



ESG Strategy

of Polimex Mostostal Capital Group

2025 – 2035

For the sake of people and the environment
- for the benefit of the organisation and its stakeholders

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Strategic ESG objectives of
Polimex Mostostal Capital Group



Letter from the President of the Management Board of Polimex Mostostal

At Polimex Mostostal Group, we are fully aware of the challenges the world is facing today. We know that our decisions and actions today determine what our future will look like and what reality the next generation will find.

We strive every day to initiate and implement solutions for environmental care, respect for all stakeholder groups and the highest ethical standards.

We want ESG issues to be closely integrated into the business strategy of the Polimex Mostostal Group in order to strengthen the financial performance of the entire Organisation and lay the foundations of the company's operations in future decades.

Our relationship with Stakeholders is based on the principles of responsibility and dialogue. We focus on integrity, transparency, mutual respect and professionalism.

We are aware that our business is part of multiple value chains in which we influence our customers and suppliers, and they influence us. Only combined sustainability efforts can have a lasting effect.

The development and implementation of an effective ESG strategy will never end. We recognise that implementing strategic change is a lengthy process that must be carried out with due diligence.

We have therefore adopted a set of strategic objectives that we wish to achieve by 2035 and medium-term goals that we aim to achieve by 2030.

Jakub Stypuła

President of the Management Board of Polimex Mostostal S.A.





**Polimex
Mostostal**



GRUPA KAPITAŁOWA 1945 - 2025

BUILDING THE FUTURE CARING FOR PEOPLE AND NATURE

Segments of activity of Polimex Mostostal Capital Group



Polimex Mostostal Group consists of companies with manufacturing and service profiles, operating in key sectors:



POWER ENGINEERING AND SERVICE



OIL, CHEMICALS AND GAS



INDUSTRIAL CONSTRUCTION



PRODUCTION



INFRASTRUCTURE



EQUIPMENT BASE



Mission and vision of our company

Polimex Mostostal S.A.'s mission:

As the largest construction and engineering company with Polish capital, we are here to implement strategic projects in key sectors of the construction market that are important for the Polish economy, using the latest technologies, keeping the highest quality standards and respecting the natural environment.

Polimex Mostostal S.A.'s vision:

Polimex Mostostal is **synonymous with world-class Polish construction of the future.**

We are a leading Polish construction and manufacturing company that meets your expectations, diversifies revenue sources, improves the contract execution process and builds value for its shareholders through the implementation of projects, primarily in the areas of energy, oil, chemicals and gas and industrial construction.

Safety leader

Taking care of employees on a daily basis and creating safe and best possible working environment is a priority for us. We put good working relationships and safety first, as well as team commitment. We invest in the development of professional and personal competences, supporting employees both in achieving ambitious business goals and in achieving job satisfaction.

Safety of employees is our highest value, therefore we effectively scrupulously fulfil all the obligations resulting from legal regulations governing occupational health and safety, depending on the needs and profile of the Client, Investor or Principal.

Our performance on behalf of occupational safety has been honoured four times with the Safe Work Leader Gold Card for 2018-2019, 2020-2021, 2022-2023, 2024-2025.





ESG TEAM

The Supervisory Board of Polimex Mostostal S.A. has appointed the Vice President of the Management Board for Finance of Polimex Mostostal S.A.

Ms Marzena Hebda-Sztandka is responsible for issues related to the area of sustainable development of Polimex Mostostal Capital Group.



In Polimex Mostostal Capital Group companies, the Management Boards appointed coordinators responsible for individual areas related to the implementation of the defined Sustainable Development Strategy Objectives for 2025 – 2035.



Time perspective



* ESRS – European Sustainability Reporting Standards.

**GRI – stands for Global Reporting Initiative. This is the name of an independent, international organisation that sets standards for sustainability reporting.

ESG strategic objectives – introduction

Polimex Mostostal Capital Group's (PxM CG or Capital Group) priority is to act transparently, taking into account environmental (including climate), social and management objectives.

The strategy is based on five pillars addressing each of the main ESG areas:

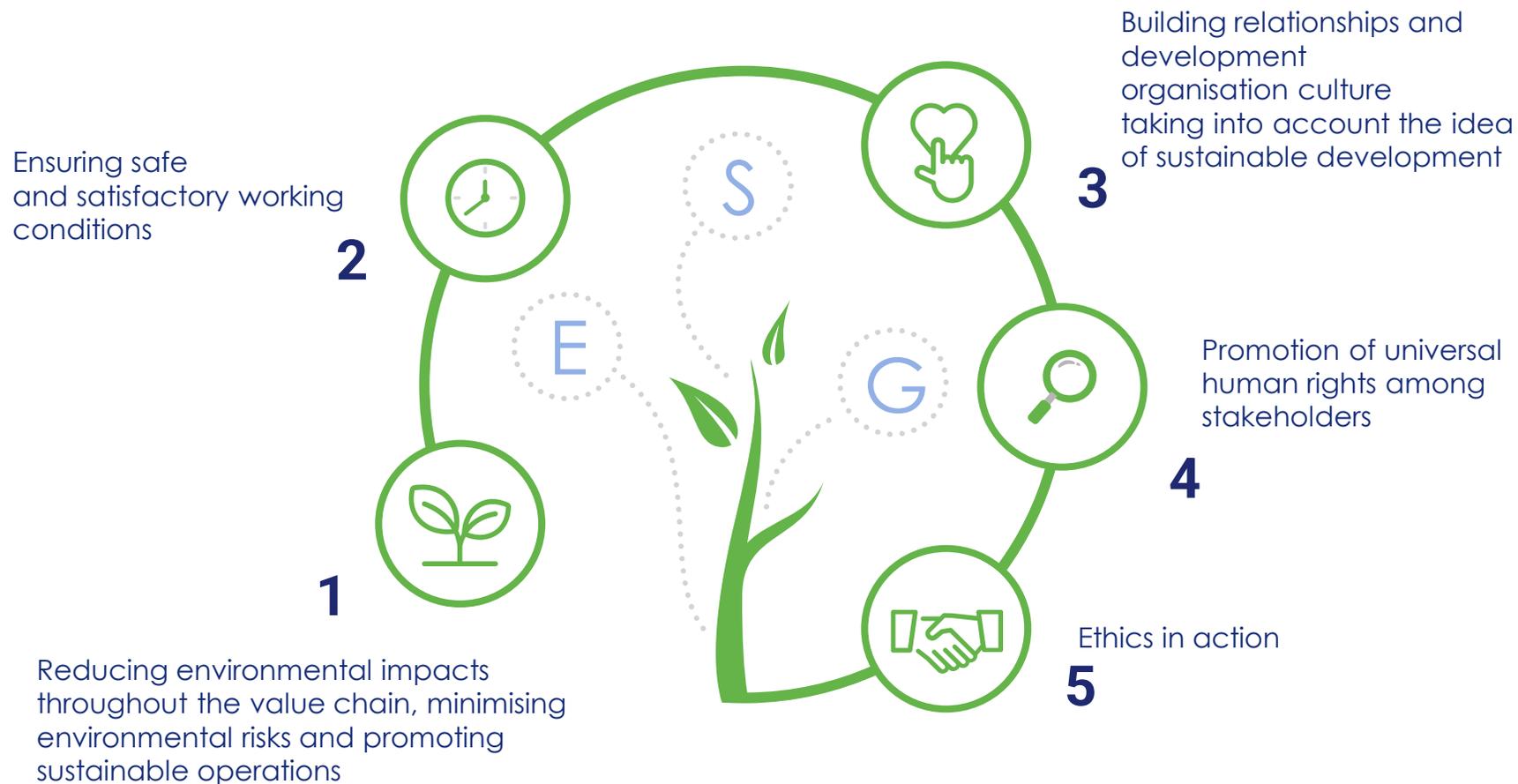
climate and environment ("E" – E "Environment"),

society ("S" – "Social Responsibility") and

corporate governance ("G"– "Corporate Governance").



Areas of ESG development in the Group



Group ESG strategic objectives



OBJECTIVE 1

Aiming to achieve climate neutrality for the Polimex Mostostal Group by 2050.

OBJECTIVE 2

Creating a closed loop economy in the Polimex Mostostal Capital Group.

OBJECTIVE 3

Building sustainable and partnership relations with all stakeholder groups.

OBJECTIVE 4

Strengthening the culture of work safety and care for health in Polimex Mostostal Capital Group

OBJECTIVE 5

Attention to the highest standards of corporate governance



ESG objectives and strategic orientations





OBJECTIVE 1

Aiming to achieve climate neutrality for the Polimex Mostostal Group by 2050.

▀ **Successive reduction of the carbon footprint at Polimex Mostostal Group.**

Indicators:

- ▀ Developing a strategy for decarbonisation (lowering the carbon footprint) in the Group by the end of 2025.
- ▀ Implementing and launching the decarbonisation strategy in the PxM Group by the end of 2026 and beyond.

Actions:

1. Introduction of modern production technologies that reduce greenhouse gas emissions:

- ▀ using energy-efficient equipment and systems that optimise energy consumption,
- ▀ implementation of production technologies based on renewable energy, such as photovoltaics or energy storage, technological processes to minimise energy and material losses.

2. Promoting the use of low-carbon materials:

- ▀ working with suppliers on the development and use of raw materials with a reduced carbon footprint, such as green concrete or low-carbon steel,
- ▀ introduction of recycled materials into production, in line with the principles of a circular economy,
- ▀ priority for certified suppliers that meet international sustainability standards (e.g. ISO 14001, EPD).





OBJECTIVE 1 ctd.

Aiming to achieve climate neutrality for the Polimex Mostostal Group by 2050.

🌱 Reducing the energy intensity of Polimex Mostostal Group's operations

Indicators:

- 🌱 Conducting energy audits in 2025 and introducing an additional energy management systems standard ISO 50 001,
- 🌱 Developing a 'green delegation' policy by the end of 2026.

Actions:

1. Further optimisation of energy consumption and use across the Group's operations.
2. Optimisation of technological processes in production facilities:
 - 🌱 analysis and modification of key technology processes to reduce energy consumption per unit of production,
 - 🌱 integration of energy management systems into production processes based on PN-EN ISO 50001 standards.
3. Increasing the share of energy-efficient equipment across the Company:
 - 🌱 investing in modern, energy-efficient equipment,
 - 🌱 gradual replacement of older equipment with energy class A+ and above, both in production processes as well as in office infrastructure.
4. Increasing the share of energy from renewable sources
 - 🌱 promoting the use of renewable energy sources, such as the installation of photovoltaic panels on production sites and offices.
 - 🌱 purchasing of electricity under the cPPA contract
 - 🌱 purchasing of guarantees of origin for the remaining volume of energy consumed





OBJECTIVE 1 ctd.

Aiming to achieve climate neutrality for the Polimex Mostostal Group by 2050.

▀ Increasing the share of renewable energy sources in the Polimex Mostostal Group.

Indicators:

- ▀ Implementation of RES projects in production facilities,
- ▀ Reduction of scope 2 emissions resulting from the purchase of energy certificates of origin.

Actions

1. Extension of photovoltaic systems on production sites:

- ▀ the use of building roofs, car parks and other open spaces on production sites for the installation of photovoltaic panels,
- ▀ adaptation of plant infrastructure to use energy from RES.

2. Working with suppliers of renewable electricity:

- ▀ priority use of energy from renewable sources such as wind farms, hydroelectric plants or biogas plants,
- ▀ concluding long-term contracts (PPAs – Power Purchase Agreements) with green energy suppliers to ensure stable and predictable costs,
- ▀ Regular reporting on the share of renewable energy in the Group's total energy consumption.

Additional information: At the end of 2024, renewable energy sources accounted for approximately 2% of the total energy sources used at PxM CG's production facilities and on ongoing projects.





OBJECTIVE 2

Creating closed-loop economy at Polimex Mostostal Capital Group

▀ Increasing the use of materials and raw materials that comply with the principles of the circular economy

Indicators:

- ▀ Developing a policy on the GOZ closed loop economy by the end of 2025.
- ▀ Developing and implementing procedures for the management of surplus materials, equipment and other resources that can be reused in subsequent projects, by the end of 2027.

Actions:

1. Developing of a system for monitoring and analysing waste in production processes.
 - ▀ identifying key areas where waste is generated and developing strategies to minimise it,
 - ▀ cyclical analysis of data in order to take preventive measures such as optimising production processes or introducing new waste-reducing technologies.
2. Introducing closed-loop education programmes.
 - ▀ organising training for employees and subcontractors on the principles of the circular economy (GOZ),
 - ▀ information campaigns to promote the importance of using local materials, recycled products and environmentally certified raw materials,
 - ▀ introducing competitions and initiatives to encourage employees to come up with ideas for reducing waste and reuse of resources.





OBJECTIVE 2 ctd.

Creating closed-loop economy at Polimex Mostostal Group.

🌱 Increasing the use of materials and raw materials that comply with the principles of the circular economy

🌱 Activities ctd.:

3. Striving to increase the share of electronic documentation workflow – Defining the scope of electronic documentation for all projects by 2026 – Digitisation of administrative processes:

- 🌱 implementing a digital document management system that will reduce the need to print and store paper versions of documents,
- 🌱 automation of administrative processes such as e-invoicing, digital time recording and material declarations.

4. Training for employees in the use of digital tools:

- 🌱 the organisation of periodic training courses on the use of digital systems and tools to support GOZ, such as waste accounting platforms and document management systems,
- 🌱 support employees in adapting to new technological solutions through mentoring and training materials.

5. Systematic monitoring of waste management at production sites and projects:

- 🌱 regular audits of waste management, including its classification, segregation and recyclability,
- 🌱 implementing tools to enable waste to be tracked from its inception through to final management (e.g. recycling, disposal).





OBJECTIVE 2 ctd.

Creating closed-loop economy at Polimex Mostostal Group.

🌱 Upgrading of technology in production facilities

Indicators:

- 🌱 Increase efficiency in the use of raw materials and materials in production processes,
- 🌱 Reduction in production waste rate.

Actions

1. Aiming at minimising paint consumption in anti-corrosion painting services:

- 🌱 to a certain extent, replacing traditional hydrodynamic painting with powder coating technology, which is characterised by higher paint efficiency and less material loss,
- 🌱 expected results: reduction in paint consumption by around 30% over 5 years, which will result in a reduction in costs and the environmental footprint of painting processes.

2. Reducing galvanising temperature by modifying chemical composition of the galvanising bath and using green hydrogen to heat the galvanising baths.

- 🌱 reduced energy consumption thanks to lower operating temperatures,
- 🌱 reduced zinc consumption due to even coating thickness,
- 🌱 increasing service life of process plants by reducing thermal loads.





OBJECTIVE 2 ctd.

Creating closed-loop economy at Polimex Mostostal Capital Group

Modernisation of technology in production facilities – ctd.:

3. Optimisation of transports – shortening the time of the loading process and reducing the amount of additional packaging materials used.
 - ☞ automation of loading and transport processes to reduce the time of logistics operations,
 - ☞ improving the organisation of internal and external logistics,
 - ☞ the use of reusable packaging materials,
 - ☞ optimisation of packaging designs to reduce the number of raw materials used (e.g. less film, cardboard).
4. Achieving steel construction waste rate of 8% in 2030 and 6% in 2035.
 - ☞ optimisation of design and production processes for steel structures for precision material cutting,
 - ☞ implementation of internal recycling systems, allowing steel waste to be reused in production processes,
 - ☞ working closely with raw material suppliers to minimise material losses at the delivery stage.
5. Optimisation of in-plant logistics through the implantation of an IT system to manage the scheduling, billing and mapping of logistics processes.





OBJECTIVE 3

Building sustainable and partnership relations with all stakeholder groups

🌱 Increased positive perception of the Group's activities by local communities and other stakeholders

Indicators:

- 🌱 Developing a model for working with local communities and other Stakeholders by the end of 2026, including communication, information and consultation activities.
- 🌱 Creation of a research tool to assess the impact of the Group's activities on stakeholders.
- 🌱 Conducting regular surveys to assess the quality of cooperation and expectations of local communities – at least once a year at the project and at the production site – starting in 2026.

Actions:

1. Organisation of information meetings with residents in the project implementation regions:

- 🌱 regular meetings with residents in the project regions,
- 🌱 communicating the work schedule, potential nuisances and benefits of ongoing projects,
- 🌱 answering questions, addressing concerns and gathering feedback from residents,
- 🌱 ensuring transparency and open communication by providing detailed information on projects, including the impact of the on the environment and the local economy.

2. Making it compulsory to verify the possibility of working with local suppliers in purchasing procedures:

- 🌱 implementation of a purchasing policy that requires verification of suppliers from the project regions, if their offer is competitive in terms of quality, cost and deadlines,
- 🌱 making it easier for local suppliers to participate in tenders by dividing large contracts into smaller packages that are accessible to smaller companies,
- 🌱 promoting local suppliers who operate in a sustainable vtainable manner, e.g. with ISO 14001 or EPD (Environmental Product Declaration) certification.



OBJECTIVE 3 ctd.

Building sustainable and partnership relations with all stakeholder groups

🌱 Seeking to increase involvement in social and environmental initiatives carried out in collaboration with local communities

Indicators:

- 🌱 Involvement in selected initiatives that are justified in terms of the PxM CG's business profile.
- 🌱 Organising regular meetings with local residents, NGOs and local authorities in places where production facilities are located or projects are implemented.
- 🌱 Organising open days at projects and production facilities so that residents can better understand the company's activities.

Actions:

1. Support for local education initiatives:
 - 🌱 organising workshops and educational events on technology, engineering and sustainability.
2. Engaging employees in corporate volunteering:
 - 🌱 organising internal competitions for the best social initiatives in which employees can participate.





OBJECTIVE 4

Strengthening the culture of safety and care for health in Polimex Mostostal Capital Group

🌱 Striving to systematically reduce the accident rate in the Polimex Mostostal Group

Indicators:

- 🌱 Maintaining the accident severity ratio at Polimex Mostostal Group for 2025 at the current level or lower (absenteeism/number of accidents),
- 🌱 Consistent efforts to reduce the accident frequency rate (number of accidents * 1000/average employment),
- 🌱 Carry out at least one documented health and safety inspection and monitoring per week on ongoing projects and periodic reviews in the Companies,
- 🌱 Maintain a high level of worker safety awareness – 100% of manual workers on construction sites trained in health and safety annually.

Actions:

1. Continuous monitoring of the state of health and safety and recording of irregularities at production sites and on ongoing projects.
2. Regular education to negate the risk of accidents or incidents that may contribute to injury or ill health to employees.
3. Organisation of regular workshops on occupational safety:
 - 🌱 thematic workshops covering the key hazards in the industry, e.g. working at heights, operating machinery or dealing with chemical risks,
 - 🌱 participation of external experts (e.g. health and safety inspectors, occupational doctors) in training courses and workshops,
 - 🌱 conducting workshops in an interactive format, with hazard simulators and case studies.
4. Implementing a reporting system for potentially hazardous events:
 - 🌱 the anonymity of reports to encourage employees to report incidents without fear of retaliation,
 - 🌱 regular analysis of reports by the health and safety team to identify the most common risks and implement preventive measures.

Group Stakeholder Groups





OBJECTIVE 5

Ensuring the highest standards of corporate governance at Polimex Mostostal Capital Group

Creating a sustainable supply chain and preventing corruption and actions inconsistent with the Group's Code of Ethics

-  Developing tools to support effective corporate governance management,
-  Exercise effective governance oversight,
-  Respect for shareholders' rights and transparent communication of the company to the market.

Maintaining a high level of business ethics and quality

-  working to develop its position as a reliable business partner,
-  maintaining and developing the highest standards of management,
-  responsible business practices based on key ESG aspects.

Compliance with regulations in ESG areas

-  developing and improving sustainability reporting,
-  systematising ESG activities in the Polimex Mostostal Capital Group,
-  aligning the reporting process with new regulations and best practices,
-  developing awareness of ESG issues within the Group,
-  Integration of ESG in decision-making processes and information systems.



ESG

We integrate environmental, social and management in a manner consistent with best practice for a better future.

