

ESG POLICY

EL-KAJO SP. Z O.O.

EL-KAJO Sp. z o.o. was founded in 1991 and has therefore been operating on the Polish market for over 30 years. The Company's offer includes professional services in the production of building materials and waste processing, while prioritising safety and environmental protection.

The Company is committed to ensuring the quality of services provided, while observing all national and EU regulations concerning the production of building materials and environmental protection.

In order to increase the transparency of the Company – the Board of Directors has decided to develop and adopt an ESG policy addressing all environmental, special and corporate governance issues critical to EL-KAJO Sp. z o.o.

The Company follows its business model with full awareness of the EU policy concerning waste management. One of the fundamental assumptions of the aforementioned policy is the commitment of member states to reducing landfill disposal to 55% of 2013 levels by 2025.

Furthermore, the EU Waste Directive obligates member states to prepare 60% of municipal waste for reuse and recycling by 2030, and 65% by 2035.

Thus, the EU law imposes an obligation to introduce significant reforms that substantially stimulate demand for waste processing services.

In developed countries, a waste management model is already predominantly based on recycling and based on recycling and the maximum possible reduction of landfill disposal. Countries with the highest waste reuse rate are Germany, Sweden, Finland, Belgium, the Netherlands, Denmark, Austria etc. In the aforementioned countries, 0.5 to 5% of waste generated is landfilled. By comparison, over 42% of waste is landfilled in Poland.





E | Environment

The building materials delivered by EL-KAJO Sp. z o.o. are manufactured with the utmost care and using a waste processing system that is innovative on a national scale in Poland, while strictly adhering to all applicable standards and legal requirements. The Company's core mission and goal is to provide its Customer with environmentally friendly solutions for waste and by-product management, taking into consideration the principles of sustainable development rules and in compliance with environmental protection requirements. EL-KAJO sp. z o.o. is building its model of operations by following the overarching objective set for member states, i.e. to limit landfill disposal and implement the idea of a circular economy, in which waste generation is minimised as much as possible to the minimum, and the

waste that is generated is recycled or subjected to other recovery processes. EL-KAJO sp. z o.o. pursues to increase its production capabilities by implementing cutting-edge, innovative technological solutions for waste processing and by promoting the widely understood idea of an environmentally sustainable economy. To this end, the Company owns a research and development centre. With the research conducted, EL-KAJO sp. z o.o. is capable of developing the most effective and efficient methods for the management of waste. We assume that environmental protection is not only about preserving natural resources, but also about protecting the health of people and future generations.



The Company's key activities in the field of climate and environmental protection:

- Producing finished goods with the use of processed waste;
- Processing waste with the use of cutting-edge and innovative facilities;
- Organising the enterprise in accordance with a zero waste policy – reusing all possible resources, reducing paper consumption, using electronic signatures, batteries etc.;
- Investing in renewable energy sources;
- Monitoring waste and keeping records thereof by completing relevant electronic documents in the BDO system;
- Monitoring landfills;
- Following the provisions of permits and decisions obtained by the Company;
- Innovative research centres;
- Maintaining the plant within an area designated in the Local Spatial Development Plan with the symbol 'P', but which has been intended for production facilities, storage areas, and warehouses;
- Supporting local businesses in waste management;
- Promoting environmental education.

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S | Society

Since the very beginning of its operations, EL-KAJO sp. z o.o. has been guided by the principles of sustainable development covering the implementation of business goals, with a particular focus on social interests and ethical standards. The nature and scale of the Company's operations make it deeply committed to promoting an environmental culture among the public. As part of the ESG Policy, EL-KAJO sp. z o.o. maintains regular contact with the authorities of the city of Bydgoszcz regarding its operations.

Social capital is considered by the Company the most important asset, thus it prioritises the openness to new initiatives and support for local projects. Additionally, the Company puts an emphasis on employment stability and fostering a strong work culture. Most employees are hired under open-ended employment contracts. They constantly raise their qualifications through a number of dedicated training courses, which improve their awareness of legal regulations pertaining to the Company's operations.

Other important activities of the Company in this area:

- Locating the plant away from residential developments;
- Promoting the idea of 'good neighbourhood' – adopting the rules of communication with the local community and other businesses operated within the Company's location;
- Establishing a long-term plan in the Company for CSR activities, involving sponsorship of local events and initiatives concentrating on environmental actions etc.;
- Conducting a reliable analysis of existing and planned changes in legal regulations related to the Company's operations and environmental protection;
- Implementing appropriate procedures within the Company to govern its HR policy;
- Implementing uniform health occupational health and safety standards in order to increase the safety of employees and persons visiting the premises.



G | Governance

EL-KAJO Sp. z o.o. has been operating successively for over three decades. A multigenerational and family-owned nature constitutes an important aspect of the Company's organisational culture. Over the years, the Company has managed to develop unique know-how, becoming one of the leading waste processing and recovery companies in Poland. Given that waste processing is one of

the most heavily regulated industries in Poland, the Company is obliged to comply with strict laws and is also required to undergo inspections by numerous dedicated authorities, all of which it has passed successfully for many years without any comments. EL-KAJO sp. z o.o. has obtained all legally required decisions and permits in the course of its operations.

Key corporate governance aspects pursued by the Company:

- Stability of the Board of Directors – the Company is a family-owned business run by individuals with vast experience in waste processing and recovery;
- Introducing ethical principles that define the framework and standards adopted by the Company's employees;
- Transparent communication – commitment to a transparent policy of communication with Customers, public administration bodies and, of course, the local community;
- Operating in a fair and ethical manner – the Company strives to ensure their employees and cooperating entities take measures to prevent and combat all forms of corrupt behaviour;
- Maintaining an effective internal control and risk management system;
- Protecting information resources and measures used to process them.

