



**SUSTAINABLE DEVELOPMENT POLICY IN THE AREA OF ESG  
AT THE POLIMEX MOSTOSTAL CAPITAL GROUP**

**PL-16.11**

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## Chapter I

### Introduction and purpose

The Sustainable Development Policy in the area of ESG (hereinafter ESG Policy) of Polimex Mostostal Capital Group (hereinafter: PxM CG) sets out the basic principles for responsible business conduct, integrated into PxM CG's long-term business strategy. The document reflects a commitment to the systematic implementation of environmental, social and governance (ESG) requirements, as well as the setting and implementation of targets in these areas in line with applicable national and EU regulations. The aim of the adopted policy is to ensure transparency, accountability and consideration of Stakeholders throughout the value chain, as well as to counter risks and support the long-term development of the PxM CG and its environment.

### Section 1.

#### **Scope and subject matter**

1. The Sustainable Development Policy in the area of ESG is the official, overarching statement of the PxM and the PxM CG Companies on the fundamental principles, values and commitments of the PxM CG in the areas of environmental (E), social (S) and governance (G), in accordance with applicable laws, standards and European Sustainability Reporting Standards.
2. The ESG Policy is a document complementary to the Polimex Mostostal Capital Group Strategy and the PxM CG ESG Strategy. It sets out the general framework and overarching principles for commitments and actions relating to sustainable development and sustainable development reporting at the PxM CG, ensuring that the activities of the Companies within the PxM CG, together with the PxM organisational units, as well as employees and associates, comply with the highest ethical standards and Stakeholder expectations.
3. The ESG Policy is a document that takes precedence over all regulations in the area of ESG, including detailed policies, procedures and thematic documents implemented and updated by the PxM CG in order to meet its objectives and legal requirements, as well as best practices, regardless of the stage of their implementation.
4. The implementation of the ESG Policy in the PxM Capital Group is the joint responsibility of all employees, regardless of their position. Every employee, through their daily decisions, actions and attitude, actively contribute to the achievement of the sustainability goals and to the value and reputation of the PxM CG.
5. A review of the ESG Policy takes place at least once every two years and is initiated additionally in the event of significant regulatory or business changes in the PxM CG, according to changes in the environment and after consultation with Stakeholders.
6. The Sustainable Development Office is responsible for updating this Policy and guidelines in the area of ESG.

## Chapter II

### Definitions

#### Section 2.

The terms used in the ESG Policy have the following meanings:

- 1) **CSRD** (Corporate Sustainability Reporting Directive) – Directive (EU) No. 2022/2464 of the European Parliament and of the Council of 14 December 2022 on corporate sustainability reporting. The Directive was adopted in order to harmonise the reporting obligations of companies on environmental, social and governance issues and to lay down rules on the auditing and reporting of sustainability information.
- 2) **ESG** (Environmental, Social and Governance) – an international acronym referring to three key areas of corporate governance and disclosure: Environment, Society and Governance – factors that PxM CG identifies, measures, monitors and discloses as part of its reporting and management responsibilities. ESG reporting and management includes assessing the impact of the PxM CG's activities on the environment and society, as well as the impact of these factors on the PxM CG's financial situation, integrated with decision-making and strategic planning processes.
- 3) **ESRS (European Sustainability Reporting Standards)** – a set of sustainability reporting standards introduced by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 (as amended), which aims to specify the sustainability information that an entity discloses in accordance with the CSRD.
- 4) **Polimex Mostostal Capital Group (PxM CG)** – all companies within the Polimex Mostostal Capital Group for which Polimex Mostostal S.A. is the parent company and which are related to each other within the meaning of the provisions of the Code of Commercial Companies.
- 5) **Stakeholder** – a person, group of persons or entity that is or may be affected positively or negatively by the activities of the PxM CG, or who may benefit from the information disclosed in its sustainability report. Stakeholders include, but are not limited to, employees, customers, suppliers, local communities, investors and other Stakeholders affected by the PxM CG.
- 6) **Governance** – the organisational structure, management system, control and decision-making processes, based on transparency, accountability and ethics in the PxM CG.
- 7) **Value chain** – the full range of activities, relationships and flows associated with PxM CG's operations, including both upstream and downstream value chain activities, covering the Group's own operations upstream and downstream value chain those of external parties: from suppliers and sourcing of raw materials, through internal processes to distribution, product use and end of life.
- 8) **Social responsibility** – PxM CG's responsibility for its actions and impact on society, which includes respecting human rights and ensuring safety, both towards the environment, local communities and employees.
- 9) **ESG risk** – sustainability risks arising from sustainability matters, including environmental, social and governance risks, representing a potential impact factor in traditional risk categories including operational risk, market risk, reputational risk, liquidity risk, credit risk and strategic risk.
- 10) **Capital Group Company (PxM CG Company)** – a company belonging to the Polimex Mostostal Capital Group.
- 11) **Management Board** – the Management Board of Polimex Mostostal S.A., consisting of the President of the Management Board and Vice Presidents of the Management Board.

- 12) **Management Board of a Capital Group Company (Management Board of a PxM CG Company)** – management board of a company belonging to the Polimex Mostostal Capital Group.
- 13) **Sustainable development** – such social and economic development, in which political, economic and social activities are integrated with respect to the natural balance and sustainability of basic natural processes in order to guarantee the possibility of satisfying the basic needs of particular communities or citizens of both the present and future generations. Sustainability is the adoption of business strategies and activities that meet the needs of the PxM CG and its Stakeholders today, as well as safeguarding and enhancing human and natural resources in the future, so as to ensure the company's continued, stable, sustainable growth in the long term.

### **Chapter III**

#### **Pillars of Sustainable Development in the ESG Area**

##### **Section 3.**

The ESG Policy sets out the key principles for responsible business conduct in the PxM CG. The overarching goal is sustainable development, based on the highest standards of ethics, transparency and modern management. The ESG Policy forms the basis for all activities of the PxM CG in the areas of environmental, social and governance matters. It supports the implementation of the strategy and long-term value creation for Stakeholders, including those affected by the PxM CG's activities in accordance with current national and international regulations. The ESG Policy is based on three strategic pillars: environmental (E), social (S) and governance (G), ensuring the comprehensive integration of sustainability objectives into PxM CG's business strategy. Each pillar takes into account the identification, assessment and management of impacts, risks and opportunities, which is a key element in informed decision-making and long-term value creation of the PxM CG.

The implementation of the ESG Policy is linked to selected guidelines contained in the European Union's strategic documents and the UN Sustainable Development Goals, which have inspired the Polimex Mostostal CG to introduce changes in the way it conducts its business – towards a more responsible and sustainable approach, taking into account the well-being of society and the natural environment.

##### **Section 4.**

##### **Governance**

The management of sustainability matters is implemented through defined competences of administrative management and supervisory bodies, effective risk management systems (including identification, assessment and monitoring of ESG impacts, risks and opportunities), and clear procedures and instructions that cover both employees and value chain partners. Regular dialogue with key Stakeholders enables the needs and expectations of the environment to be truly identified and taken into account. PxM CG strives to ensure the highest standards in its relationships with counterparties and to monitor ethics and compliance in the value chain. Responsible governance and the integration of ESG issues into decision-making processes strengthen trust, mitigate risks and support the PxM CG's sustainability strategy and long-term goals. The systematic measures taken

enable the Polimex Mostostal Capital Group to maintain a high level of governance, in line with best market practices and international standards and guidelines for sustainability reporting.

## Section 5.

### **Environmental responsibility**

Caring for the environment is one of the fundamental pillars of Polimex Mostostal Capital Group's responsibility. Aware of the impact of industrial and construction activities on the environment, the PxM CG implements systemic measures aimed at reducing negative impacts on the natural environment. Priority is given to the reduction of greenhouse gas emissions and the rational management of natural resources, implemented through regular analysis of the carbon footprint, continuous improvement of energy efficiency in all areas of activity, and investment in modern technologies that reduce the consumption of raw materials and energy. PxM CG is increasing the use of renewable energy sources, investing in photovoltaic installations and solutions that favour efficient waste management, material recovery and recycling. When construction projects are implemented, measures are implemented to minimise negative impacts on the local environment, including air, water and soil pollution, noise and dust emissions. Every investment project implemented by PxM CG is analysed and assessed from the point of view of environmental impacts, risks and opportunities, and the preventive measures implemented are geared towards protecting nature and the health of the community. PxM CG treats the environment as a common good and is committed to conducting its business in accordance with the principles of sustainable development and the best standards of environmental management.

## Section 6.

### **Social responsibility**

PxM Capital Group is focused on providing safe, healthy and dignified working conditions for own workforce, providing a comprehensive health and safety system, regular training, monitoring incidents and adopting a zero-accident policy. PxM CG strictly complies with human rights, does not tolerate bullying or discrimination, promotes a culture of equality, inclusion and mutual respect, supports the professional development of its workers and implements programmes that promote their well-being. In its relations with stakeholders and throughout the value chain, PxM CG maintains an open and transparent dialogue, considering sustainability matters expectations while supporting the development of local communities. A code of conduct and supplier audits are used in cooperation with suppliers, which allows for monitoring compliance with the principles of ethics, sustainable development and social responsibility throughout the value chain.

## Chapter IV

### Supervision and scope of competence

#### Section 7.

##### **Supervision and operational responsibility**

1. Supervision over the implementation and execution of sustainability matters at Polimex Mostostal S.A. is exercised by the Vice President of the Management Board for Financial Affairs, and at the companies of the PxM Capital Group – by a designated Member of the Management Board.
2. In order to implement tasks in the ESG area, the PxM organisational structure includes a Sustainable Development Office, which, in cooperation with other organisational units and companies from the PxM CG, is responsible for operationalising the ESG strategy and defining and monitoring key performance indicators (KPIs) in the environmental, social and governance matters, as well as for reporting on sustainability matters in accordance with the requirements of the CSRD Directive and ESRS standards.

#### Section 8.

##### **Implementation, monitoring and reporting**

1. The implementation of the ESG Policy is based on the objectives, directions of action and initiatives set out in the PxM Capital Group Strategy, the PxM CG ESG Strategy and other related documents. The implementation of the Policy is monitored by the Sustainable Development Office as part of the review and reporting of the PxM Capital Group's activities. The annual ESG related to sustainability matters presented in the Sustainability Report, which forms an integral part of the Management Board Report on the activities of the PxM CG.
2. Information on the implementation of the ESG Policy, including the extent to which the objectives have been achieved and the actions taken, is published in the annual PxM Capital Group Management Report, in the manner and to the extent required by law and accepted sustainability reporting standards.

## Chapter V

### Final provisions

#### Section 9.

##### **Approval and amendments**

1. The ESG Policy is adopted by a resolution of the Management Board of Polimex Mostostal S.A.
2. Amendments to the ESG Policy are approved by resolution of the Management Board of Polimex Mostostal S.A.
3. The ESG Policy is reviewed in accordance with Section 1(5) of this document.
4. The principles described in this document apply to all PxM CG Companies.