.



## SOCIAL INITIATIVE SUPPORT FUND IN INOWROCŁAW

The Social Initiatives Support Fund is a joint initiative of the founders - QEMETICA Soda Polska and EEW Energy from Waste Polska - established in 2023. It is being implemented as part of the Inowrocław New Energy project, which includes the construction of an installation for the thermal processing of municipal waste along with accompanying infrastructure at the QEMETICA Soda Polska complex in Inowrocław. Investors plan that the construction will last about three years.

In the first edition of the programme, the Fund's budget amounted to PLN 700,000, and nearly 50 initiatives were submitted, of which 20 will receive funding. The funds allocated by QEMETICA Soda Polska and EEW Energy from Waste Polska could be used for socially valuable initiatives, activating the local community and increasing the involvement of city residents in good neighbourly relations.

The Inowrocław Music Society PRO ARTE will organise a series of classical music concerts, which will be an opportunity to present the most outstanding graduates of the State Music School in Inowrocław. Events held in the health resort will be addressed not only to the residents of the city and commune of Inowrocław, but also to patients and tourists visiting the region. It also received support from, among others, the initiative "Kujawy na fali - płyniemy w kulturę" (Kujawy on a wave - we are sailing into culture) proposed by the Local Tourist Organisation of Kujawy. It is planning a number of events, including festivals presenting products prepared by rural house-wives' groups, artistic handicrafts as well as local products. A project for seniors - the Intergenerational University of the 21st Century - also received funding. It is a series of classes and workshops for residents of the city and commune, which will not only allow them to expand their knowledge and acquire new skills, but will also integrate the local community.

The full list of winning initiatives is available at [www.funduszdlainowroclawia.pl](http://www.funduszdlainowroclawia.pl)

## INOWROCŁAW

- Another year in a row, QEMETICA became the titular sponsor of KSK QEMETICA Noteć Inowrocław, a second-league men's basketball team. Sponsorship of KSK QEMETICA Noteć Inowrocław in the 2023/2024 season is one of many initiatives important for the local community supported by the company as part of the implementation of the ambitious ESG Strategy adopted by the QEMETICA Group. The matches played in Inowrocław are very popular with the city's inhabitants.
- QEMETICA was a sponsor of the "ZHR Przysań" Polish Scouting Association, Kuyavian-Pomeranian District. The sponsorship supports educational, patriotic, sports, ecological and administrative activities carried out at Przysań Kajakowo-Żeglarska ZHR. QEMETICA Soda Polska was also involved in the Ekorzeka project - Spring Cleaning of the Noteć River at Przysań Kajakowo-Żeglarska ZHR.
- Regular meetings with residents and the Management Board of Osiedle Mątwy (a housing estate adjacent to the QEMETICA Soda Polska production plant) to inform them about initiatives and conduct dialogue with residents.
- QEMETICA Soda Polska remained a sponsor of the Mątweski Noteć Football Club, operating in the immediate vicinity of its production plant in Inowrocław. The company also sponsored the Inowrocław "Noteć" Table Tennis Club, the "Akro - Sól" Inowrocław Sports Acrobatics Club Association, as well as the Inowrocław CUIAVIA Sports Club - a fourth-league football club. All clubs and associations are socially important sports centres for the inhabitants of Inowrocław, and the company, by undertaking sponsorship activities, ensures diversity in terms of sports disciplines and sports level, while emphasising the support of children and youth teams as part of the aforementioned activities.
- The QEMETICA Group became the sponsor of the Poland-Indonesia match as part of the Davis Cup tournament. Davis Cup is the world's largest international tennis competition, and thus one of the most important tournaments in this sport. The event was held in the sports and entertainment hall of the Sports and Recreation Centre in Inowrocław, being an important element of the city's promotion at the regional and national level.
- The QEMETICA Group provided support, among others, to the Little Footballer Inowrocław Football Academy, the Piast Running Festival, the Second National Basketball Festival - "Kasper Kids Cup" and the National Youth Tennis Tournament in Inowrocław. Involvement in these events reflects care for

the education and youth in the spirit of sports competition and care for physical culture.

- QEMETICA Soda Polska continues its patronage over two classes of a technical secondary school with the profile of an analyst technician at the John Paul II Chemistry-Electronics School Complex in Inowrocław, which is another element of the QEMETICA Group's wider cooperation in improving the quality of vocational education in the Kuyavian-Pomeranian region. The partnership enables students to have traineeship, and at the same time will provide the opportunity to gain practical experience and direct contact with specialists in the industry. In addition, in 2023, QEMETICA Serwis, together with the Mechanical and Electrical School Complex in Inowrocław, continued joint activities promoting industry professions such as: mechanic, electrician, electro-automatic technician, to name but a few, through the organisation of apprenticeships and internships for students and study visits of industry business representatives to the school. QEMETICA Soda Polska also covered part of the costs of the National Festival - "Because I love film", organised by Nicolaus Copernicus Primary School No. 6 in Inowrocław.
- In 2023, QEMETICA Soda Polska supported cultural centres and events in Inowrocław - including: Kuyavian Cultural Centre - INO CLASSIC FESTIVAL, Inowrocław Days, initiatives of the Jan Kasprowicz Museum in Inowrocław and the Open-air Exhibition Dedicated to the Interwar Period and the Historical Festival in Inowrocław.
- The QEMETICA Group made donations to members of the local community in need from peer collections (fundraisers) on Children's Day and Christmas.

## JANIKOWO

In 2023, QEMETICA Soda Polska was the sponsor of MKS Janikowo. The company also supported the "Janikowska ZaDyszka" marathon and the run for disabled people "Miej serce do biegania" (Have a heart for running).

## BYDGOSZCZ

- QEMETICA Cargo continues long-term cooperation with the Railway Technical Secondary School in Bydgoszcz. In 2023, students took part in a meeting with the company's representatives to learn details about internship offers, professional development opportunities and the company's business profile.
- QEMETICA Polyurethanes became a sponsor of the Polonia Bydgoszcz speedway team - a seven-time Polish team Speedway Champion.

## "ODDYCHAMY" (WE BREATHE) COMPETITION

In 2023, the "OddychaMY" competition was held - organised by the NaTemat editorial office, whose partner and sponsor of the prizes was the Bydgoszcz-based company QEMETICA Polyurethanes. The initiative was addressed to non-governmental organisations implementing projects in combating smog or health prevention. The competition aimed to select the most interesting social campaign whose task was to build social awareness of the importance of wearing protective masks. The winner of the "OddychaMY" competition was the Q-bit Association from Żory (Śląskie Province). The winners received PLN 50,000 as a prize for the implementation of their own educational campaign, as well as a supply of the highest quality certified FFP3 class masks, donated by their manufacturer - QEMETICA Polyurethanes.

The winning campaign - developed by the Q-bit Association - took the form of a social campaign divided into local and national parts. As part of the local part (including the town of Żory and its surroundings), a competition was organised for teams composed of secondary school students, as well as their parents and guardians. As part of the competition, the participants had to prepare a film encouraging people to wear masks, a school newspaper on the harmfulness of smog, and - as part of the workshops - build a smog meter and its housing. Those taking part in the national part prepared a film about anti-smog. Additionally, an educational campaign was implemented among the residents of Żory, promoting the wearing of protective masks. During the campaign, masks donated by QEMETICA Polyurethanes were used.

### NOWA SARZYNA

- QEMETICA Agricultural Solutions Poland continuously maintains its patronage over the chemical class, which is part of the QEMETICA project under the name "Chemistry connects people". The partners of the project are the Rzeszów University of Technology and the Nowa Sarzyna Town and Commune Office. As part of the agreement, the company created a special offer for students of the University of Technology. The laboratory regularly hosts meetings of students who have chosen chemistry at the advanced level with employees of QEMETICA Agricultural Solutions Poland on recruitment in the chemical industry and the process of developing and registering products on individual global markets.

- QEMETICA Agricultural Solutions Poland takes patronage over the Unia Nowa Sarzyna football club.
- Nowa Sarzyna – QEMETICA Agricultural Solutions Poland co-financed the purchase of equipment for local authorities and allocated PLN 10,000 to restocking ponds located in the recreational area used by employees and their families.

### STASSFURT

Sponsorship of the HV Rott Weiss Stassfurt handball club.

## WE SUPPORT YOUNG TALENTS

The Academy of School Talents" is a free, long-term support programme for children of employees of enterprises from the portfolio of companies of the initiator of the Academy - Sebastian Kulczyk, including the QEMETICA Group. Programme participants will receive help from graduates of the world's best universities in developing their talents and skills and choosing the best educational path. Advisors from the Nativated Foundation will prepare them for their final exams, as well as for studying at foreign universities. The credibility of the programme is guaranteed by its partner - the Nativated Foundation, which promotes and supports the education of Poles at the best universities in the United Kingdom and the United States on a daily basis. The foundation has expertise of student learning needs and school systems in the US, UK and elsewhere.

The wards of the Academy of School Talents, which has been operating since 2018, selected during a multi-stage recruitment process, are covered by an individualised educational programme tailored to their plans and development needs, preparing them to pass the high school leaving exam and take up studies at the best universities in Poland and abroad. The study plan, support in preparation for subject competitions, and assistance in identifying application processes for selected universities are provided by the Nativated Foundation, which strives to increase social capital among young people by cooperating with professional teachers, as well as students of leading Polish and foreign universities.

Many of the current wards of the Academy of School Talents are studying at prestigious universities, including: ETH in Zurich, the University of Amsterdam or the University of Southampton - this is where the winner





*New participants of the Academy of School Talents who joined the programme in the 2023/2024 school year*

of the first edition of the Academy, from Janikowo (the town where the QEMETICA Soda Polska production plant is located), continues her education. She is a PhD student in the field of nanobiotechnology.

Seventeen participants of the Academy of School Talents completed over 2,130 hours of classes in the 2022/23 school year under the supervision of mentors from the Nativated Foundation. Last year's graduates of the Academy passed their high school leaving exams with flying colours and, as a result, were admitted to universities such as Turin University of Technology, Medical University of Warsaw and the AGH University of Science and Technology.

In 2023, the Academy of School Talents continued to operate in an expanded formula, providing support to those already studying and organising the recruitment of new participants. Three new participants were admitted to the Academy of School Talents, including two daughters of employees of QEMETICA Group companies. For more information go to [www.akademiaszkolnychtalentow.pl](http://www.akademiaszkolnychtalentow.pl)

## WE PROMOTE HELPING OTHERS AND EMPLOYEE VOLUNTARY INITIATIVES

One of the initiatives by Employees are colleague fund-raisers for local organisations and institutions in need. In 2023, charity donations were continued for children from the Orphanage in Orłowo (Inowrocław County) and for the charges of the "Dar Serca" Association in Janikowo. The QEMETICA Group provided, among others, a donation to a member of the local community in need and during the QEMETICA Fest picnics, employees collected funds for selected organisations in need of help.

## WE SPONSOR THE MOST PRESTIGIOUS TRIATHLON COMPETITION IN POLAND

In 2023, the QEMETICA Group was the titular sponsor and the main partner of the Tri Tour series of triathlon competitions. QEMETICA Tri Tour is the most prestigious series of triathlon competitions in the country, in which athletes compete for the shortest total race completion time. All events included in the series are independent, in each of them the competitors receive separate starting packages, medals and prizes, in accordance with the regulations prevailing in the competition concerned.

# Public aid

GRI 201-4

In 2023, the QEMETICA Group companies continued projects financed from public funds initiated in previous years. Substantive work related to the implementation of the material scope of the projects, as well as their settlement, enabled QEMETICA to receive a subsidy in the amount of:

## PLN 3,775 thousand

by QEMETICA Agricultural Solutions Poland for the implementation of the project "Development and verification in real conditions of a more efficient and energy-saving technology for producing an innovative herbicide with a reduced content of active substance." The company also submitted an application for final payment, under which it seeks a refund of PLN 1,039 thousand.

## PLN 331 thousand

by Smart Fluid within the framework of the project "Development and validation in real conditions of technologies for producing intelligent materials that absorb impact force by using the properties of shear thickening fluids (STF)." The company also submitted an application for final payment, under which it seeks a refund of PLN 189,000.

In 2023, three companies from the Group started the processes of obtaining funds:

- QEMETICA Soda Polska submitted three applications for funding for projects related to energy transformation and digital transformation. The total amount of funding requested is over PLN 173.6 million.
- QEMETICA Agricultural Solutions Poland and QEMETICA Polyurethanes are applying for funding for research and development projects that will enable the implementation of innovative technologies and the introduction of new products to the market.

The QEMETICA Group companies also benefit from exemption from corporate income tax in connection with investments carried out on the basis of business permits in Special Economic Zones or on the basis of support decisions issued within the Polish Investment Zone.



# About this report

QEMETICA®

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## METHODOLOGIES FORMING THE BASIS FOR PREPARATION OF THIS REPORT

GRI 2-3; GRI 2-2; GRI 2-4

The Sustainability Report of the QEMETICA Group for 2023 is our seventh report in which we comprehensively present our impact in the social, employee and environmental areas. The previous report of the QEMETICA Group for 2022 was published on 23 March 2023. The report was prepared in accordance with the international non-financial reporting standard, Global Reporting Initiative Foundation 2021. In addition, the Report includes ISSB (International Sustainability Standards Board) indicators.

This report also provides information on the implementation of the principles of the UN Global Compact (Communication on Progress) and refers to the Sustainable Development Goals (SDGs). The report has not been subjected to any external audit by an independent verifier/auditor.

The list of companies included in the financial statements and the list of companies from the sustainability report are identical, there are no differences between them.

## OUR STAKEHOLDERS AND THE MANNER OF INTERACTING WITH THEM

GRI 2-29

One of the foundations of the QEMETICA Group's operations is establishing and maintaining lasting and effective relationships with numerous groups of internal and external stakeholders. When conducting our business, we exert a significant impact, both short- and long-term, on our closer and further environments. To assess this impact, we engage in dialogue with our stakeholders and obtain information on issues which are of interest to them.



**Investors**



**Employees**



**Customers**



**Suppliers**



**Local communities**



**Future generations**

## MATERIALITY ANALYSIS

GRI 2-29, GRI 3-1

We carry out an analysis to determine which issues are of essence to our stakeholders, and then openly inform them about our activities in these areas and take their expectations into account.

In order to structure and organise our approach to stakeholder relevant issues, we have adopted the methodology and concept developed by SASB (the Sustainability Accounting Standards Board, currently, the International Sustainability Standards Board), which identified the most important ESG areas that should be reported. In addition, we analysed our interaction with different stakeholder groups and reviewed documents published by our stakeholders and their representative institutions.



## Forms of dialogue and obtaining feedback on areas of essence to our stakeholders

Stakeholder group	Group characteristics	Forms of dialogue and obtaining feedback
 Investors	<ul style="list-style-type: none"> <li>individuals and institutions that have engaged, or are considering investing their capital, in the QEMETICA Group: shareholders (institutional and individual), potential shareholders as well as banks and other institutions on the debt capital market</li> <li>individuals and institutions intermediating and supporting active participants of the financial market in the analysis and execution of investment decisions: brokerage houses and offices, industry-specific and financial media</li> <li>institutions organising and supervising the financial market, managing its infrastructure, and participating in the process of establishing regulations such as: the Stock Exchange, the Polish Financial Supervision Authority and the Association of Stock Exchange Issuers</li> </ul>	<ul style="list-style-type: none"> <li>Information obtained through direct contacts</li> <li>Analysis of ESG surveys and questionnaires received by the QEMETICA Group</li> <li>Analysis of international non-financial reporting standards, especially GRI and SASB</li> <li>Analysis of the existing and proposed regulations and codes of good practice on the Polish market and abroad</li> </ul>
 Employees	<ul style="list-style-type: none"> <li>Individuals employed by the QEMETICA Group companies, regardless of the type and place of employment and position held</li> <li>In some cases, also individuals employed by suppliers and subcontractors of the QEMETICA Group (e.g., working at our production plants)</li> <li>Potential employees</li> <li>Former employees, especially people who retired from QEMETICA</li> </ul>	<ul style="list-style-type: none"> <li>Direct contacts</li> <li>Employee opinion survey</li> <li>Dialogue with trade unions and employee representation bodies</li> <li>Interactive communication day events providing employees with ability to directly ask questions to the Management Board</li> <li>Other internal communication tools</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>Current, potential and former customers</li> <li>In some cases, also our customers' clients</li> </ul>	<ul style="list-style-type: none"> <li>Direct contacts</li> <li>Analysis of ESG inquiries, questionnaires and surveys received by the QEMETICA Group</li> <li>Customer ESG strategies and reports</li> <li>Documents published by industry organisations in which our customers participate</li> </ul>
 Suppliers	<ul style="list-style-type: none"> <li>Suppliers, service providers and subcontractors</li> </ul>	<ul style="list-style-type: none"> <li>Direct contacts</li> <li>ESG strategies and reports of our suppliers</li> <li>Dialogue on compliance with our Code of Business Partners and ESG standards by our suppliers</li> </ul>
 Local communities	<ul style="list-style-type: none"> <li>Communities at the locations of our production facilities</li> <li>Local authorities and local public administration</li> </ul>	<ul style="list-style-type: none"> <li>Direct contacts</li> <li>Consultation processes</li> </ul>
 Future generations	<ul style="list-style-type: none"> <li>All individuals and institutions who will be our stakeholders in a long, at least several decades, time perspective.</li> <li>Represented through long-term policies of governments, international and supranational organisations and the activities of local, regional and global NGOs</li> </ul>	<ul style="list-style-type: none"> <li>Analysis of programme documentation and communications from governments, international organisations, and supranational NGOs.</li> <li>Tracking the results of scientific research and technical progress in areas like the activities of the QEMETICA Group</li> </ul>

## PROCESS

In order to prioritise the areas included in the ESG, we carried out a detailed materiality analysis. The analysis was performed in December 2020, and we used it when preparing the reports for 2021 - 2023.

When analysing materiality, we applied the SASB approach.

### ESG AREA MATERIALITY ANALYSIS IN THE QEMETICA GROUP

#### SCOPE OF ANALYSIS

As a basis, we adopted the list of ESG areas in the SASB Standards for the „Resource Transformation“ sector and the chemical industry, which we reviewed in terms of the specifics of the QEMETICA Group.

#### OUR STAKEHOLDERS' INTERESTS AND CONCERNS

We verified the level of interest/concern of all stakeholder groups in particular ESG areas.

#### FINANCIAL IMPACT AND RISK ASSESSMENT

We assessed the impact of individual ESG areas on:

- Revenues/Expenses
- Assets/Liabilities
- Capital expense/Risk profile

#### OTHER FACTORS

We also considered: trends in the legal environment, current and future norms and standards in our industry and factors influencing long-term competitiveness, as well as opportunities for innovation.

## RESULTS OF THE ANALYSIS

Based on the materiality analysis described above, we have selected four areas of priority materiality and eight areas of high materiality.

Areas of priority materiality:

- Greenhouse gas emissions (GHG Emissions)
- Energy management
- Water and Wastewater management
- Employee Health and Safety and Critical Incident Risk Management

Areas of high priority:

- Air Quality
- Waste and Hazardous Material Management
- Community Relations
- Employee Engagement, Corporate Culture and Labour Relations
- Product Quality and Safety
- Business Ethics

Priority materiality areas are of great interest to our stakeholders or have a great impact on our current or future financial results. High materiality areas are also of interest to our stakeholders and have a financial impact, however, at a level noticeably lower than priority areas. The priority and high materiality areas are presented in this report.

Those areas which do not classify as priority or high materiality areas have not been described in this report. This does not entail that they are not significant for the operations of the QEMETICA Group. It only means that according to our assessment, their presentation in this report would bring little benefit or informative value for our stakeholders.

## CHANGES IN RELATION TO THE PREVIOUS VERSION

The materiality analysis of the QEMETICA Group remains unchanged compared to 2022.

# Indexes

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QEMETICA®

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## Contact

GRI 2-3

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