



FORMIKA
FLEXO PRINTING

Sustainability Report 2024

[E] [S] [G]

...because it's our responsibility to the planet!



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PART 1

INTRODUCTION

INTRODUCTION

LETTER FROM THE OWNERS

LETTER FROM THE CEO

WHO WE ARE

FORMIKA FOR CHILDREN FOUNDATION

REASONS FOR PRIDE

COLLABORATING FOR A BETTER WORLD

ESG IN NUMBERS IN 2024

” **The year 2024 was a period of intensive efforts for Formika Sp. z o.o. in advancing sustainable development and further integrating ESG principles into our business strategy.**



Dear Ladies and Gentlemen,

The year 2024 was a period of intensive efforts for Formika Sp. z o.o. in advancing sustainable development and further integrating ESG principles into our business strategy. We consistently implemented the requirements of the CSRD directive, adapting our approach to reporting and managing environmental, social, and governance aspects. Our goal was for this report to not only provide a reliable reflection of our actions and achievements, but also to serve as a transparent and valuable source of information for all stakeholders.

We are fully aware that true transformation towards sustainable development requires the involvement of the entire ecosystem of our operations – employees, clients, suppliers, and business partners. Thanks to our joint efforts, we not only pursued ambitious environmental and social objectives, but also strengthened transparency, ethics, and accountability in the way we conduct business.

We would like to thank all our employees, as well as RPCG, for their contribution to the preparation of the 2024 ESG Report. We believe that continued cooperation and open dialogue will enable us to respond more effectively to the challenges facing both our company and the entire sector.

We invite you to read the report and to join us in a shared discussion on the future of sustainable development at Formika Sp. z o.o.

CHANGES IN THE MANAGEMENT BOARD

In 2024, after 17 years of managing Formika, we entered a new stage of development. A decision was made to establish a Supervisory Board – a step carefully planned well in advance.

The primary objective of this change was to transfer the operational management of the company to an experienced and professional manager. This shift enables us to concentrate fully on strategic development, the exploration of new acquisition opportunities, and the further growth of other companies within our portfolio.

*This is a significant milestone for Formika, allowing us to look toward the future from a broader perspective and define directions that will ensure the company's continued dynamic growth. Pursuant to the Resolution of the Shareholders' Meeting dated April 15, 2024, the governing bodies of the Company are: **the Shareholders' Meeting, the Management Board, and the Supervisory Board.***

JOANNA & PIOTR DĘBICCY
MEMBERS OF THE SUPERVISORY BOARD



Dear Ladies and Gentlemen,

At Formika, we believe that companies should implement **ESG (Environmental, Social, Governance)** policies, as they combine care for the environment, society, and transparent management.

In the **Environmental** area, the focus is on choosing eco-friendly materials, such as renewable or recycled resources, as well as taking action to reduce CO₂ emissions, save energy, and manage waste efficiently. These steps not only protect the planet but also enhance the company's operational efficiency.

We are proud that, as a company, we have access to renewable energy through **Formika Green Energy**.

In the **Social** area, Formika promotes respect for employee rights, safe working conditions, diversity, and equal opportunities. **Our foundation Formika Dzieciom**, actively supports local communities, engages in aid initiatives, promotes equal opportunities, and provides support for children and young people in difficult circumstances. As a company, we build trust and loyalty among both employees and clients.

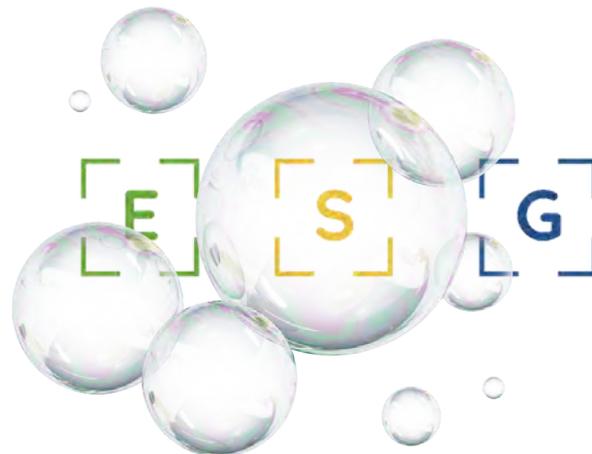
In the **Governance** area, we implement transparent and ethical management practices, anti-corruption measures, data protection, and responsible risk management. We believe that companies applying these principles are perceived as more trustworthy, which attracts our business partners.

Implementing ESG is not only a response to growing market expectations but also a strategic investment in the future. Companies that operate sustainably gain a competitive advantage, build strong brands, and are better prepared to face challenges. ESG is not a trend but a necessity in a world that increasingly values responsibility and long-term thinking.

”Implementing ESG is not only a response to growing market expectations, but also a strategic investment in the future.”



PAWEŁ GURGUL
CEO



FORMIKA for Children Foundation

Who we are

3

Formika was founded in 1978 by Jerzy Przywuski as a local, family-owned enterprise. Over the following decades, the company developed dynamically, adapting its business profile to the evolving market needs and increasing technological requirements. After the founder's passing in 2006, leadership was taken over by his daughter, **Joanna Dębicka, together with her husband, Piotr Dębicki**, continuing the mission of building a modern and responsible enterprise. Thanks to their vision and consistent investments in growth, Formika has become one of the leading packaging manufacturers in Poland and a recognized brand on the international market.



We specialize in the production of primary packaging for sensitive products, such as:



- aluminum and plastic lids for sealing food products,
- laminated tubes primarily used in the cosmetics industry,
- reel-fed packaging materials intended for the production of sachets, stickpacks, and doypacks,
- and aluminum foils for pharmaceutical blisters.

Our production processes are based on printing ready-made structures using UV flexographic technology, followed by their subsequent conversion – from die-cutting lids, through tube forming and assembly, to precision slitting of reels according to customer specifications. All production takes place in two modern facilities located in Pruszków County, just 20 km from the center of Warsaw.

Who we are

Formika is a **family-owned company** with exclusively Polish capital, which has been building its market position for over four decades on the foundations of innovation, quality, and responsibility. Although non-financial reporting will become mandatory for us as of 2025 under the regulations, we are already publishing our second ESG Report on our own initiative - reaffirming our genuine commitment to sustainable development and transparency in our operations.



We are a fully Polish, family-owned company, present on the market for 46 years.

Innovation

Quality

Responsibility



Who we are - Formika in numbers 2024

46

years of Formika's operations



14

die-cutting lines



8

printing lines

2 DEDICATED FOR PHARMA MARKET



5

rewinding and slitting lines



3

tube lines



30

countries to which we deliver our products



290

employees



12,2

training hours per employee



5,65%

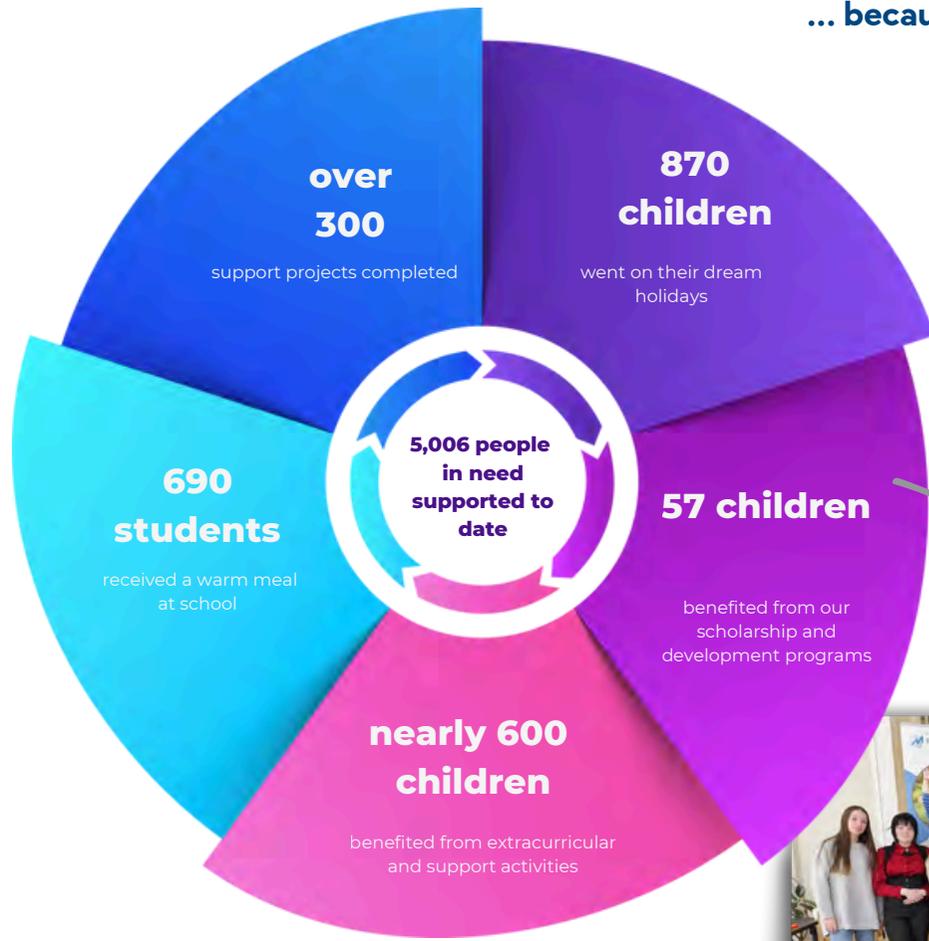
reduction of Scope 2 CO₂e emissions



Formika for Children Foundation

In 2014, Formika established the Formika Dzieciom Foundation with the mission of supporting children and young people facing difficult life and financial circumstances. For the past decade, the Foundation has consistently strived to create equal opportunities for development and education, supporting large families, children’s homes, foster families, as well as day-care support centers such as socio-therapeutic and community clubs.

... because helping is such a beautiful addition!



” *The year 2024 marks a special milestone for the Foundation – the 10th anniversary of its activities. Over the years, our support has reached hundreds of children and their families, providing not only material assistance but also motivation and hope for a better future. Thanks to dedication and continuous effort, the Formika Dzieciom Foundation has become a symbol of care, solidarity, and real change in the lives of those who need it most.*



ANNA STANKIEWICZ
CEO

“Power4Future_Lokalnie” project closing, Brwinów



The founders of the Foundation, Joanna and Piotr Dębicy together with Anna Stankiewicz, during the 10th Anniversary Gala.



Formika for Children Foundation - employee volunteering

In 2024, Formika Sp. z o.o. implemented the employee volunteering program “Letters to Santa Claus” as part of its ESG initiatives. This project served as a bridge connecting the company’s employees with children from care institutions, foster families, and children’s homes.



Thanks to the strong commitment of Formika’s employees, the dreams of more than 36 children from flood-affected areas came true. The initiative brought together around 100 employee volunteers, who not only provided gifts but also deepened their awareness of the needs of children living in difficult circumstances.



Reasons for pride



Dziennik Puls Biznesu potwierdza przynależność Formika Sp. z o.o. do elitarnego klubu Gazele Biznesu, grona najdynamiczniej rozwijających się firm.



EcoVadis Silver Medal – FORMIKA in the Global Top 15%
In December 2024, we were awarded the EcoVadis Silver Medal, placing Formika among the top 15% of companies worldwide most committed to sustainability! EcoVadis experts rated our efforts at 71%, leaving us just 2 percentage points away from the Gold Medal – a goal we are determined to achieve in the coming year. Over the past year, our score increased by nearly 50%. This is a significant success for us and a confirmation of our strong commitment to sustainable development.

Manufacturing for pharmaceutical clients is performed in compliance with the highest hygiene regimes, within an **ISO Class 8 cleanroom environment** (corresponding to Pharmaceutical Grade D)



The quality and health safety of our packaging are confirmed by long-standing certifications: **ISO 9001:2015 and BRCGS Packaging Materials** – with an **AA+** rating.

Formika's payment performance was rated at **79-80%** according to the **Paydex index**.



Customer satisfaction measured by NPS: **56%**

Collaborating for a better world

We are an inspiration in the field of sustainable development



Mariusz Leśniewski



Marta Kanduła



Marcin Klimas

In September 2024, we took part in a webinar organized jointly with the Polish Union of the Cosmetics Industry, dedicated to directions of sustainable development in packaging.

Our experts:

- **Mariusz Leśniewski (Operations Director)**
- **Marta Kanduła (ESG Officer)**
- **Marcin Klimas (Head of Technical Customer Support Department)**

discussed, among others: current and planned regulations (including PPWR), trends in flexible packaging development, mono-material laminates for cosmetics, recycling opportunities, and Formika's production potential in the area of PCR-recycled content tubes and recyclable-ready packaging.

In November, **Marta Kanduła**, invited by the consulting company RPCG – which supports us in implementing sustainable development – participated in the National Conference on Safety and Environment, organized by the Kazimierz Pułaski University of Radom. Marta was a speaker in two important sessions of this prestigious event. She shared with more than 100 participants our experiences related to the challenges posed by the implementation of the CSRD Directive for companies in the context of sustainability reporting, as well as insights on how climate change may impact an organization from the perspective of a manufacturing company such as Formika.

We are proud to inspire companies to pursue a more effective ecological transformation.



Collaborating for a better world

Key ESG events:



The key goals and ambitions of Formika's Sustainable Development Strategy:



Reduction of greenhouse gas emissions (Scope 1 and 2) by 90% by 2050 - including through offsetting production growth with the purchase of renewable energy and further increasing energy efficiency.

Reduction of supply chain emissions (Scope 3) by 90% by 2050 - achieved through cooperation with suppliers and the selection of raw materials sourced from low-emission origins.

Creating a safe, attractive, and competitive workplace - striving to achieve an employee engagement level of 90% by 2030.

Strengthening organizational culture based on transparent principles outlined in the Business Ethics Policy, implementing measures to prevent corruption and fraud, and ensuring secure reporting channels without the risk of retaliation. Target: 100% of employees trained.

Collaborating for a better world

Industry Trade Fairs

In 2024, Formika Sp. z o.o. actively participated in three prestigious international trade fairs, showcasing its innovative solutions in the packaging industry. The company took part in **Cosmetics Business** in Munich, **FACHPACK** in Nuremberg, and **CPHI** in Milan. Participation in these events provided an excellent opportunity to establish new business relationships, exchange experiences, and present modern and eco-friendly packaging solutions to a wide audience of clients and partners from around the world.

COSMETIC BUSINESS - Munich

CPHI - Milan

FACHPACK - Nuremberg



Collaborating for a better world

Formika Sp. z o.o. is an active member of key industry organizations, which enables us to keep track of trends, take part in shaping market standards, and cooperate with leaders in the packaging and cosmetics sector.

The company is a member of:



FPE - Membership in Flexible Packaging Europe (FPE) provides us with access to the latest technologies and best practices in flexible packaging. Together with FPE, we monitor trends and legal regulations, which enables us to effectively implement our ESG strategy and strengthen our position as a responsible packaging manufacturer.

PIO - Formika is also a member of the Polish Chamber of Packaging. The organization brings together over 100 manufacturers of packaging, packaging materials, machinery, and equipment for the packaging industry.

PZF - Membership in the Polish Flexographic Association provides access to advancements in flexographic printing technology, which translates into innovation and the high quality of our packaging products.

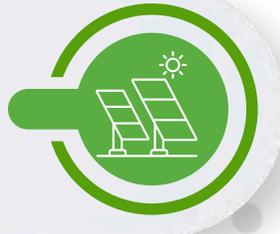
PZPK - Formika is a member of the Polish Union of the Cosmetics Industry, which provides us with access to current regulations and trends in the cosmetics sector, as well as the opportunity to co-create innovative packaging solutions for this industry.

ESG in numbers 2024

Renewable Energy Sources

As of July 1, 2024, part of the energy supplied to Formika has come from renewable energy sources (RES).

In 2024, Formika purchased 1,617.7 MWh of renewable energy from its business partner – Formika Green Energy, generated by 5 RES facilities with a total nominal capacity of 4.6 MW.



Carbon Footprint Reduction

Reduction of emissions per 100,000 cut lids by **9,15 %**

Production Waste

Production waste amounted to **8.27% by value, representing a decrease of 4.62% compared to 2023.**



Carbon Footprint Reduction

Reduction of emissions per 1,000 produced tubes by **56.15%**

Carbon Footprint Reduction

Reduction of **Scope 1 and 2 carbon footprint emissions by 3.06%** while simultaneously increasing production (approximately 5% more printed linear meters).



Formika for Children Foundation in 2024

738 beneficiaries of our Foundation received support

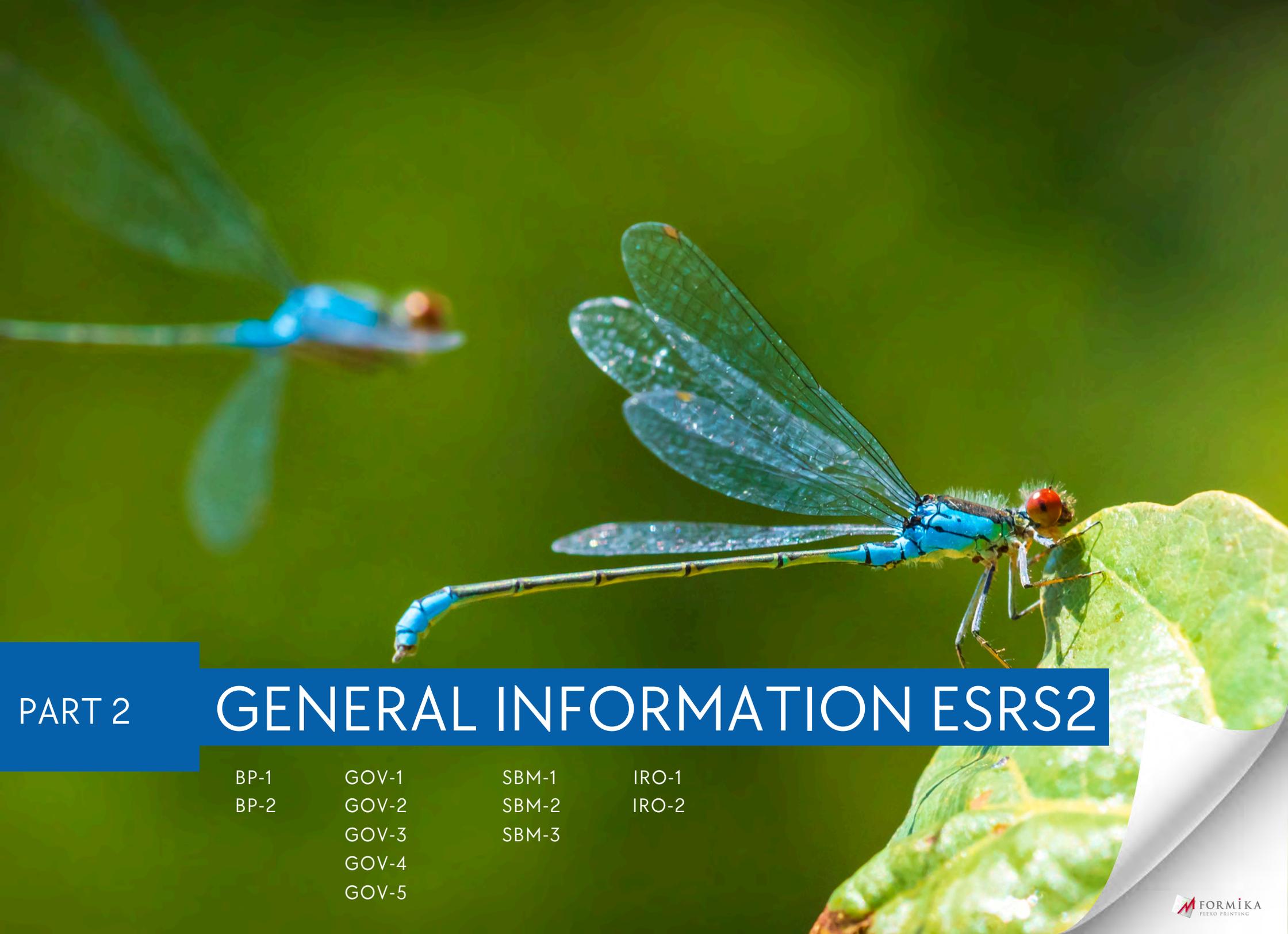
Carbon Footprint Reduction per 1 km

Reduction of emissions per 1 km of printed material by **7,79 %**



Formika for Children Foundation over 10 years

Over 10 years of activity, **5,006 beneficiaries** have received support



PART 2

GENERAL INFORMATION ESRS2

BP-1
BP-2

GOV-1
GOV-2
GOV-3
GOV-4
GOV-5

SBM-1
SBM-2
SBM-3

IRO-1
IRO-2

BP-1 General basis for preparation of the sustainability statements

1.1. SCOPE OF CONSOLIDATION

This report has been prepared on a consolidated basis and is consistent with the consolidated financial statements for the year 2024. It covers the parent entity

- PPH Formika Sp. z o.o. and the subsidiary Formika Sp. z o.o.
- PPH Formika holds 100% of the shares in Formika Sp. z o.o.
- PPH Formika Sp. z o.o. does not conduct business activities, does not employ staff, and does not generate revenues; therefore, all disclosure information refers to the activities of Formika Sp. z o.o.
- The reports are prepared on an annual cycle.

1.2. VALUE CHAIN INFORMATION

The information in this Report applies to the value chain in both downstream and upstream activities. The value chain is defined at Tier 1 level, i.e. direct suppliers and customers, unless otherwise specified. This applies to the assessment of IROs, policies, actions and targets, as well as disclosed metrics.

The company's value chain has been taken into account in the reporting of Scope 3 greenhouse gas emissions, as well as in the context of disclosures in line with ESRs S4 and ESRs G1.

1.4. EXCLUSIONS

Formika has not made use of exemptions relating to intellectual property, know-how, or the results of innovation.

1.3. POLICIES AND THE VALUE CHAIN

ESG Standard	Date of last update	Topic addressed	Policy objectives
Business Ethics Policy	30.08.2024	Standards of ethical conduct towards the company's stakeholders Shared value chain	Opisuje standardy etyczne jakimi kieruje się organizacja wobec pracowników jak i wszystkich interesariuszy firmy tj. uczciwość, transparentność, odpowiedzialność społeczna, przestrzeganie przepisów i regulacji. Określa zasady przeciwdziałania korupcji, zawiera wytyczne dotyczące ochrony poufnych informacji oraz danych osobowych, zgłaszani przypadków naruszenia polityki etycznej oraz zapewnienia ochrony dla osób zgłaszających nieprawidłowości. Wprowadzone regulacje prowadzą do długotrwałych relacji biznesowych i zwiększenia lojalności Klientów.
General Terms of Sale	09.09.2024	Principles of cooperation with contractors Shared value chain	Dokument OWZ określa warunki współpracy, zawiera zapisy dotyczące terminów płatności, klauzule dotyczące zarządzania ryzykiem, takie jak odpowiedzialność za wady czy opóźnienia w dostawach, co prowadzi do większej przejrzystości i mniejszej liczby nieporozumień między firmą a Klientami.
Information Security Policy	30.08.2024	Zabezpieczenie informacji, Stabilność współpracy, Wspólny łańcuch wartości	Dokument zawiera informacje o przepisach i zasadach ochrony danych, spełniając wymagania prawne. Zmniejsza ryzyko związane z naruszeniem danych, minimalizuje błędy oraz ogranicza przestoje związane z incydentami bezpieczeństwa, reguluje szkolenia pracowników na temat bezpieczeństwa informacji. Zabezpieczenie informacji zapewnia ciągłość działania firmy, co jest kluczowe dla pracowników Klienta, którzy polegają na niezawodności i stabilności swojego partnera w łańcuchu wartości.
Whistleblower Protection Policy	18.09.2024	Building trust and transparency in business relations, Shared value chain	Defines the rules and procedures for reporting irregularities and protecting whistleblowers, ensuring anonymity. Describes how irregularities can be reported. The policy specifies how notifications are received and processed by designated persons or departments within the company and contains commitments to respond to reports.
Procurement Policy	30.08.2024	Principles of conduct when making purchases by employees, Shared value chain	The objective is to ensure dynamic, sustainable development while maintaining high standards in relations with business partners. An annex to this policy is the Code of Conduct for Business Partners.
Code of Conduct for Business Partners	30.08.2024	Defines ethical standards and principles of conduct expected by Formika from its business partners, Shared value chain	The aim is to build a sustainable value chain and the idea of mutual responsibility and partnership between the company and its partners. The document covers areas such as: partner selection processes and avoiding conflicts of interest, anti-corruption measures, compliance with competition law, respect for human rights, protection of personal data, and care for the natural environment.

BP-2 Disclosures in relation to specific circumstances

2.1 STANDARDS UNDERLYING THE REPORTING MODEL

This is a consolidated report, covering the period from 1 January 2024 to 31 December 2024. This period coincides with the financial year applied to the consolidated report. The reports are prepared on an annual cycle. Formika Sp. z o.o. and PPH Formika Sp. z o.o. did not identify any material reporting errors in previous periods.

The prepared Sustainability Report is consistent with the reporting model set out in the European Sustainability Reporting Standards (ESRS) issued under Directive (EU) 2022/2464 of the EUROPEAN PARLIAMENT AND OF THE COUNCIL of 14 December 2022, known as the Corporate Sustainability Reporting Directive (CSRD). For Formika, the obligation to report under this directive applies only from 2025, with publication of the report in 2026.

Recognizing the importance of matters related to sustainable development, we are publishing our next voluntary Sustainability Report for the year 2024.

No other standards or norms have been applied.

2.2 TIME HORIZONS

Formika has adopted the following time horizons:



GOV-1 The role of the administrative, management and supervisory bodies

3.1. STRUCTURE OF GOVERNING AND SUPERVISORY BODIES

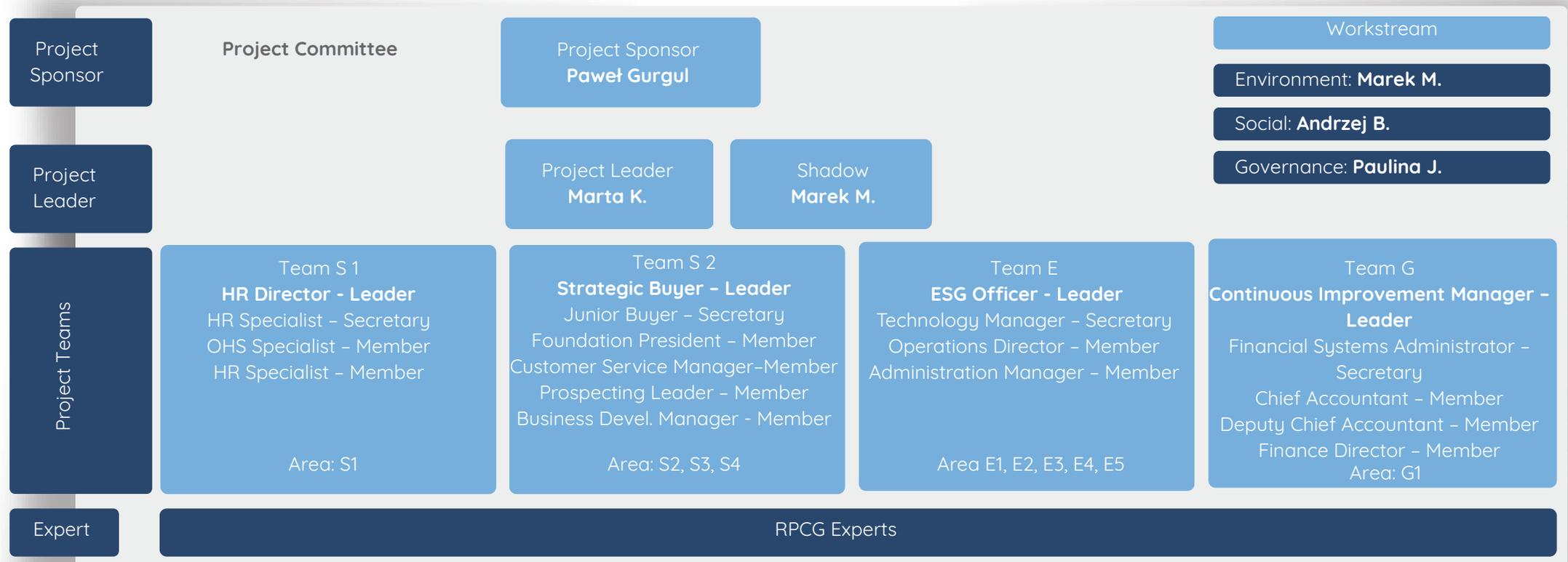
At Formika, oversight of ESG matters is exercised by:

- the Management Board,
- the Supervisory Board,
- and the specially appointed ESG Committee.

The Management Board of Formika consists of two members, each with different competences and responsibilities in ESG matters.

The President of the Management Board is responsible for the **E and G areas**, while the **Board Member** is responsible for the **S area**. ESG oversight over the Management Board is exercised by the Supervisory Board.

The ESG Committee, established in 2024, reports directly to the Management Board. The structure of the committee is presented below.



GOV-1 The role of the administrative, management and supervisory bodies

3.2. ROLE OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES IN RELATION TO SUSTAINABILITY MATTERS

MANAGEMENT BOARD

The responsibilities of the Management Board include, among others, developing the company's strategy, including the sustainable development strategy and the decarbonisation strategy in the short-, medium- and long-term perspective, as well as setting sustainability and decarbonisation objectives. The Management Board identifies and assesses risks that may affect the company's operations, such as changes in the legal environment, market, financial, corruption or operational risks. Based on these assessments, it develops strategies to minimise the negative effects of potential threats. In addition, the President of the Management Board is responsible for approving the company's policies and regulations, which define the framework of its operations. The Management Board oversees the implementation of the sustainability strategy through regular meetings with the ESG Team Leader and LTM meetings, at which ESG issues are discussed and key decisions are taken.

ESG TEAM

Its role is to monitor the establishment and effectiveness of processes for the implementation and evaluation of non-financial statements in accordance with Directive (EU) 2022/2464 - CSRD and other applicable regulations, and to report on these matters to the Management Board and Supervisory Board. Individual teams (E1, S1, S2, G1) within the ESG Team meet weekly in the "this week, next week" format, where current issues concerning progress in the implementation of sustainability are discussed. Tasks from these meetings are recorded in the Central Action Log. The Project Leader reports progress to the President of the Management Board.

SUPERVISORY BOARD

The Supervisory Board exercises ongoing oversight of the company's activities in all areas, including those related to sustainable development. The responsibilities of the Supervisory Board include, among others, approving the company's strategy and strategic objectives, including those related to sustainability, and setting financial bonuses for Management Board members based on the achievement of sustainability objectives. The broad and diverse experience of the Supervisory Board members ensures effective oversight of significant impacts, risks, and opportunities. During its annual meetings, the Supervisory Board analyses progress in reducing CO₂ emissions and compliance with EU sustainability reporting regulations.

GOV-1 The role of the administrative, management and supervisory bodies

3.3. PROFESSIONAL EXPERIENCE OF MANAGEMENT BOARD MEMBERS AND THEIR EXPERIENCE AND RESPONSIBILITIES IN ESG MATTERS



A graduate of Jagiellonian University, Manager with over 20 years of experience in the FMCG sector. Before taking the position of President of the Management Board at Formika Sp. z o.o. in 2024, he held key positions at companies such as MACZFIT, Hortex Group and PepsiCo, where he developed sustainability strategies, optimised supply chains and managed risks. His activities focus on operational efficiency, achieving business objectives and team management. At Formika, he is, among other things, the sponsor of the ESG project.

Responsibilities arising from ESG-related competences:

- corporate governance
- risk management
- environmental protection
- product safety
- supply chain management
- waste optimisation
- management of production-related resources

PAWEŁ GURGUL

President of the Management Board

Executive, Independent Member of the Management Board, Appointed: April 2024



A graduate of Jagiellonian University in Chemistry as well as Management and Business. He has over 30 years of experience in managing employees in value chains, including 10 years in sales (downstream) and 20 years working with his own teams. He has participated in risk management at Grupa Żywiec and Microsoft, in acquisition processes (e.g. Microsoft-Nokia, acquisition of Namysłów Brewery), and in annual business continuity (BCP) risk analyses. He has developed human capital growth strategies in Poland, Eastern Europe and internationally, working with supervisory boards. Lecturer in MBA HR programmes, mentor at Vital Voices, conference speaker on diversity and sustainability, HR strategist, leadership and organisational culture builder (Great Place to Work #1).

Responsibilities arising from ESG-related competences:

- corporate governance
- human resources management including occupational health and safety
- employee training and development
- human rights
- diversity and inclusion management

ANDRZEJ BORCZYK

Member of the Management Board

Chief People Officer / HR & Organisation Director
Executive, Independent Member of the Management Board
Appointed: April 2024

GOV-1 The role of the administrative, management and supervisory bodies

3.4. PROFESSIONAL EXPERIENCE OF SUPERVISORY BOARD MEMBERS AND THEIR EXPERIENCE IN ESG MATTERS



PIOTR DĘBICKI
Chairman of the Supervisory Board

Graduate of the Faculty of Economics at the University of Gdańsk and the prestigious Program Management at ICAN Institute. Since 2006, he has co-managed Formika Sp. z o.o., specializing in flexible packaging production. Between 2019–2023, he served as President of the Management Board, contributing to the company's dynamic revenue growth. In 2022, he founded Formika Green Energy, focusing on energy production from renewable sources, which confirms his commitment to sustainability and energy risk management. As a member of the Supervisory Board at Talkin' Things, a leader in IoT and RFID, and as Chairman of the Supervisory Board of the Formika Dzieciom Foundation, he supports initiatives for disadvantaged children from local communities.

Experience and knowledge in ESG-related matters:

- corporate governance
- building corporate culture
- energy and renewable energy management
- risk management
- developing organizational growth strategies in the ESG context
- contributing to improving the well-being of the most disadvantaged children in the local communities



JOANNA DĘBICKA
Deputy Chair of the Supervisory Board

Graduate of the Warsaw School of Economics, served as Vice-President of the Management Board of Formika Sp. z o.o. until 2024, contributing to the company's dynamic growth in the flexible packaging market. Co-owner of Formika Green Energy, supporting sustainable energy development. As a member of the Supervisory Board of the Formika Dzieciom Foundation, she is engaged in initiatives supporting disadvantaged children from local communities.

Experience and knowledge in ESG-related matters:

- corporate governance
- building corporate culture
- human resources management
- circular economy management
- supply chain management
- waste optimisation
- management of production-related resources
- contributing to improving the well-being of the most disadvantaged children in the local community

GOV-1 The role of the administrative, management and supervisory bodies

3.4. PROFESSIONAL EXPERIENCE OF SUPERVISORY BOARD MEMBERS AND THEIR EXPERIENCE IN ESG MATTERS



JAROSŁAW ZASADZIŃSKI
Member of the Supervisory Board

Graduate of the Executive MBA program at Queen's University Belfast and of Finance and Operations Management at the Isenberg School of Management, University of Massachusetts, Boston (USA). He also studied Finance at St. Louis University in Madrid. He has over 20 years of experience in operations and production management in the packaging industry, including the food sector. His ability to identify risks, opportunities, and prospects stems from years of involvement in supply chain planning processes (S&OP), standardization and digitalization of operations, and risk management in international organizations. He has led restructuring projects and developed growth strategies tailored to different stages of the corporate life cycle. Thanks to his experience in implementing ISO certifications (e.g., ISO 14001) and his ability to analyze environmental, social, and governance (ESG) indicators in international companies, he brings valuable expertise in optimizing processable materials, reducing waste, and promoting reuse.

Experience and knowledge in ESG-related matters:

- oversight of the management of material impacts, risks, and opportunities
- corporate governance
- implementation of circular economy (CE)
- oversight of finance and due diligence processes
- supply chain management
- risk management
- environmental management, including ISO 14001 compliance
- waste optimization



LESZEK KŁOSIŃSKI
Independent Member of the Supervisory Board

He has over 25 years of experience in B2B and B2C businesses, particularly in the cosmetics industry. His experience includes many years of managing manufacturing and trading companies. During this period, he held leading roles in acquisition processes, including due diligence, and in building strategies that take into account risks, opportunities, and prospects.

Experience and knowledge in ESG-related matters:

- corporate governance
- developing organizational strategies incorporating ESG aspects
- building corporate culture
- implementing due diligence processes
- building organizations based on IRO
- risk management

GOV-1 The role of the administrative, management and supervisory bodies

3.5. DIVERSITY OF THE MEMBERS OF THE GOVERNING BODIES

- ▶ Employees are not represented **on the Management Board**
- ▶ Employees are not represented **on the Supervisory Board**
- ▶ **Women** account for **25%** of the Supervisory Board
- ▶ **100%** of the Management Board members are **men**
- ▶ **25%** of the Supervisory Board and **100%** of the Management Board are **independent members**



DIVERSITY OF THE MEMBERS OF THE GOVERNING BODIES

Name and Surname	Role	Executive	Gender	Independence
Paweł Gurgul	President of the Management Board	yes	M	Independent
Andrzej Borczyk	Member of the Management Board	yes	M	Independent
Piotr Dębicki	Chairman of the Supervisory Board	n/a	M	Dependent
Joanna Dębicka	Deputy Chair of the Supervisory Board	n/a	F	Dependent
Leszek Kłosiński	Member of the Supervisory Board	n/a	M	Independent
Jarosław Zasadziński	Member of the Supervisory Board	n/a	M	Dependent

GOV-1 The role of the administrative, management and supervisory bodies

3.6. ENHANCEMENT OF ESG COMPETENCIES IN GOVERNING AND SUPERVISORY BODIES

EXPERIENCE

The company is managed by individuals with extensive professional experience and broad knowledge in the fields of management, law, accounting, and finance. This enables them to effectively address ESG, sustainable development, and impact management issues. Sustainability matters are discussed within the ESG Team, which includes members of the Leadership Team (LT), including one Management Board member.

21 MEETINGS

In 2024, a total of 21 workshop meetings were held, moderated by the external consulting company RPCG.

26 HOURS

Members of the Management Board, Supervisory Board, and managers participated in 26 hours of ESG training, including sessions with EGIA President Mr. Hamari, who was a guest of the company.

STRATEGY

Members of the LT and Supervisory Board took part in developing the organization's strategy, addressing ESG-related risks and opportunities, during Fast Truck program meetings.

WEBINARS

Managers and the ESG Officer benefit from experience-sharing and best practices within the FPE and PZPK associations, taking part in numerous organized meetings and webinars.

ECOVADIS

Another source of sustainability knowledge is the EcoVadis platform, which also organizes numerous webinars and provides training materials to its subscribers.

RPCG

The Management Board and Supervisory Board of Formika have access to external expertise from the consulting company RPCG, which ensures compliance with legislative requirements, provides staff training, and supports the organization in implementing sustainability projects.



GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

4

4.1. OVERSIGHT OF SUSTAINABLE DEVELOPMENT TARGETS



Sustainable Development targets are defined by the President of the Management Board and subsequently cascaded down to the relevant executive units. An optimized schedule of meetings allows for precise monitoring of progress indicators towards the targets, which are reviewed on a daily, weekly, monthly, and quarterly basis. Audits were carried out in cooperation with an external company.



GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

4

4.2. INTEGRATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

Disclosure requirement ESRS 2 GOV-2

Area of impact	Responsibility
Implementation of the Sustainable Development Strategy	President of the Management Board
Risk management system	Chief Financial Officer
Own workforce	Chief People Officer - Member of the Management Board
Business ethics	Chief People Officer - Member of the Management Board
Anti-corruption and anti-bribery	Chief Financial Officer
Payment practices	Chief Financial Officer
Supplier relationship management	Procurement Director
Human rights	Chief People Officer - Member of the Management Board
Environmental matters: energy efficiency	Administration Manager
Environmental matters: GHG emissions	ESG Officer
Environmental matters: fuel and energy mix	ESG Officer
Environmental matters: climate change adaptation	ESG Officer
Environmental matters: sourcing and use of raw materials, waste optimisation	ESG Officer
Establishing and consulting on legal solutions regarding the organization's activities	President of the Management Board

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

4

4.3. PROCESSES USED TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The **ESG Team** coordinates sustainability management and reports directly to the Management Board, which in turn informs the Supervisory Board at regular intervals. In close cooperation with all specialized departments of Formika, data are collected, actions defined and monitored, and new objectives identified. **Material sustainability matters are identified through a double materiality assessment**, which forms the basis for reporting. In addition, the ESG Team provides information on current trends, prepares reports to monitor sustainability targets, and is responsible for participation in ESG ratings.

4.4. COMMITTEES AND GOVERNANCE BODIES RESPONSIBLE FOR SUSTAINABILITY MATTERS

The Management Board and the Supervisory Board support their activities with the work of teams that function as co-managing committees across various areas of the organization.

1. FAST TRACK

A committee supervised by the Chairman of the Supervisory Board, composed of the President of the Management Board, the CPO who is also a Board Member, the Operations Director, the Sales Director, the Procurement Director, and the Finance Director. The team is moderated by the external company Fast Track Ltd, with the objective of developing and continuously adjusting the business strategy necessary for achieving the company's long-term 4Moon target. In 2024, three moderated committee meetings were held, supported by weekly group sessions without a mentor.



2. LT (Leadership Team)

A key committee supporting the Management Board in ongoing supervision of the company's operations and the achievement of designated objectives. The Leadership Team (LT) consists of: the President, the Board Member who also serves as CPO, the Operations Director, the Sales Director, the Procurement Director, and the Finance Director. The team meets three times a week to analyze key operational indicators of the company and - where necessary - adopt corrective decisions.

3. ESG TEAM

The ESG Team, which during its multi-week double materiality assessment examined impacts, risks and opportunities in accordance with the AR16 table, including risks arising from regulatory and anti-corruption requirements. The composition of the committee is described in ESRs 2 GOV-1.

GOV-2 Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

4



4.4. COMMITTEES AND GOVERNANCE BODIES RESPONSIBLE FOR SUSTAINABILITY MATTERS

4. QUALITY ASSURANCE AND FOOD SAFETY TEAM

The QA & FS Team plays a key role in ensuring product safety and building a quality culture. Its members include the Quality Assurance Representative, Quality Manager, Customer Technical Support and R&D Manager, Operations Director, and Quality Assurance Manager. The team's role is to analyze threats and assess risks related to product safety, as well as to monitor the effectiveness of implemented control measures. It is also responsible for compliance with legal and customer requirements. The team meets at least once a year to review and update hazard and risk assessments, and whenever a significant process change occurs. In 2024, two team meetings were held. The team's work is reported to the Management Board during annual Management Reviews through its Chair.

5. INTERNAL AUDITORS TEAM

The Internal Auditors Team, led by the Lead Auditor, is responsible for verifying the organization's compliance with adopted standards, norms, and internal procedures. Oversight of the team is exercised by the President of the Management Board, and its activities are reported during Management Reviews. In 2024, the team carried out 12 audits.

6. SAFETY COMMITTEE

The committee includes: the OHS Specialist, the Chief People Officer (who is also a Management Board Member), production leaders, and employee representatives. The committee's goal is to continuously improve workplace hygiene and safety conditions. Discussions and actions are based on, among others, the results of OHS audits jointly conducted by the OHS Specialist and area leaders, identified non-conformities and recommendations for their removal, environmental measurement results at workstations, and reports submitted by employees and their representatives.

7. COMPLIANCE

Oversight of compliance with business operations and internal and external documents (including contracts) with applicable laws is provided by an external law firm. As part of this cooperation, the law firm annually provides Formika with a list of applicable legal acts and keeps the company informed about planned and ongoing legislative changes. Additionally, specific areas of the company's operations have designated individuals responsible for monitoring the legal environment. They work with external monitors specialized in regulatory matters and – if necessary – consult with the law firm.

GOV-3 Integration of sustainability-related performance in incentive schemes

5.1. LINKAGE BETWEEN REMUNERATION OF MEMBERS OF THE ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES AND SUSTAINABILITY MATTERS

Management Board and Executive Team

Remuneration of the Management Board and the Executive Team consists of a fixed and a variable component. The variable component depends on the achievement of annually defined results in three key areas:

- **Company performance** - financial and operational indicators determining the organization's growth
- **Individual objectives** - tasks tailored to the responsibilities of each executive team member
- **ESG objectives and initiatives** - actions related to sustainable development

The establishment and implementation of sustainability-related targets and initiatives is the responsibility of the respective company bodies as follows:

Role of the administrative, management and supervisory bodies in setting sustainability-related targets and linking them to incentive schemes

Governing Body	ESG targets for the organization	ESG targets for the Management Board
Shareholders' Meeting	Sets the overall direction and expectations	May recommend and approve the incentive system
Supervisory Board	Approves the strategy, oversees its implementation	Defines and approves Board-level ESG targets, sets the share of variable pay linked to ESG performance
Management Board	Develops and implements ESG targets	Delivers objectives, reports on progress

At the beginning of each calendar year, organizational objectives are cascaded from the executive team level into aligned team goals, and finally into individual tasks supporting the implementation of the company's strategy.

ESG indicators are a key element of the bonus system and include, among others:

- reduction of CO₂ emissions,
- reduction in accident frequency,
- increase in employee engagement,
- reduction in absenteeism,
- implementation of ESG policies and audit-based recommendations.

Data are collected annually and compared against ESG objectives set out in the company's sustainability strategy for a given year.

The share of ESG targets in the variable remuneration of Management Board members is defined annually. In 2024, it accounted for 5%, and the same value will be maintained in 2025.



Supervisory Board

Members of the Supervisory Board receive a fixed base remuneration, determined directly by the Chairman of the Supervisory Board, taking into account individual experience, qualifications, scope of responsibilities, and duties performed. Each member may also be granted resignation or severance pay - such decisions must be confirmed in writing. Tasks related to sustainable development are carried out within the standard responsibilities of Supervisory Board members and are covered by their fixed remuneration.

GOV-3 Integration of sustainability-related performance in incentive schemes

5.2. E1 GOV-3

In the reporting year, the designated targets were achieved, and therefore the members of the Management Board received a bonus amounting to 5% of their base salary, in accordance with the mechanism linking remuneration to achieved results.

CLIMATE CHANGE TARGETS (E1)

Target	Indicator for 2024	Measurement method	Target value	Result
To reduce the negative impact of Formika's operational activities on climate by compensating for the planned production increase through improved energy efficiency and intensified use of renewable energy sources.	Maintain Scope 1 and 2 carbon footprint emissions at the same level, despite a 5% increase in printing production volume.	Percentage change in CO ₂ emissions in 2024 compared to 2023	0%	-3%
	Reduce CO ₂ emissions in Scopes 1 and 2 by 5% per 1 km of printed material compared to 2023.	Percentage change in CO ₂ emissions per 1 km in 2024 compared to 2023	-5.00%	-7.79%

GOV-3 Integration of sustainability-related performance in incentive schemes

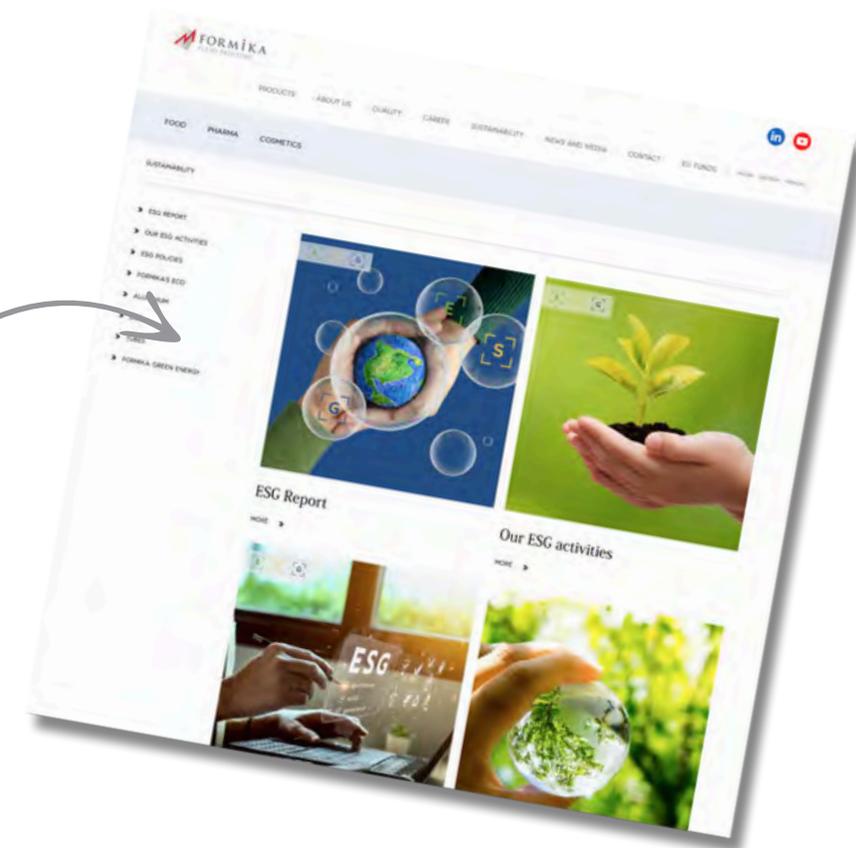
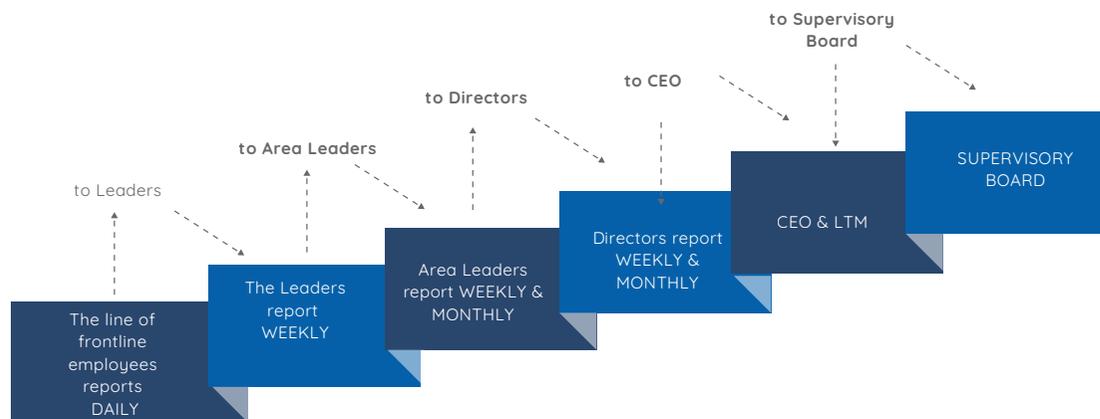
5.3. PROCESS TO ASSESS THE ACHIEVEMENT OF SUSTAINABILITY-RELATED TARGETS

The verification of sustainability indicators is carried out annually by the ESG Committee. The results of the analyses are submitted to the Supervisory Board, which, on this basis, makes decisions regarding the granting of bonuses to the members of the Management Board. To ensure objectivity in the assessment of performance, the company applies a two-step data verification process, uses data aggregated by IT systems, and, in selected areas, also relies on reports prepared by external entities.

5.4. PROCESS TO ENSURE TRANSPARENCY OF THE LINKAGE BETWEEN REMUNERATION AND SUSTAINABILITY MATTERS

Information on the linkage between the remuneration of the Management Board and Supervisory Board members and sustainability matters is public and available to stakeholders in the Sustainability Report published on Formika's website: www.formika.com.pl.

Internal procedures for reporting indicators - cascading from daily employee meetings up to LTM and Supervisory Board meetings - ensure transparency in reporting sustainability performance and its impact on remuneration.



GOV-4 Statement on due diligence

In its first Sustainability Report, Formika took into account the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct. The company identified its potential and actual impacts – both negative and positive – on the environment, society (including local communities), and governance matters.

In 2024, a review and verification of the company's existing procedures and policies was carried out to assess their alignment with the principles of Due Diligence. At present, the due diligence process at Formika is not yet fully systematized and remains dispersed; however, in key areas, the organization operates in accordance with the methodology defined in the OECD Guidelines.



Formika specifically implements due diligence mechanisms in the areas identified as material through the double materiality assessment, namely:

- **Climate and responsible use of resources** (energy consumption, emissions, and waste management)
- **Working conditions of employees** – particularly with regard to occupational health and safety, labour relations, and respect for human rights, both in relation to its own employees and through its leverage in the supply chain
- **Stakeholder relations**
- **Business ethics**

GOV-4 Statement on due diligence

STATEMENT ON DUE DILIGENCE

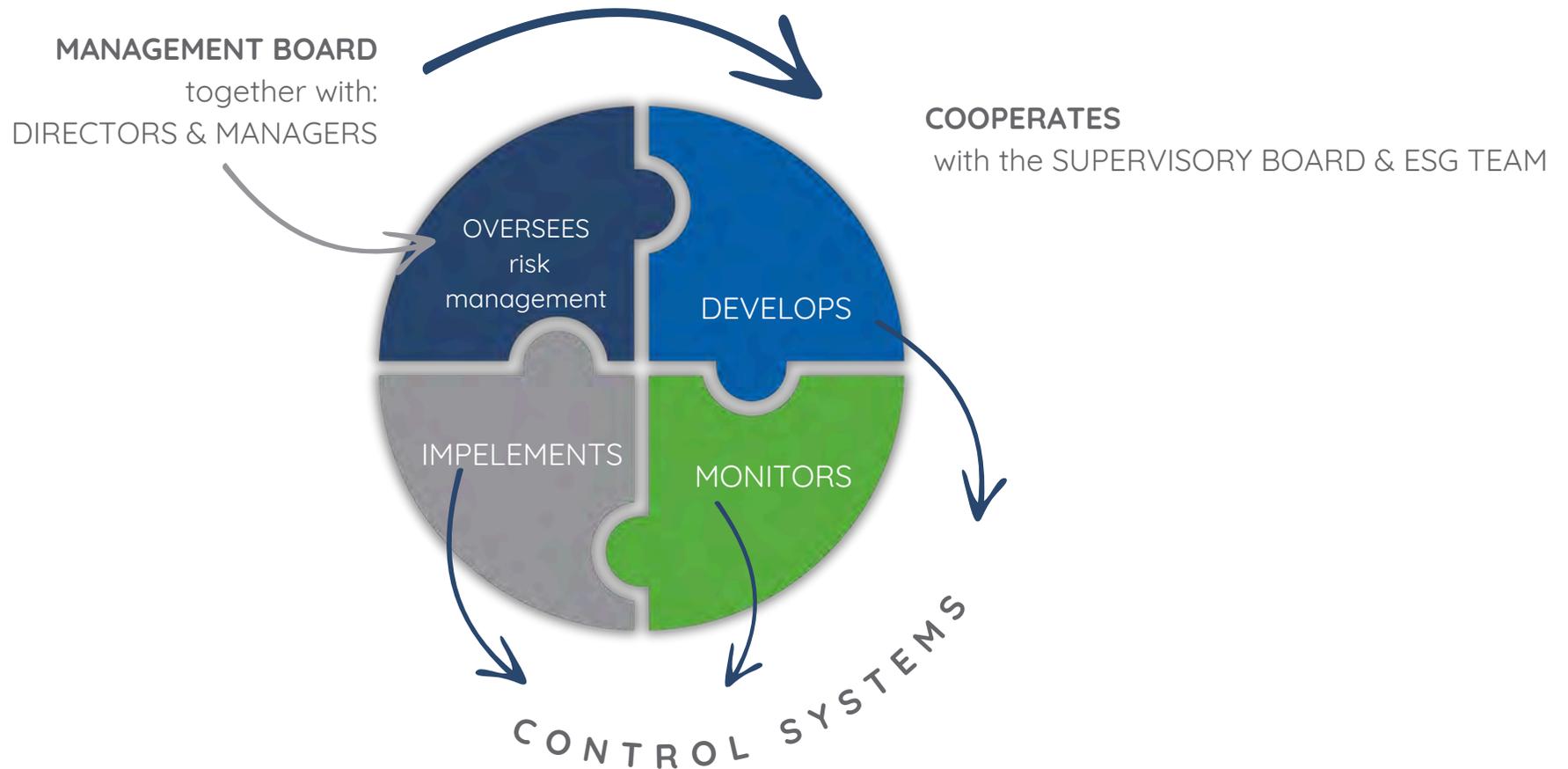
Key elements of the Due Diligence process	Type of disclosure	Location of information according to ESRs
Integration of due diligence into governance, strategy and business model	Business Ethics Policy	GOV-2, GOV-3, SBM-3, S1-1, S4-1, G1-1
	Information Security Policy	
	Whistleblower Protection Policy	
	Procurement Policy	
	Formika Sp. z o.o. Code of Conduct for Business Partners	
	Internal Anti-Mobbing Policy	
	Anti-Corruption Policy	
	Remuneration Policy	
	Conflict of Interest Management Policy	
	Fraud Prevention Policy	
	Anti-Money Laundering Policy	
Engagement with affected stakeholders	HR Policy	SBM-2, S1-2, S4-2
	Identification of key stakeholders	
	Dialogue with employee representatives	
	Informing suppliers about key aspects of implemented policies	
Identification and assessment of adverse impacts on people and the environment	Stakeholder dialogue	IRO-1, SBM-3
	Impact identification within the double materiality assessment process	
Taking action to prevent or mitigate adverse impacts on people and the environment	Other impact identification processes within business operations (e.g. supplier assessments, whistleblowing channels)	S1-3, S4-3
	Implementation of grievance registration and handling	
Monitoring the effectiveness of these efforts and disclosing information in this regard	Grievance handling procedure	S1-17, S4-4
	Information to the Management Board on irregularities and their resolution (as part of grievance or complaints procedure)	
	Annual Sustainability Report and its communication to employees	
	Supplier audits	

GOV-5 Risk management and internal controls over sustainability reporting

As part of sustainability reporting management, internal assessment and control mechanisms have been established to ensure the high quality and compliance of reporting processes with applicable standards and best market practices.

The Management Board is responsible for overseeing internal control processes and sustainability reporting.

Together with directors and managers, the Management Board supervises risk management, develops, implements, and monitors control systems tailored to specific risks. In performing its duties, it cooperates with the Supervisory Board and the ESG Team.



SBM - 1 Strategy, business model and value chain

8.1. CONTEXTUAL DESCRIPTION OF OBJECTIVES

In 2024, Formika adopted a Sustainability Strategy aligned with the company’s overall business strategy. The strategy, published on our website, includes 16 targets defined within short-, medium- and long-term perspectives. The targets are grouped into those relating to environmental, social, and governance matters.



In 2024, a **5.13% year-on-year increase** in production in the printing process was recorded, reaching a level of:

105 296 524 linear meters



It translated into:



an increase in the number of cut lids by 6.7%, reaching 3.7 billion pieces



an increase in the number of tubes produced by 121%, reaching 33.5 million pieces.



The main sustainability-related objective remains the further development of packaging solutions aligned with the circular economy, designed with recycling in mind, **including monomaterial packaging and packaging containing PCR recyclate.**



SBM - 1 Strategy, business model and value chain

8

8.2. FORMIKA'S SUSTAINABILITY OBJECTIVES

SUSTAINABILITY TARGETS IMPLEMENTED IN 2024

Target No	Target	Indicator for 2024	Measurement method	Target Value	Result
1	Reduce the negative impact of Formika's operational activities on climate by offsetting the planned production increase through improved energy efficiency and intensified use of renewable energy sources.	Maintain Scope 1 and 2 carbon footprint at the same level while simultaneously increasing printing production by 5%	% change in CO ₂ emissions in 2024 compared to 2023	0%	-3%
		Reduce CO ₂ emissions in Scope 1 and 2 by 5% per 1 km of printing compared to 2023	% change in CO ₂ emissions per 1 km in 2024 compared to 2023	-5%	-7,79%
4	Reduce demand for raw materials by reducing waste	Achieve a total waste value of 8% of annual turnover	Waste ratio for all closed production orders in a given month	8,00%	8,27%
6	Reduce demand for virgin plastics by introducing recyclable packaging to the market	Increase sales of mono-material packaging to the level indicated in the 2024 sales plan	Sales volume of mono-material tubes vs. sales of PP lids	Tubes: 75,000 pcs Lids: 3,45 million pcs Sachets: 1,5 million pcs	Tubes: 75,000 pcs Lids: 3,45 million pcs Sachets: 1,5 million pcs
8	Offer attractive and competitive workplaces	Maintain pay gap below 2%	Difference between average gross salary of men and women	max 2	4,40%
		Maintain percentage of employees earning below a living wage at 0%	No. of employees earning below living wage / total employees	0	0
10	Increase employees' awareness of ESG	Train 100% of employees at all levels	No. of employees trained by 31.12.2024 vs. no. of employed staff	100%	100%
11	Ensure safe workplaces for employees	Maintain zero fatal accidents and reduce total accidents to fewer than 4	Number of fatal accidents and total accidents	Fatal accidents: 0 Total accidents < 4	Fatal accidents: 0 Total accidents < 4
12	Implement anti-corruption measures	Maintain zero corruption incidents	Total number of reported incidents via available channels	0	0
14	Strengthen due diligence processes	Increase % of Tier 1 suppliers declaring compliance with Formika's Code of Business Ethics	% of suppliers who signed the Business Partners' Code of Ethics / all key suppliers	5%	10%
16	Develop a system linking sustainability performance with incentive schemes	Develop incentive system	Developed incentive system	Developed incentive system	Developed incentive system

SBM - 1 Strategy, business model and value chain

8

8.3. BUSINESS STRATEGY

For the years 2023–2027, Formika has developed a growth plan under the name Formika 4Moon. According to its assumptions, by 2027 we plan to **produce as many running meters of packaging as the distance from the Earth to the Moon**. The achievement of this ambitious target entails intensive development of the tube segment, expansion into European markets – primarily German and French – as well as future acquisitions and the building of the Formika Group.



In a dynamically changing **VUCA world**, only those organizations that carefully monitor their environment and can flexibly adapt their strategy will thrive. Therefore, Formika's strategy is continuously monitored and adjusted based on the principles of the **Fast Track** program.

Its implementation includes:

- improving operational efficiency,
- increasing productivity,
- reducing losses (including production waste),
- enhancing meeting efficiency,
- accelerating the decision-making process.



The Sustainable Development Strategy constitutes an integral part of our business strategy. Formika's ambition is to further develop in the packaging sector while simultaneously minimizing environmental impact, respecting human rights, and fostering trust, partnership, and accountability. In the coming years, we plan to expand our packaging portfolio in line with the principles of the circular economy, including:

- **packaging designed with recycling in mind (e.g. monomaterial packaging),**
- **packaging containing recycled raw materials (PCR – Post-Consumer Recycled).**

One of the key areas of Sustainable Development is energy transformation. In 2022 and 2023, we implemented a series of measures reducing the energy intensity of our production. In July 2024, under a signed PPA agreement, we launched production using energy from renewable sources supplied by our partner – Formika Green Energy.



SBM - 1 Strategy, business model and value chain

8

8.4. REVENUE FROM SALES

REVENUE FROM SALES

Disclosure requirement under ESRS 2 SBM-1

No.	Revenue	2024
1	PLN	264,228,211
2	EUR	61,836,698

8.6. BUSINESS MODEL

Formika's business model is based on delivering customized primary packaging for the food, pharmaceutical, and cosmetics industries. These are sectors with stable and predictable demand, resilient to economic fluctuations, as their products reach almost every household. Thanks to this, Formika operates in a stable business environment, resistant to crises, while at the same time offering strong growth potential.

The seasonal peaks of these industries occur at different times of the year, enabling balanced production planning and ensuring continuity of employment. This in turn allows for optimized resource utilization and minimizes downtime.

Formika focuses on the fast and flexible execution of orders – both for packaging that has been on the market for many years and for entirely new projects. We offer short and medium production runs, giving our clients freedom to react to market changes and meet end-consumer expectations. We support our clients not only in production, but also through advisory services – helping them select optimal packaging solutions and providing technical support in critical situations, such as the launch of new packaging lines.

Our plants are equipped with state-of-the-art machinery, enabling the execution of large-scale orders while maintaining the highest quality and repeatability. This well-organized and flexible operating model shortens order fulfillment times and builds long-term relationships with clients.

Profits generated from operations are reinvested in development, automation, and sustainable solutions. A key element of our strategy is the development of packaging consistent with the principles of the circular economy and energy transition – including the use of renewable energy, strengthening Formika's competitiveness, and its environmental responsibility.

8.5. STRENGTHS, OPPORTUNITIES AND MARKET THREATS

8.7. DESCRIPTION OF THE VALUE CHAIN: UPSTREAM

8.8. DESCRIPTION OF THE VALUE CHAIN: COMPANY'S OWN OPERATIONS

8.9. DESCRIPTION OF THE VALUE CHAIN: DOWNSTREAM

8.10. DISTRIBUTIONS CHANNELS

The above points are described in detail on the following page in graphical form.

SBM - 1 Strategy, business model and value chain

Strengths

Infrastructure:

- New, well-equipped production facilities
- Continuous investment in state-of-the-art machinery
- High hygiene standards in production

People Driving Success:

- Top specialists in the industry
- Passionate professionals with long-standing experience

Customer-Centric Approach:

- Flexibility and individual customer service
- Partnership-based relations with suppliers and clients

Stability and Diversity:

- Strong, established market position since 1978
- Industry and geographical diversification
- No seasonality

Process Optimization:

- Standardized meeting schedules
- Efficient flow of information
- Production tailored to needs

Commitment to the Future:

- Actions for sustainable development
- Support for pro-ecological initiatives

Opportunities:

Alignment with EU regulations

- Regulatory requirements regarding sustainable development
- As a converter, Formika can more easily shift production to:
 - More sustainable packaging

- Lower-emission packaging
- Packaging designed for recycling
- Packaging with recycled content

Automation and new technologies

- Investment in process automation
- Implementation of modern production technologies

Expansion into new markets

- Growth in new industry sectors
- Export to new geographic markets

Resources:

BRAND:

Over 40 years of history in the Polish market. Since 1991, present in the direct packaging market for sensitive products (food, cosmetics, pharmaceuticals, dietary supplements). In 2024, Formika held approx. 50% share in the Polish aluminum lid market, ranking third in terms of production volume of this product range in Poland.

FINANCE:

No net debt
100% Polish capital
Share capital: 48,305,000 PLN

EMPLOYEES & EXPERIENCE

2271 employees: 38% women, 72% men
31 years – longest tenure at Formika
5 employees with tenure exceeding 25 years

REALATIONS:

B2B clients
Trusted by international dairy companies, cooperatives, meat processors, pet food producers, cosmetics companies, and Polish pharmaceutical companies producing drugs and supplements. In 2024, began cooperation with Formika Green Energy, from which all energy is purchased under a PPA agreement for green energy.

MANAGEMENT:

Defined processes using RACI matrix
Built management systems in key areas
Top-down and bottom-up decision flow according to decision pyramid rules
Risk management systems
20 Policies & Regulations

PRODUCTION:

2 production facilities
8 printing machines with flexo UV technology
14 lid punching machines in 160 formats
5 laminating machines
3 tube machines, including 1 acquired in 2024

ENVIRONMENT:

Investing in technologies to increase energy efficiency of facilities
Using renewable energy under PPA agreements
No fossil fuels used in production processes
No impact on biodiversity

UPSTREAM (SUPPLIERS):

Suppliers of key raw materials and components

- Suppliers of aluminum foil and monomaterial substrates for lids, sachets, and pharmaceutical blisters
- Suppliers of printing substrates and components for laminate tubes

 Suppliers of inks

- Logistics and transportation companies

 Other suppliers

- Utilities suppliers (electricity, water, renewable energy)
- Fuel supplier
- Service providers (including legal, IT, consulting, teleinformatics, telecommunications, etc.)

Business model



Business risks:

Labour Market

- High demand for employees from nearby enterprises.
- Strong competition in attracting and retaining qualified staff.
- Five generations present in the labour market – diverse expectations and requirements.

Raw Materials

- Rapidly rising prices of raw materials essential for production.
- Instability of energy prices

Geopolitics

Unstable geopolitical situation affecting the availability and cost of raw materials and logistics.

Clients and Expectations

- Low customer awareness regarding the need to switch to more sustainable packaging.
- Reluctance to adapt and modernize machinery towards sustainable alternatives.
- Cosmetics industry accustomed to visually attractive packaging, which is often not low-emission and lacks PCR (post-consumer recycled content).

Regulations

- Increasing number of regulations concerning production and emission limits.
- Lack of implementing acts for the regulation on packaging and packaging waste – undefined requirements hindering long-term planning for product portfolios.
- Diverse and increasingly stringent requirements from EU member states and clients, especially in the food sector.

Climate change

- Rising temperatures leading to higher production costs due to greater energy demand for cooling machinery and facilities.
- Extreme weather events, desertification of Poland and rising temperatures may:
 - Reduce milk production in the long term.
 - Without effective adaptation strategies, cause a decline in dairy supply – the dairy sector is a key client for Formika's packaging.

SBM - 1 Strategy, business model and value chain

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8.11. SIGNIFICANT PRODUCT GROUPS

SIGNIFICANT PRODUCT GROUPS				
KEY STRATEGIC ELEMENTS IN RELATION TO PRODUCTS	LIDS	SACHETS/ DOYPACKS	TUBES	BLISTER FOIL
Groups of offered products (>10% of revenue)	Packaging lid material sold in reel-fed form, used for sealing food – mainly dairy products (e.g. yogurts, cream, cheese), meat (e.g. pâtés) and dry food (e.g. instant products). It can be produced from various materials such as aluminum foil, aluminum foil laminated with polyethylene (PE), polyethylene terephthalate (PET) film, or cast polypropylene (CPP). The main task of this material is to protect the product inside the packaging from external factors such as moisture or contamination.	Packaging material sold in reel-fed form, used for cosmetic products, dietary supplements and chemical preparations. Produced from various multilayer laminate structures such as PET/ALU/PE, PET/PE, OPP/MET/PP in various thicknesses. Selected structures may also be intended for pharmaceutical packaging.	Tubes made from PBL or ABL laminate, sealed with a head and closure, used for cosmetic products, food pastes or toothpaste. In selected food categories, an additional barrier may be introduced through the use of an aluminum membrane placed under the closure.	Lid-type packaging material made of aluminum foil, providing a barrier against moisture and contamination. Used for sealing blister packs for dietary supplements and pharmaceuticals.
Changes in 2024 (new or discontinued products)	In 2024, no new products were introduced in this group, and no existing products were withdrawn.	In 2024, no new products were introduced in this group, and no existing products were withdrawn.	In 2024, no new products were introduced in this group, and no existing products were withdrawn.	In 2024, no new products were introduced in this group, and no existing products were withdrawn.
Objectives related to sustainable development in relation to product groups	Increasing the share of lids made of CPP and optimizing production by reducing the number of changeovers and shortening production runs.	Development of mono-PE solutions for doypack packaging. Promoting monomaterial packaging among customers and introducing packaging containing PCR (Post-Consumer Recycled) materials.	Development and processing of laminate components containing PCR. At the same time, promoting monomaterial packaging solutions with PCR content.	Development of polypropylene (PP)-based solutions designed for blister applications.
Assessment of significant products against sustainability objectives	The production technology of CPP lids was fully implemented, and the project of six-color printing was introduced. The production of PP lids was verified during customer audits.	Implementation of monomaterial PP for sachets. In 2024, PP accounted for about 5% of total sachet production.	Expansion of mono-PE and PCR component usage. In 2024, PCR materials accounted for about 30% of total tube production.	Initial testing of mono-PP raw material.
In the context of the business strategy, the main future challenges, critical solutions or projects to be implemented.	Reduction of carbon footprint through optimization of changeovers, reduction of visual errors and shortening production runs. At the same time, investments in high-speed UV printing presses.	Promotion of monomaterial PP and PE solutions enabling barrier properties comparable to traditional packaging, while maintaining the same efficiency and productivity on packaging lines at customers.	Expansion of solutions containing PCR and mono-PE components, enabling the use of secondary raw materials.	Reduction of packaging cycle time through investment in digital blister printing technology. This allows for quick, low-volume production of pharmaceutical blister packs for fast market entry.

SBM - 2 Interests and views of stakeholders

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9.1. STAKEHOLDER COMMUNICATION CHANNELS

As part of its double materiality assessment, Formika has identified its key stakeholders, the forms of communication with them, and the areas of engagement. The company has also described how information on stakeholder-relevant topics is reported to the governance bodies. Furthermore, the influence of stakeholder input on the company's strategy has been outlined.

STAKEHOLDER COMMUNICATION CHANNELS				
STAKEHOLDER	COMMUNICATION CHANNELS	TOPICS AND ENGAGEMENT OBJECTIVES	REPORTING TO GOVERNANCE BODIES	INTEGRATION OF OUTCOMES INTO STRATEGY AND BUSINESS MODEL
Employees in the value chain	Reporting channels, communication on the whistleblowing policy, stakeholder surveys, information on social media portals, training and awareness workshops, thematic workshops, direct meetings, telephone contacts, technical documentation, quality agreements.	Working conditions, safety, ethical standards, ergonomics, job stability, prevention of discrimination, compliance with labour laws.	Organisation of events, meeting summaries, information transfer to the supervisor, regular management group meetings.	Transparent and responsible supply chain, reduction of operational risks, increase in company value.
Affected communities	Direct meetings, phone conversations, emails, environmental interviews, verification of applications submitted to the foundation regarding the allocation of aid to potential beneficiaries.	Verification of support, understanding real problems and deficiencies, assessment of potential changes after granting support.	Direct meetings, email reports to the Foundation Board - the supervisory body.	Effective aid management, allocation of resources where they can generate the greatest social impact.
Consumers and end-users	Communication through customers, updates on the company website and announcements on social media.	Positive impact on the environment, improving product quality.	Management review	Influence on product quality, functionality, and ecological responsibility.
Associations and organisations	Webinars, email and phone contact, activities on social media portals (e.g., LinkedIn), joint projects, newsletters, participation in trade fairs and conferences, surveys.	Knowledge on sustainable development, regulatory changes, market trends, risk analysis, opportunities for growth.	Summaries of activities and outcomes presented at individual sales meetings, information posted on social media and in newsletters.	Adapting operations to industry standards, integrating acquired knowledge into company strategy.
Financial institutions and insurers	Communication with banks and insurers via electronic means (email, banking portals) or phone. Occasionally, meetings with bank representatives at the company's headquarters when necessary.	Credits and policies, negotiation of financial terms, risk and opportunity analysis, confirmation of creditworthiness.	In case of received offers, information is forwarded by the responsible employees to decision-makers.	Optimisation of financial terms, effective risk management, support for strategic investment decisions.
Local and national administration (e.g. tax office, social insurance, municipality)	Communication with administration via electronic means (email, e-submissions), phone, or traditional mail.	Submission of documents, declarations and certificates, data updates, risk and opportunity analysis, growth potential.	Where necessary, the Chief Accountant provides information to the management bodies. Additionally, reports are sent by the Finance Department to the CFO and the President of the Management Board.	Ensuring compliance with regulations, timely acquisition of required certificates, adapting strategy to legal changes, identifying growth opportunities.

SBM - 3 Material impacts, risks and opportunities and their interaction with strategy and business model

10.1. CHARACTERISTICS AND DESCRIPTION OF SIGNIFICANT IMPACTS

The following assessment aimed to identify the areas of impact and influence of the company across different levels of its value chain.

This assessment was conducted based on the version of the ESRS (European Sustainability Reporting Standards) available at the end of 2024, which supplement Directive 2022/2464 (CSRD - Corporate Sustainability Reporting Directive) of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU as regards corporate sustainability reporting.

In the preliminary study, we followed the provisions of Appendix A (AR 16) to the ESRS.

In accordance with the above, we present the tables of impacts and risks below.

10.2. FORMIKA'S IMPACTS "OUTSIDE IN, INSIDE OUT"

FORMIKA'S IMPACTS "OUTSIDE IN, INSIDE OUT"						
IDENTIFIED ESRS TOPIC IN MATERIALITY ASSESSMENT	DESCRIPTION OF IMPACT	TYPE OF IMPACT	PLACE OF IMPACT OCCURRENCE	MANAGEMENT PRIORITY	FINANCIAL EFFECTS	
ESRS E1 Climate change. Adaptation to climate change. Adjustment of building infrastructure and strengthening of climate installations. Impact materiality: high Financial materiality: high	Wpływ na firmę Formika w tym obszarze jest generowany przez rosnącą potrzebę dostosowania warunków pracy do rosnących temperatur, zarówno z uwagi na komfort pracy ludzi, jak też potrzebę zachowania jakości i wydajności maszyn. Ma również wpływ poprzez zmiany zachowań konsumenckich i oczekiwania klientów, a także zmiany regulacyjne w tym obszarze dotyczące opakowań.	Positive actual: improvement of comfort, health, occupational safety, well-being	Own operations, Downstream	High	No financial effects of this action were estimated, but experience shows that the observed increase in temperature and humidity carries a high risk of production downtime due to condensation of water and inability to carry out UV production. It may also cause fainting and medical leave due to excessive temperature and humidity. Anticipating precise financial effects would require an in-depth study.	
		Potential negative: increased energy consumption, cooling agents, which are associated with CO ₂ emissions				
ESRS E1 Climate change. Mitigation of climate change. Impact materiality: high Financial materiality: high	Wpływ firmy na ten obszar jest tworzony przez firmę głównie poprzez redukcję śladu węglowego, będącą efektem przejścia na OZE	Positive actual: Reduced raw material consumption through greater share of recycled content and introduction of lower grammage products.				In 2024, we did not have sufficient data to allow us to estimate anticipated financial effects in this area.
ESRS E1 Climate change. Energy. Impact materiality: high Financial materiality: high	Positive actual: Increased use of renewable energy sources, which leads to emission reduction.	The company began large-scale use of renewable energy in 2024; we are observing costs and in the future will be able to disclose anticipated financial effects.				

SBM - 3 Material impacts, risks and opportunities and their interaction with strategy and business model

10.2. FORMIKA’S IMPACTS “OUTSIDE IN, INSIDE OUT”

FORMIKA’S IMPACTS “OUTSIDE IN, INSIDE OUT”					
IDENTIFIED ESRs TOPIC IN MATERIALITY ASSESSMENT	DESCRIPTION OF IMPACT	TYPE OF IMPACT	PLACE OF IMPACT OCCURRENCE	MANAGEMENT PRIORITY	FINANCIAL EFFECTS
ESRs E5 Resource use and circular economy Impact materiality: High Financial materiality: High	The company’s impact in this area is mainly generated through rational waste management, particularly aluminium, packaging optimisation, and efforts to use post-consumer recycled content (PCR).	Positive actual impact reduction of raw material consumption within the organisation, reuse of resources, aluminium waste recycling	Own operations Upstream	High	Recycling the use of pure aluminium generated during production helps significantly reduce raw material purchase costs. However, in 2024 the exact financial impacts of the entire spectrum of circular economy (CE) activities, especially future ones, were not assessed
		Negative actual impact use of raw materials whose production is highly burdensome for the environment due to CO ₂ emissions (e.g., aluminium)			Effects financial impacts require very in-depth studies. In 2024 there was no possibility of estimating the anticipated financial effects
ESRs S1. Own workforce Working conditions. Working time Impact materiality: high Financial materiality: moderate	Formika sp. z o.o. exerts a significant and direct, multidimensional impact on its employees by ensuring a safe, equal, and ethical working environment. The company operates in compliance with applicable regulations, respects labour rights, prevents discrimination, and promotes diversity. The Code of Ethics and anonymous reporting mechanisms serve to protect the integrity of the organisation. Formika supports dialogue with employees, ensures fair working conditions, undertakes actions to promote pay equity and career development pathways, and also offers training and opportunities for upskilling.	Positive actual impact creation of conditions for remote work, reduction of overtime			Anticipated financial effects have not been assessed.
		Negative actual impact modified work system			Anticipated financial effects have not been assessed.
ESRs S1. Own workforce Working conditions. Social dialogue Impact materiality: high Financial materiality: moderate		Positive actual impact implementation of social dialogue, freedom of association	Own operations	High	Anticipated financial effects are very difficult to estimate because the dialogue is highly cross-sectional and covers a wide range of issues.
ESRs S1. Own workforce Working conditions. Fair wages Materiality of impact: high Financial materiality: high		Positive actual impact remuneration policy and use of market pay benchmarks, transparency of employment contracts and a clear remuneration system			Current financial effects are reflected in the financial statements, while anticipated financial effects have not been estimated.
ESRs S1. Equal treatment and equal opportunities Materiality of impact: high Financial materiality: low		Positive actual impact significant influence through the design of employment policies, training programmes and dedicated policies (Code of Ethics, grievance mechanism, etc.)			Anticipated financial effects have not been assessed.

SBM - 3 Material impacts, risks and opportunities and their interaction with strategy and business model

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10.2. FORMIKA'S IMPACTS "OUTSIDE IN, INSIDE OUT"

FORMIKA'S IMPACTS "OUTSIDE IN, INSIDE OUT"					
IDENTIFIED ESRs TOPIC IN MATERIALITY ASSESSMENT	DESCRIPTION OF IMPACT	TYPE OF IMPACT	PLACE OF IMPACT OCCURRENCE	MANAGEMENT PRIORITY	FINANCIAL EFFECTS
ESRS S2. Workers in the value chain Materiality of impact: moderate Financial materiality: low	Formika sp. z o.o. exerts indirect impact on workers in the value chain. This occurs mainly through appropriate selection of partners who comply with the cooperation principles established by Formika sp. z o.o., as well as through contractual provisions.	Positive actual impact: The impact occurs through appropriate provisions in the purchasing policy and other procedures and cooperation policies with partners.	Upstream	Normal	Anticipated financial effects have not been assessed.
ESRS S4. Consumers and end-users Materiality of impact: moderate Financial materiality: high	The impact is generated through the production of packaging that protects product durability, which also affects lifestyle.	Positive actual impact: Through established policies and procedures for product oversight.	Downstream	High	Significant financial effects, the assessment of which requires in-depth research and selection of an appropriate methodology.
ESRS G1. Business Conduct. Managing relationships with suppliers Impact materiality: high Financial materiality: high	Formika influences this area by shaping an organisational culture based on values such as honesty, responsibility, transparency, development and innovation, attitude and energy. The company's impact in this respect is realised through the implementation of appropriate internal policies and procedures, including those concerning whistleblower protection as well as principles of cooperation with suppliers and customers. A key element is the development of a governance structure capable of actively responding to challenges, including issues related to ESG matters.	Positive actual impact: implemented through the company's payment policy	Own Operations	Normal	Anticipated financial effects have not been assessed.
ESRS G1. Business Conduct. Whistleblower Protection Impact materiality: high Financial materiality: high		Positive actual impact: implemented through policies and the established system for reporting irregularities and whistleblower protection within the company			Anticipated financial effects have not been assessed.
ESRS G1. Business Conduct. Corruption and Bribery Impact materiality: high Financial materiality: high		Positive actual impact: implemented through adopted policies and procedures, such as two-step payment approval in the EOD system			Anticipated financial effects have not been assessed.

SBM - 3 Material impacts, risks and opportunities and their interaction with strategy and business model

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10.3. OPPORTUNITIES AND RISKS IN THE ENVIRONMENTAL AREA RELATED TO E1 – CLIMATE CHANGE

Opportunities and Risks in the Environmental Area Related to E1 – Climate Change		
RISK OR OPPORTUNITY	DESCRIPTION OF RISK OR OPPORTUNITY	MANAGEMENT METHOD: RISK MITIGATION, OPPORTUNITY UTILIZATION
Risks related to climate change	Risk of production stoppages caused by water condensation and inability to carry out processes using UV technology in food-grade regime. Additionally, high temperatures and humidity may lead to employee fainting and increased number of sick leaves.	Ad hoc actions undertaken; Improving comfort and workplace safety through modernization of cooling systems; Preparing infrastructure to adapt to climate change.
Risks related to adaptation to climate change	Risk of increased energy consumption and thus higher energy costs; Risk of exceeding contracted power capacity; Risk of lack of energy availability.	Preparing infrastructure for climate change; Signing PPA agreement for renewable energy; Conducting energy audit to identify potential energy-saving measures.
Opportunities related to adapting to climate change	Adaptation of products to changing market needs caused by climate change; Increased competitiveness through a portfolio adapted to market needs; Supporting customers and end-users in adapting to climate change.	Expanding product portfolio with monomaterial solutions and products of reduced grammage; Actions undertaken in cooperation with suppliers offering substrates meeting reduction requirements for materials and easier recyclability.
Risks related to energy	Risk of rising energy prices linked to CO2 emissions (ETS2), risk of unavailability of renewable energy, risk of lack of renewable energy uptake by the operator and thus difficulties in purchasing renewable energy.	Management through setting CO2 reduction targets indicated in the Sustainability Strategy; Signing a PPA agreement for renewable energy.
Opportunities related to energy	Opportunity linked to changes in the emissions structure: change in emissions structure may positively impact purchasing decisions of clients and enable acquiring new customers for whom emission levels are an important supplier selection criterion. In the longer term, this also means reducing energy costs, stabilizing supply, and partial independence from the external power grid.	Setting CO2 reduction targets in scopes 1, 2, and 3; Increasing share of renewable energy in the mix; Modernizing HVAC infrastructure; Energy origin guarantees (purchase); Promoting suppliers actively reducing CO2.
Opportunities related to production process optimization	Opportunity associated with optimizing production processes towards lower energy intensity and higher production efficiency.	Through SMED activities – standardizing and reducing waste.

SBM - 3 Material impacts, risks and opportunities and their interaction with strategy and business model

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10.4. OPPORTUNITIES AND RISKS IN THE ENVIRONMENTAL AREA RELATED TO E5 – CIRCULAR ECONOMY

Opportunities and Risks in the Environmental Area Related to E5 – Circular Economy

RISK OR OPPORTUNITY	DESCRIPTION OF RISK OR OPPORTUNITY	MANAGEMENT METHOD: RISK MITIGATION, SEIZING OPPORTUNITIES
Opportunity: Reducing the cost of raw material purchases	This is mainly achieved through proper management of post-production aluminium waste, where aluminium waste is a significant source of cost reduction compared to primary raw material purchases.	Implemented waste hierarchy; selection of aluminium and other waste; aluminium waste sales agreement.
Opportunity: Adapting to customer needs	Increasing competitiveness by offering products adapted to market needs – customers increasingly seek more resource-efficient products developed with alternative technologies. This trend results both from changing consumer expectations and regulatory developments.	Expanding the portfolio with monomaterial products; optimizing product grammage; sourcing clean PCR suppliers.
Risk: Related to the use of PCR	Reduced food safety and weakened barrier properties of packaging – current issues with supply stability and quality of available PCR. Additionally, according to EFSA guidelines, PET is the only post-consumer recycled material (PCR) currently approved for food contact.	Sourcing PCR from verified and safe suppliers. Material must include a declaration of conformity and documents confirming its origin and compliance with regulations.
Opportunity: Related to the use of PCR	The opportunity lies in creating a product portfolio better suited to evolving packaging regulations. This also includes reducing waste volumes and lowering energy input needed for production.	Monitoring packaging regulations; sourcing PCR from safe suppliers with declarations of conformity and origin documentation.
Opportunity: Related to monomaterial products	The opportunity lies in selling products that fully align with circular economy principles, characterized by resource efficiency and full recyclability sought by customers.	Monitoring legal regulations; implementing Sustainability Strategy targets; promoting monomaterial packaging via Sales Department; tracking technological possibilities for recycling installations.
Risk: Related to introducing contaminated reused pallets into production	If unselected, contaminated pallets are introduced into production, there is a risk of contamination and high costs to restore the plant to its original condition.	Pallet condition control before introducing them into production.
Opportunity: Reducing costs through reuse of auxiliary production materials	The opportunity is reusing selected auxiliary materials, such as paint buckets or cleaning materials; solvent distillation also reduces production costs.	Contracts with suppliers of reusable cleaning materials; customer agreements for reusable buckets; internal procedures for auxiliary material circulation; distillation procedure for solvents used in plate-making.
Risk: Rising costs of sludge disposal from wastewater treatment	The risk relates to increased costs of sludge disposal from wastewater treatment.	Monitoring market sludge disposal prices; verifying possibilities of board production using organic solvents and reducing sludge through distillation.
Opportunity: Linked to new processes	The opportunity consists in fully eliminating wastewater treatment sludge through water-based board production technology.	Conducting tests of new technology.

SBM - 3 Material impacts, risks and opportunities and their interaction with strategy and business model

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10.5. OPPORTUNITIES AND RISKS IN THE SOCIAL AREA RELATED TO S1 - OWN WORKFORCE

Opportunities and Risks in the Social Area Related to S1 - Own Workforce		
RISK OR OPPORTUNITY	DESCRIPTION OF RISK OR OPPORTUNITY	MANAGEMENT METHOD: RISK MITIGATION, SEIZING OPPORTUNITIES
Risk: Working conditions	Related to demographic changes, difficulties in attracting new employees, shift work system, employee turnover, and departure of key staff.	Engagement surveys to identify employee needs; salary and benefits review, including new bonus plan for production departments; wage benchmark 95-105; free transport; non-wage benefits.
Risk: Working time	Risk linked to the potential occurrence of overtime.	Implementation of a production optimization system.
Risk: Working time	Lack of flexible working hours may lead to recruitment difficulties, increased turnover, inefficiency, feelings of unfairness among staff unable to work remotely, and reduced team cohesion.	Introduction of flexible working hours and remote work policies, including regulations defining implementation rules and monitoring of individual goals.
Opportunity: Working conditions	Opportunity to create better and more attractive workplaces.	Establishment of remote work opportunities, reduction of overtime, work-life balance improvements, reduced commuting time and costs, partial reimbursement of meals, skills and process reviews, and organizational improvement plans.
Opportunity: Social dialogue	Creating better workplaces by co-deciding on employee-related issues (social fund, OHS, etc.), and by implementing initiatives aligned with actual employee needs.	Employee engagement surveys; meetings with employees; fostering a culture of open dialogue; appointment of employee representatives.
Risk: Adequate wages	Wage pressure and competition for workers in the labor market.	Monitoring labor market benchmarks; ensuring employees receive adequate pay to cover living needs; aligning pay levels with regional market standards.
Opportunity: Adequate wages	Ensuring adequate pay to attract and retain top specialists.	Monitoring pay benchmarks; ensuring employees receive adequate and fair pay; aligning wages with market levels; pay scale reviews; recommendations for operational departments.
Risk: Equal treatment and equal opportunities	Unequal treatment creates reputational risks, increases employee turnover, and hinders recruitment.	Promoting diversity, inclusion, and an open work culture; multigenerational cooperation; Employment Policy; Code of Ethics; Anti-bullying Policy; training, szkolenia
Opportunity: Equal treatment and equal opportunities	Creating attractive workplaces where employees feel safe, confident, and free from discrimination.	recruitment based on competencies; promoting diversity and inclusion; fostering open work culture; multigenerational cooperation; Employment Policy; Code of Ethics; Anti-bullying Policy; training.

SBM - 3 Material impacts, risks and opportunities and their interaction with strategy and business model

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10.5. OPPORTUNITIES AND RISKS IN THE SOCIAL AREA RELATED TO S1 – OWN WORKFORCE

Opportunities and Risks in the Social Area Related to S1 – Own Workforce		
RISK OR OPPORTUNITY	DESCRIPTION OF RISK OR OPPORTUNITY	MANAGEMENT METHOD: RISK MITIGATION, SEIZING OPPORTUNITIES
Risk: Training and skills development	Lack of training leads to limited employee development, lower qualifications, reduced employer attractiveness, lower efficiency, worse work culture, and higher turnover. This results in additional costs. Insufficient training budgets may further amplify the problem when employees leave.	Development of an employee turnover reduction plan (including recruitment, onboarding, and training). Competency development paths for production staff and coaching programs for trainers supporting skill-building, career advancement, and job satisfaction.
Opportunity: Training and skills development	Leveraging internal employee resources during promotions.	Employment policy promoting internal promotions, which increase motivation, loyalty, and professional development. Integration initiatives and leadership development programs (e.g., Leader Model, Leader Academy planned for 2025).
Opportunity: Upskilling	Enhancing employee qualifications and creating attractive development opportunities, especially supporting women's career growth and their participation in teams.	Cross-mentoring program for women; Anti-mobbing Policy; Code of Ethics; training on workplace respect and anti-bullying.
Risk: Other labor-related rights	Risks linked to lack of staff, reputational damage, or administrative penalties.	HR policy aligned with prohibiting child and forced labor; age verification at hiring.
Risk: Lack of cohesion in multigenerational teams	The presence of five generations in the labor market creates risks linked to differences in needs, communication styles, and values, affecting organizational culture, engagement, and efficiency.	Promotion of diversity and inclusion; development of an open and multicultural work environment; fostering intergenerational collaboration.

SBM - 3 Material impacts, risks and opportunities and their interaction with strategy and business model

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10.6. OPPORTUNITIES AND RISKS IN THE SOCIAL AREA RELATED TO S2 – WORKERS IN THE VALUE CHAIN

Opportunities and Risks in the Social Area Related to S2 – Workers in the Value Chain

RISK OR OPPORTUNITY	DESCRIPTION OF RISK OR OPPORTUNITY	MANAGEMENT METHOD: RISK MITIGATION, SEIZING OPPORTUNITIES
Risk related to working conditions	Risk of losing a supplier not meeting the requirements of the procurement policy regarding working conditions. Risk of relocating production outside the EU by a key supplier due to rising labor costs and social requirements.	Commitment of key suppliers to sign the Code of Ethics for Business Partners. Selection of European suppliers who comply with binding, rigorous labor law regulations.
Opportunity related to working conditions	Formika may, to a limited extent, influence compliance with fair employment and working conditions, thereby building a non-price competitive advantage as a reliable supplier supporting both the local (Polish) and regional (European) economy. This approach fosters stable and smooth cooperation with business partners. It also creates an opportunity to establish cooperation with clients for whom the values of the International Labour Organization (ILO) are key and significant.	Setting expectations for suppliers regarding working conditions, equal treatment, equal opportunities, and compliance with ILO conventions. Including social aspects in the annual supplier assessment. Stability of cooperation through the development of long-term production plans ensuring process continuity. Avoidance of penalties and delays, as well as adapting shipments to customer needs to optimize working time and processes. Client workshops: Pharma Day, Cosmetics Day, individual meetings, thematic workshops, training, benchmarking of best practices, and process optimization.



SBM - 3 Material impacts, risks and opportunities and their interaction with strategy and business model

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10.7. OPPORTUNITIES AND RISKS IN THE SOCIAL AREA RELATED TO S4 – CONSUMERS AND END-USERS**Opportunities and Risks in the Social Area Related to S4 – Consumers and End-users**

RISK OR OPPORTUNITY	DESCRIPTION OF RISK OR OPPORTUNITY	MANAGEMENT METHOD: RISK MITIGATION, SEIZING OPPORTUNITIES
Risk related to consumers and/or end users	Risk associated with the potential product recall from the market and resulting reputational loss. Risk of defective or leaking packaging that may pose a health hazard. Risk of significant financial losses in the event of critical non-compliance during simultaneous production processes.	Identification and traceability procedure. Product recall procedure and annual testing. Implementation of HACCP system. Production carried out in a high-hygiene environment, with compliance confirmed through regular routine and periodic tests.
Opportunity related to consumers and/or end users	Opportunity to build a positive company image as a trusted supplier of high-quality packaging, recognized as a partner that understands contemporary challenges and actively contributes to improving quality of life and climate change mitigation. Opportunity to acquire and retain clients who value quality and safety. In the pharmaceutical sector – ensuring continuity of production under GMP Class D conditions.	The company produces packaging that protects products from spoilage and loss of properties. Raw materials, components, and finished goods meet all regulatory requirements of the EU, Poland, and other client markets. Production takes place in a high-hygiene environment, with compliance confirmed through routine and periodic tests. UV technology ensures biocidal effects, and the process does not use solvents. An additional recall procedure has been implemented if needed.
Opportunity related to consumer/end-user information impact	Opportunity to create a positive company image as a trusted partner that understands contemporary challenges, actively works for better quality of life, and contributes to climate change mitigation. Enhances reputation and supports acquiring and retaining clients who value ESG-related aspects.	Publication of the sustainability report and results of audit assessments and analyses conducted by rating agencies.

SBM - 3 Material impacts, risks and opportunities and their interaction with strategy and business model

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10.8. OPPORTUNITIES AND RISKS IN THE GOVERNANCE AREA RELATED TO G1 – BUSINESS CONDUCT

Opportunities and Risks in the Governance Area Related to G1 – Business Conduct

RISK OR OPPORTUNITY	DESCRIPTION OF RISK OR OPPORTUNITY	MANAGEMENT METHOD: RISK MITIGATION, SEIZING OPPORTUNITIES
Risk related to supplier relationship management	Penalties related to legal regulations, maintaining financial liquidity, reputational risks	Implemented payment system; Invoice circulation monitoring system; Independent entity assessment of payment morality
Opportunity related to supplier relationship management and practices	Fair payment terms attract reliable and stable suppliers; High reputation value for the company as a credible partner; Better financial liquidity of suppliers, enabling shorter lead times and/or lower prices	Through contractual provisions
Risk related to corporate culture implementation	Risk of decreased efficiency indicators and failure to meet business goals due to low employee engagement; Reputational risk – lack of trust may be communicated externally; Internal effects: lack of engagement and high employee turnover	Through engagement surveys, Employee dialogue initiatives, Whistleblowing system
Opportunity related to corporate culture implementation	Creating an atmosphere of trust that provides space for raising concerns; A well-implemented organizational culture positively impacts the functioning of the entire company; Increased motivation, employee engagement, and morality	Communication of values by the Management Board; Organizing workshops to support understanding of values and translating them into specific actions; Creation of the Leadership Academy offering tools to increase employee engagement
Opportunity related to grievance procedures and whistleblower protection	Opportunity for quicker detection and elimination of potential irregularities; Meeting customer expectations and improving ratings; Ability to respond quickly in case of identified non-compliance	Whistleblower Protection Policy; Whistleblowing and follow-up procedure; Anti-mobbing Policy
Risk related to inadequate whistleblower protection	Reputational risk in case of retaliatory actions against whistleblowers; Consequences: increased employee turnover and higher recruitment/training costs; Risk of lack of reporting essential to company functioning	Whistleblower Protection Policy; Whistleblowing and follow-up procedure; Anti-mobbing Policy
Opportunity related to lobbying activities	Opportunity to share practical knowledge; Legally permitted influence on the legislative process; Effective lobbying allows shaping a favorable regulatory environment	Establishment of clear frameworks for lobbying activities; Development of a lobbying policy – ethical employment practices for lobbyists; Ethical employment practices
Risk related to corruption	Reputational and legal risk in case of inappropriate supplier selection; Possible court penalties and administrative sanctions; Actual financial losses for the company	Tax strategy; Two-step acceptance of payments in the EOD system; Creation of an anti-corruption policy including gift policy; Training for employees most exposed to corruption risks; Establishment of an anti-corruption policy

SBM - 3 Material impacts, risks and opportunities and their interaction with strategy and business model

10

10.8. OPPORTUNITIES AND RISKS IN THE GOVERNANCE AREA RELATED TO G1 – BUSINESS CONDUCT

Opportunities and Risks in the Governance Area Related to G1 – Business Conduct

RISK OR OPPORTUNITY	DESCRIPTION OF RISK OR OPPORTUNITY	MANAGEMENT METHOD: RISK MITIGATION, SEIZING OPPORTUNITIES
Opportunity related to preventing corruption and its detection, including training	Rational management of company finances through optimal selection of offers; Building a reliable and transparent business environment around Formika; Meeting the requirements of business partners	Anti-Corruption Policy; Training programs; Corruption risk analysis conducted for specific positions
Risk related to the risk management system	Risks resulting from lack of effective risk management; Potential significant costs due to lack of threat identification; Negative impact on the company's reputation; Threats to business continuity	Tax Strategy; HACCP system for product safety management; Procurement Policy; Purchasing procedures
Opportunity related to the risk management system	Potential opportunities include: Enhancing Formika's operational resilience in identifying risks; Possibility to gain competitive advantage; Strengthening the company's position as a market leader; Developing the ability to respond quickly and flexibly to changing environmental conditions	Tax Strategy; HACCP system for product safety management; Procurement Policy; Purchasing procedures



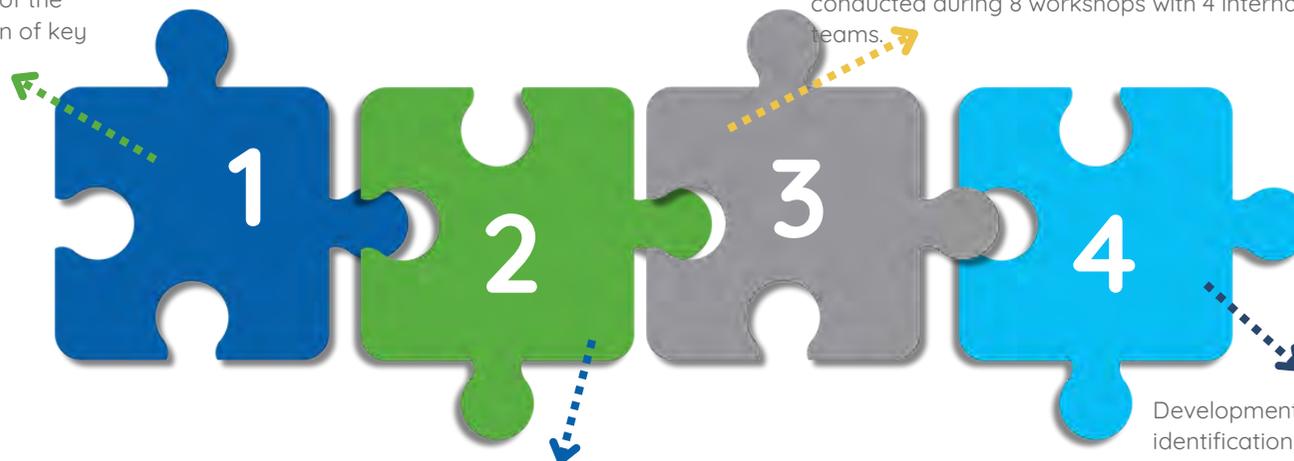
IRO - 1 Description of the processes to identify and assess material impacts, risks and opportunities

- ✓ As part of the preparation of this Report, Formika carried out its first double materiality assessment. The purpose of this exercise was to identify the most important stakeholder groups and to define the key impacts, risks, and opportunities related to sustainable development. The results obtained provide the foundation for further actions and the strategic directions of the company.
- ✓ The process was conducted by an interdisciplinary ESG team representing the key departments of the organization, under the supervision of the President of the Management Board.
- ✓ The team regularly monitored progress and ensured compliance of the activities undertaken with the adopted methodological assumptions.
- ✓ The assessment was carried out in line with the requirements of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS). It considered two essential perspectives: the impact perspective, i.e. Formika's influence on sustainability matters, and the financial perspective, analyzing the extent to which these issues may affect the company's future financial performance.

11.1. COMPREHENSIVE APPROACH TO THE IDENTIFICATION AND ASSESSMENT OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

The IRO assessment process was divided into four key stages:

Identification of material areas of Formika's operations, analysis of the entire value chain, and selection of key stakeholders.



Assessment of risks and opportunities from both a financial perspective and an impact perspective, conducted during 8 workshops with 4 internal teams.

Review of available data, including market environment analysis (benchmarking), competitor analysis, and stakeholder dialogue to understand the significance of impacts.

Development of a results matrix and identification of key ESG topics material to the company's business activities.

IRO - 1 Description of the processes to identify and assess material impacts, risks and opportunities

11

11.1. COMPREHENSIVE APPROACH TO THE IDENTIFICATION AND ASSESSMENT OF MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Formika applies a comprehensive approach to risk and opportunity management, which is based on a thorough understanding of the impacts and interdependencies within our activities. This approach constitutes a permanent element of the company's management and operations. The identification of risks and opportunities that have or may have financial consequences was based on:

Data collection and analysis

a) Financial Reports

Reports provide key information on the company's financial condition and allow the identification of potential financial risks. This enables us to anticipate the impact of market changes on our profitability and financial liquidity.

b) Customer Satisfaction Survey Results

Feedback from our customers, obtained during sales meetings and through surveys, is crucial in identifying risks related to the quality of our products and services.

c) Consultations and Cooperation with Stakeholders

Dialogue with our stakeholders, including suppliers, business partners, and the local community, provides valuable information on external factors influencing our operations. We take this perspective into account when identifying risks and opportunities, which allows us to adopt a more holistic approach to management.

Industry Environment Monitoring

Active participation in industry associations, such as Flexible Packaging Europe, the Polish Chamber of Printing, and the Polish Flexographers Association, gives us access to the latest information on industry trends and threats. This enables earlier detection of regulatory and technological risks as well as the identification of opportunities for innovation.

Use of Expert Knowledge

a) Expert Opinions

Collaboration with external experts allows us to carry out in-depth analysis of specific risks, such as technological changes, environmental risks, or new regulations. Thanks to their knowledge, we can better prepare for potential threats and seize opportunities.

b) Consulting Firms

We use the services of consulting firms that support us in the analysis of strategic risks and in identifying development opportunities. Their independent reports and analyses are crucial for our risk management strategy.



Monitoring Legal Regulations

We regularly monitor changes in legal regulations that may affect our business. This enables us to proactively manage regulatory risks by adjusting our operational processes and business strategy to meet new requirements.

IRO - 1 Description of the processes to identify and assess material impacts, risks and opportunities

11.2. RESEARCH METHODOLOGY

The identification of key stakeholders was carried out through a survey-based analysis covering 7 groups:

- Customers
- Suppliers
- Employees
- Local government representatives
- Banks and leasing institutions
- Industry organizations
- Management Board



As part of the survey, stakeholders assessed—on a scale from 1 to 5—the current and future impact of Formika on each stakeholder group within the ESR2 topics. The stakeholder survey was an important element of the final analysis.

During 8 internal workshops across 4 teams, the materiality assessment was based on an in-depth analysis of data derived from industry reports, ESG ratings, benchmarking with reference entities, and interviews with key stakeholders. The methodology included a comprehensive view of Formika's impacts on the environment, taking into account such criteria as:

- the time horizon in which the impact materializes,
- the scale and magnitude of the impact,
- the likelihood of occurrence,
- the scope of the impact,
- the reversibility of the impact



The final impact assessment was conducted using an analytical tool based on MS Excel, in line with the requirements defined in the ESR2 standards. The results of the earlier stages of analysis served as a starting point for identifying the initially material ESG topics.

All thematic areas indicated in the ESR2 were considered in the process. For actual negative impacts, the materiality assessment was based on the analysis of scale, scope, and duration of the effect. For potential negative impacts, the probability of occurrence was additionally taken into account.

Positive impacts were assessed separately: actual impacts were evaluated based on their scale and scope, while potential impacts also considered likelihood. Each category of impact was assessed on a four-point scale, where 1 indicated the lowest level and 4 the highest.

Opportunities and risks associated with each thematic area, as well as their financial impact on the organization, were also evaluated.

In total, 82 areas were identified and assessed in terms of materiality, opportunities, risks, and financial relevance for the organization. The final list was reviewed by Formika experts. The topics were aggregated and described from the perspective of the entire organization, taking into account the viewpoints of individual teams.

IRO - 1 Description of the processes to identify and assess material impacts, risks and opportunities

11

11.3. TOPICS IDENTIFIED AS MATERIAL



- ✓ **E1 - Climate Change**
Special attention has been given to topics related to climate change. Noticeable climate change is causing the emergence of new, previously unknown risks and opportunities, which until now have not been considered in the company's strategy.



- ✓ **E5 - Resource use and circular economy**
Due to the use of cost-intensive raw materials, the circular economy is extremely important for the organization.



- ✓ **S1 - Own Workforce**
Own employees are one of the most important elements of Formika's operations. Taking care of employees and ensuring employment continuity are our priorities.



- ✓ **S2 - Workers in the Value Chain**
The social factor is extremely important to us. We want to show the same care for our own employees as well as extend our impact on the ethical treatment of workers across the value chain.



- ✓ **S4 - Consumers and End Users**
Packaging produced at Formika comes into direct contact with food, cosmetics, and pharmaceuticals. User safety is crucial throughout the entire production process and in ensuring quality.



- ✓ **G1 - Business Conduct**
Ethical and transparent business is embedded in Formika's DNA and has naturally become a material topic for the organization.

IRO - 1 Description of the processes to identify and assess material impacts, risks and opportunities

11.4. DISCLOSURES ON TOPICS CONSIDERED LESS MATERIAL

Formika informs that this Report also includes selected **European Sustainability Reporting Standards (ESRS)**, which, as a result of the Double Materiality Assessment, were not classified as material – due to the lack of significant impact (positive or negative) and the absence of links to potential opportunities for the organization.

The decision to include these topics was based on two key considerations:

- the expectations of key stakeholders, including clients and external institutions evaluating the company's performance (e.g., EcoVadis),
- the lack of possibility to present comparable information in other public, widely available, and accepted company documents.

The publication of these disclosures aims to ensure consistency, transparency, and comprehensiveness of the information reported on the activities of Formika sp. z o.o. and represents a response to the growing requirements in the field of social and environmental responsibility.



IRO-2 Disclosure requirements in ESRs covered by the undertaking's sustainability statement

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12.1 DISCLOSURE REQUIREMENT AND RELATED DATA POINT

ESRS	DISCLOSURE REQUIREMENT AND RELATED DATA POINT	Page no.
ESRS 2 GOV-1	Diversity of members of the administrative, management and supervisory bodies with regard to gender	27
ESRS 2 GOV-1	The percentage of independent board members point 21 (e)	27
ESRS 2 GOV-4	Statement on due diligence point 30	36
ESRS 2 SBM-1	The fossil fuel statement point 40 (d) (i)	118
ESRS 2 SBM-1	Participation in activities related to chemicals production point 40(d)(ii)	N/A
ESRS 2 SBM-1	Participation in activities related to controversial weapons, point 40(d)(iii)	N/A
ESRS 2 SBM-1	Participation in activities related to the cultivation and production of tobacco point 40(d)(iv)	N/A
ESRS E1-1	Transition plan for climate change mitigation point 14	72
ESRS E1-1	A disclosure on whether or not the undertaking is excluded from the EU Paris-aligned Benchmarks point 16(g)	72
ESRS E1-1	GHG emission reduction targets point 34	86
ESRS E1-5	Energy consumption from fossil sources, disaggregated by source (applicable only to high climate impact sectors) point 38	N/A
ESRS E1-5	Energy consumption and energy mix point 37	82
ESRS E1-5	Energy intensity associated with activities in high climate impact sectors points 40-43	N/A
ESRS E1-6	Gross Scope 1, 2, 3 and Total GHG emissions, point 44	86
ESRS E1-6	Gross GHG emissions intensity, points 53-55	87
ESRS E1-7	GHG removals and carbon credits, point 56	90
ESRS E1-9	Exposure of the reference portfolio to climate-related physical risk, point 66	N/A
ESRS E1-9	Monetary amount and proportion of assets at material physical risk, disaggregated by acute and chronic physical risk, point 66(a)	N/A
ESRS E1-9	Location of significant assets at material physical risk, point 66(c)	N/A
ESRS E1-9	Breakdown of the carrying value of the undertaking's real estate assets by energy efficiency classes, point 67(c)	N/A
ESRS E1-9	Exposure of the portfolio to climate-related opportunities, point 69	N/A

IRO-2 Disclosure requirements in ERS2 covered by the undertaking's sustainability statement

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12.1 DISCLOSURE REQUIREMENT AND RELATED DATA POINT

ESRS	DISCLOSURE REQUIREMENT AND RELATED DATA POINT	Page no.
ESRS E2-4	Amounts of pollutants and microplastics emitted to air, water and soil, point 28	96
ESRS E3-1	Water and marine resources, point 9	98
ESRS E3-1	Specific policy, point 13	N/A
ESRS E3-1	Sustainable practices in the field of oceans and seas, point 14	N/A
ESRS E3-4	Total water recycled and reused, point 28(c)	101
ESRS E3-4	Total water consumption in m ³ per net revenue from own operations, point 29	101
ESRS 2	IRO1-E4 point 16 (b)	N/A
ESRS S1-14	Number of work-related fatalities and number and rate of work-related accidents, point 88(b) and (c)	156
ESRS S1-14	Number of days lost due to injuries, accidents, fatalities or ill health, point 88(e)	157
ESRS S1-16	Unadjusted gender pay gap, point 97(a)	158
ESRS S1-16	Pay ratio of the highest paid individual to median employee remuneration, point 97(b)	158
ESRS S1-17	Incidents of discrimination, point 103(a)	159
ESRS S1-17	Non-compliance with UN Guiding Principles and OECD Guidelines, point 104(a)	159
ESRS 2 SBM-3-S2	Significant risk of child labour or forced labour in the value chain, point 11(b)	163
ESRS S2-1	Human rights policy commitments relevant to value chain workers, point 17	163
ESRS S2-1	Policies related to value chain workers addressing trafficking, forced and child labour, and supplier code of conduct, point 18	163
ESRS S2-1	Alignment of value chain worker policies with international instruments and cases of non-respect, point 19	163
ESRS S2-4	Disclosure of severe human rights issues and incidents in the value chain; point 36	166
ESRS S3-1	Disclosure of human rights policy commitments and engagement with affected communities; point 16	N/A
ESRS S3-1	Disclosure of alignment of community-related policies with international standards and reported cases of non-respect; point 17	N/A

IRO-2 Disclosure requirements in ESRs covered by the undertaking's sustainability statement

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12.1 DISCLOSURE REQUIREMENT AND RELATED DATA POINT

ESRS	DISCLOSURE REQUIREMENT AND RELATED DATA POINT	Page no.
ESRS S3-4	Disclosure of severe human rights issues and incidents affecting communities; point 36	N/A
ESRS S4-1	Disclosure of human rights policy commitments related to consumers and end-users; point 16	169
ESRS S4-1	Disclosure of alignment of consumer and end-user policies with international standards and reported cases of non-respect; point 17	169
ESRS S4-4	Disclosure of severe human rights issues and incidents related to consumers and end-users; point 35	171
ESRS G1-1	Disclosure of anti-corruption and anti-bribery policies and implementation plans; point 10 (b)	175
ESRS G1-1	Disclosure of whistle-blower protection policies and implementation plans; point 10 (d)	175
ESRS G1-4	Disclosure of convictions and fines for violations of anti-corruption and anti-bribery laws; point 24 (a)	186
ESRS G1-4	Disclosure of actions taken to address breaches of anti-corruption and anti-bribery procedures and standards; point 24 (b)	186





IRO-2 Disclosure requirements in ESRs covered by the undertaking's sustainability statement

12.2 LIST OF DATA POINTS INCLUDED IN THE CROSS-CUTTING AND TOPICAL STANDARDS DERIVED FROM OTHER EU LEGISLATION (ESRS 2 APPENDIX B)

Disclosure no.	DISCLOSURE TITLE	Page no.
BP-1	General basis for preparation of sustainability statements	20
BP-2	Disclosures in relation to specific circumstances	21
GOV-1	The role of the administrative, management and supervisory bodies	22
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	29
GOV-3	Integration of sustainability-related performance in incentive schemes	34
GOV-4	Statement on due diligence	36
GOV-5	Risk management and internal controls over sustainability reporting	38
SBM-1	Strategy, business model and value chain	39
SBM-2	Interests and views of stakeholders	45
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	46
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	57
IRO-2	Disclosure requirements in ESRs covered by the undertaking's sustainability statement	62
ESRS E1 CLIMATE CHANGE		
E1-1	Transition plan for climate change mitigation	72
E1-2	Policies related to climate change mitigation and adaptation	77
E1-3	Actions and resources in relation to climate change policies	79
E1-4	Targets related to climate change mitigation and adaptation	80
E1-5	Energy consumption and mix	81
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	85
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	90
E1-8	Internal carbon pricing	90
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	N/A

IRO-2 Disclosure requirements in ESRs covered by the undertaking's sustainability statement



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12.2 LIST OF DATA POINTS INCLUDED IN THE CROSS-CUTTING AND TOPICAL STANDARDS DERIVED FROM OTHER EU LEGISLATION (ESRS 2 APPENDIX B)

Disclosure no.	DISCLOSURE TITLE	Page no.
	ESRS E2 POLLUTION	
E2-1	Policies related to pollution	92
E2-2	Actions and resources related to pollution	94
E2-3	Targets related to pollution	95
E2-4	Pollution of air, water and soil	96
E2-5	Substances of concern and substances of very high concern	97
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	N/A
	ESRS E3 WATER AND MARINE RESOURCES	
E3-1	Policies related to water and marine resources	98
E3-2	Actions and resources related to water and marine resources	99
E3-3	Targets related to water and marine resources	100
E3-4	Water consumption	101
E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	N/A
	ESRS E5 RESOURCE USE AND CIRCULAR ECONOMY	
E5-1	Policies related to resource use and circular economy	104
E5-2	Actions and resources related to resource use and circular economy	105
E5-3	Targets related to resource use and circular economy	107
E5-4	Resource inflows	108
E5-5	Resource outflows	109
E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	N/A
	EU Taxonomy	118

IRO-2 Disclosure requirements in ERS2 covered by the undertaking's sustainability statement



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12.2 LIST OF DATA POINTS INCLUDED IN THE CROSS-CUTTING AND TOPICAL STANDARDS DERIVED FROM OTHER EU LEGISLATION (ERS2 APPENDIX B)

Disclosure no.	DISCLOSURE TITLE	Page no.
	ESRS S1 OWN WORKFORCE	128
SBM-2	Interests and views of stakeholders	128
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	132
S1-1	Policies related to own workforce	134
S1-2	Processes for engaging with own workers and workers' representatives about impacts	138
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	139
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	140
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	143
S1-6	Characteristics of the undertaking's employees	144
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	145
S1-8	Collective bargaining coverage and social dialogue	147
S1-9	Diversity metrics	148
S1-10	Adequate wages	149
S1-11	Social protection	150
S1-12	Persons with disabilities	151
S1-13	Training and skills development metrics	152
S1-14	Health and safety metrics	156
S1-15	Work-life balance metrics	157
S1-16	Compensation metrics (pay gap and total compensation)	158
S1-17	Incidents, complaints and severe human rights impacts	159
	ESRS S2 WORKERS IN THE VALUE CHAIN	160
SBM-2	Interests and views of stakeholders	160
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	161
S2-1	Policies related to value chain workers	163

IRO-2 Disclosure requirements in ESRs covered by the undertaking's sustainability statement



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12.2 LIST OF DATA POINTS INCLUDED IN THE CROSS-CUTTING AND TOPICAL STANDARDS DERIVED FROM OTHER EU LEGISLATION (ESRS 2 APPENDIX B)

Disclosure no.	DISCLOSURE TITLE	Page no.
S2-2	Processes for engaging with value chain workers about impacts	165
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	165
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	166
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	167
	ESRS S4 CONSUMERS AND END-USERS	168
SBM-2	Interests and views of stakeholders	168
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business mode	168
S4-1	Policies related to consumers and end-users	169
S4-2	Processes for engaging with consumers and end-users about impacts	170
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	170
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	171
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	172



IRO-2 Disclosure requirements in ESRs covered by the undertaking's sustainability statement



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12.2 LIST OF DATA POINTS INCLUDED IN THE CROSS-CUTTING AND TOPICAL STANDARDS DERIVED FROM OTHER EU LEGISLATION (ESRS 2 APPENDIX B)

Disclosure no.	DISCLOSURE TITLE	Page no.
	ESRS G1 BUSINESS CONDUCT	174
GOV-1	The role of the administrative, supervisory and management bodies	174
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	174
G1-1	Corporate culture and Business conduct policies and corporate culture	174
G1-2	Management of relationships with suppliers	179
G1-3	Prevention and detection of corruption and bribery	183
G1-4	Confirmed incidents of corruption or bribery	186
G1-5	Political influence and lobbying activities	187
G1-6	Payment practices	188





PART 3

ENVIRONMENT

- E-1 CLIMATE CHANGE
- E-2 POLLUTION
- E-3 WATER RESOURCES
- E-5 CIRCULAR ECONOMY

E-1 Climate Change

1

1.1. GOV-3 CONSIDERATION OF SUSTAINABILITY-RELATED PERFORMANCE IN INCENTIVE SCHEMES

In 2024, the following climate-related targets were established:

CLIMATE-RELATED TARGETS (E1 - Climate Change)				
Data for 2024				
Target	Indicator for 2024	Method of measurement	Target value	Result
We will reduce the negative impact of Formika's operational activities on the climate by compensating for the planned increase in production through improving energy efficiency and intensifying the use of renewable energy sources.	Maintaining Scope 1 and 2 carbon footprint emissions at the same level, despite a 5% increase in printing production volume	Percentage change in CO ₂ emissions in 2024 compared to 2023	0%	-3%
	Reducing Scope 1 and 2 CO ₂ emissions by 5% per 1 km of printing in 2024 compared to 2023	Percentage change in CO ₂ emissions per 1 km of printing in 2024 compared to 2023	-5.00%	-7.79%

The above targets were implemented through:

- Signing a PPA agreement with an electricity supplier and starting production partly based on renewable energy,
- Conducting an energy audit,
- Continuing work to maximise heat recovery from heat pumps with support from an electric boiler, resulting in a 5% reduction in gas consumption compared to 2023.

In connection with the achievement of the above targets and tasks, the Management Board was granted a variable remuneration component representing 5% of total variable pay.



E-1 Climate Change

1.2. E1-1 TRANSITION PLAN FOR CLIMATE CHANGE MITIGATION

Formika has not adopted a detailed transition plan for climate change mitigation to ensure the shift to a sustainable economy and the limitation of global warming to 1.5°C, as well as achieving climate neutrality by 2050. The actions described in the ESG Strategy represent an initial step towards the development of such a transition plan.

1.3. SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTIONS WITH STRATEGY AND BUSINESS MODEL

Formika has not conducted a detailed resilience analysis of its strategy and business model against climate-related risks. This type of analysis was, however, included in the double materiality assessment process, as described in detail in **section ESRs 2 IRO-1 of this report**.

1.4. ESRs 2 IRO-1 – DESCRIPTION OF PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED MATERIAL IMPACTS, RISKS AND OPPORTUNITIES



1) Assessment of general climate-related risks and opportunities

Formika sp. z o.o., when preparing its voluntary sustainability report, did not conduct a comprehensive climate impact risk assessment for the company. For the purpose of risk and opportunity assessment, the company decided to apply a standard risk assessment model structured around: regulatory/technological/market/reputational risks.

Among the most significant risk or opportunity factors identified were the increasing environmental requirements from clients and institutions introducing legislative changes on emissions, which may have an impact on the rise of energy and raw material costs.

The main conclusions are summarised in the table on the following page.

E-1 Climate Change

1.4. ESRs 2 IRO-1 - DESCRIPTION OF PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

CLIMATE-RELATED RISKS		
Risk / opportunity arising from climate change	Impact on Formika	Risk / opportunity management approach
REGULATORY/ POLITICAL		
Compliance with ESG legal and regulatory requirements	Formika, as a significant packaging producer, is obliged to comply with a wide range of standards and requirements related to different types of reports. These requirements are rapidly increasing and difficult to implement.	Formika has an internal ESG team, within which a designated person continuously analyses regulatory changes and legal requirements; the company has also established cooperation with ESG consultants. The company actively participates in industry organisations and thematic conferences/trainings.
	Risk: A range of information disclosed in the voluntary ESG report results from separate national and European regulations; non-compliance may involve the risk of administrative penalties.	
	Opportunity: Engagement in voluntary reporting helps prepare for future regulatory requirements.	
TECHNOLOGICAL		
Greenhouse gas emissions in the packaging production sector	Packaging production is one of the elements of resource use and emissions. This will require the company to invest in more modern, energy-efficient machinery to reduce electricity consumption and thus lower CO ₂ emissions.	The ESG Team, Continuous Improvement, the R&D department and the Production Director continuously monitor technological changes and new available technologies for alignment with ESG strategy.
	Opportunity: Reduction of emissions achieved by competitors may translate into higher expectations from clients or financing institutions, consequently leading to market loss and/or increased business risk.	
	Risk: Limited ability to use alternative, low-emission materials and technologies.	
Waste reduction and waste segregation	Formika is a significant supplier of packaging produced from aluminium, which is recyclable, but there is still a lack of developed technologies for the use of PCR (post-consumer recycled content) in food packaging.	
	Opportunity: Waste reduction in packaging operations and increased PCR content will contribute to significant resource savings.	
	Risk: Lack of technologies currently prevents the use of PCR without increasing microbiological risks for end consumers.	

E-1 Climate Change

1.4. ERSR 2 IRO-1 - DESCRIPTION OF PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Risk / opportunity arising from climate change	Impact on Formika	Risk / opportunity management approach
ENVIRONMENTAL		
Change in agricultural structure and declining milk production in Europe	Formika is a key packaging supplier for the dairy industry and foresees a decline in: milk production, number of dairy farms, which may impact the company's sales structure.	We continuously monitor market trends, review industry market research, maintain ongoing dialogue with our clients, monitor competitors, and analyse our clients' reports to identify potential trends and developments.
	Risk: Mainly related to the decreasing production of major clients or their transition to the production of other new products.	
	Opportunity: Related to changes in the product portfolios of key clients	
MARKET		
Meeting customer expectations	Increasingly, both international and domestic clients expect companies and their products to be aligned with ongoing environmental changes..	We maintain close contact with our clients regarding their expectations and future preferences. The main communication channels are the sales department and customer service office (DOK). Through the finance and controlling departments, we also monitor the changing preferences of financial institutions and their approach to preferential financing of companies aligned with the EU Taxonomy.
	Opportunity: Possibility to stand out from competitors by supplying products with low carbon and water footprint, with strong prospects in the circular economy area.	
	Risk: Risk of being excluded from potential supplier lists due to failure to meet ESG standards.	
Accessing capital directed towards companies adapting to climate change	Although Formika currently does not rely on external financing, we observe that banks' policies are shifting towards prioritising environmentally sustainable investments when providing financing.	
	Opportunity: Advantage related to Formika's ESG potential when applying for financing, motivating the company to achieve better results in the ESG area.	
	Risk: If financial institutions adopt stricter requirements, capital costs may rise.	

E-1 Climate Change

1.4. ERSR 2 IRO-1 - DESCRIPTION OF PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

Risk / opportunity arising from climate change	Impact on Formika	Risk / opportunity management approach
REPUTATIONAL		
Failure to meet stakeholder expectations regarding adaptation to climate change and/or responding to these changes	Formika recognises the importance its partners attach to climate change issues, setting ambitious goals in this area and transparently, but also adequately to its capacities, establishing objectives, monitoring them and communicating them publicly. Opportunity: Strengthening Formika's position as a leading partner who understands the importance and necessity of engagement in the "E" dimension of ESG. Building stakeholder trust through clear communication of actions and intentions. Risk: Deterioration of the company's perception by partners in the event of failure to comply with due diligence principles or provision of incorrect information, which could lead to suspension/termination of cooperation.	The voluntary report is an expression of Formika's concern for people and the environment, and recognition of the importance of ongoing changes. Our goal is transparent, fair and fact-based communication, also in the area of climate change adaptation or mitigation.

1) Assessment of physical climate-related risks

Formika has not yet carried out a thorough and comprehensive analysis of climate-related risks in the short-, medium- and long-term perspective. Nor has a full assessment been made of the impact of these risks on operational activities, production infrastructure, or the life cycle of manufactured packaging.

In 2024, Formika only began collecting information enabling, in the future, an analysis of the company's exposure to specific climate threats, such as energy price changes, new emission regulations, or evolving customer expectations.

However, based on the knowledge already acquired and with the support of tools from the Klimada 2.0 portal operated by the Institute of Environmental Protection - National Research Institute, we estimated the exposure to risks - the table is presented on the following page.

E-1 Climate Change

1.4. ESRs 2 IRO-1 - DESCRIPTION OF PROCESSES FOR IDENTIFYING AND ASSESSING CLIMATE-RELATED MATERIAL IMPACTS, RISKS AND OPPORTUNITIES

CLIMATE-RELATED RISKS

Classification of climate-related hazards, based on EU Commission Delegated Regulation (EU) 2021/2139

	Temperature-related	Wind-related	Water-related	Land-related
Chronic	Temperature changes	Changes in wind circulation	Changes in precipitation patterns and types	Coastal erosion
	Heat stress		Precipitation variability or hydrological variability	Soil degradation
	Temperature variability		Ocean acidification	Soil erosion
	Permafrost thaw		Seawater intrusion	Solifluctation
			Sea level rise	
			Water deficit	
Acute	Heat wave	Cyclone / Hurricane / Typhoon (extreme wind)	Drought	Avalanche
	Cold spell and/or frost	Snowstorms, sandstorms, dust storms	Heavy precipitation events (rain / hail / snow)	Landslide
	Wildfire	Tornado	Flooding, including coastal/flash/river/groundwater flooding	Land subsidence
			Glacial lake outburst flood	

E-1 Climate Change

1.5. E1-2 POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Formika is engaged in environmental management at all levels. The main document is the Environmental Policy, which was revised in 2024.

The Environmental Policy consists of three parts addressing issues material to Formika:

- Energy consumption, greenhouse gas emissions and air pollution
- Water resources management
- Promotion of sustainable consumption and environmental impacts related to product use and end-of-life



E-1 Climate Change

1.5. E1-2 POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

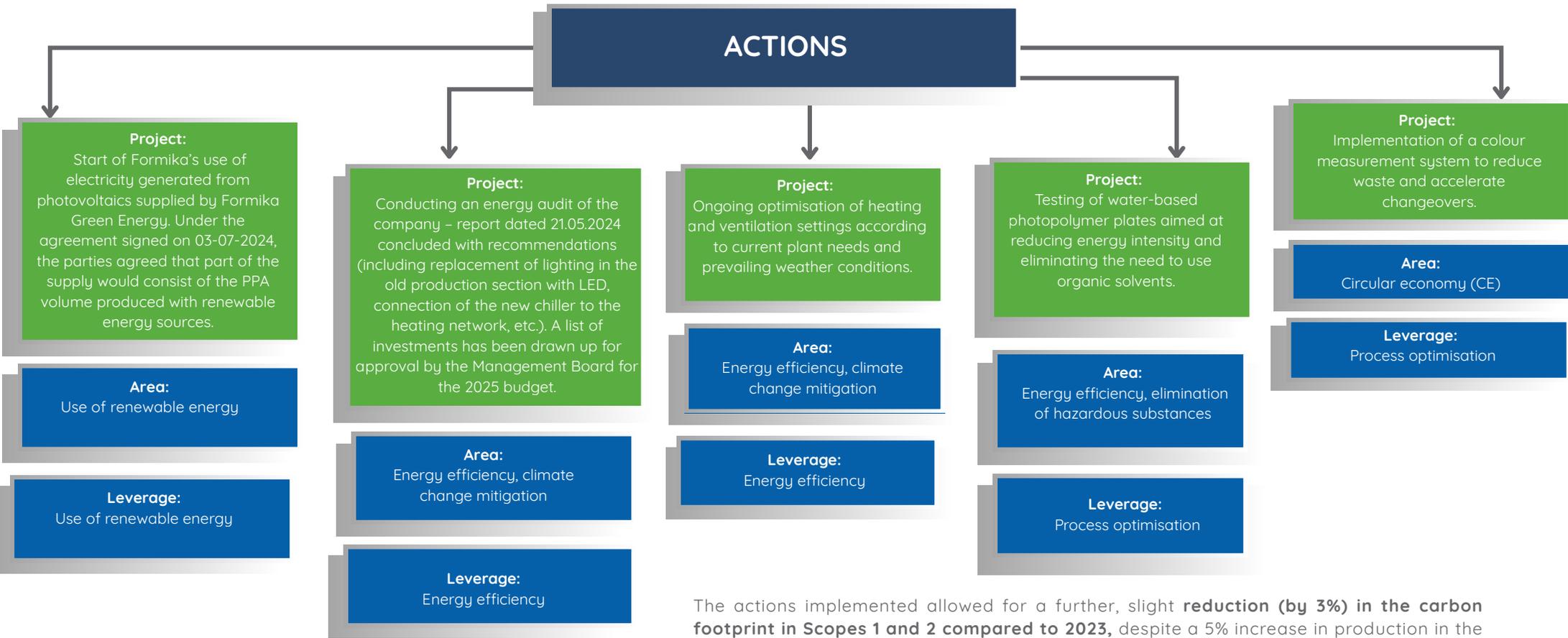
POLICIES RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

Policy name	Date of last update	Area	Key assumptions
Environmental Policy – Energy consumption, greenhouse gas emissions and air pollution	30 Aug 2024	Use of renewable energy, Energy efficiency, Climate change mitigation	The document describes key areas of action, such as the use of photovoltaics, conducting energy audits, application of heat pumps, modernisation and automation of ventilation systems, and SMED activities. All these measures are intended to mitigate climate change, adapt to its consequences, and manage associated impacts, risks, and opportunities. The document also includes specific environmental objectives relating to these areas. It refers to key frameworks and standards such as the Paris Agreement, the GHG Protocol – Corporate Accounting and Reporting Standard, Directive 2024/1785 on industrial emissions, and WHO air quality guidelines.
Environmental Policy – Water resources management	30 Aug 2024	Climate change mitigation	The document describes the main measures taken by the organisation to protect water resources, such as: no burden on municipal water systems (water is not used in production processes), solutions that improve water efficiency (e.g. rainwater collection systems), minimising potable water consumption by employees (sensor taps), and reducing the negative impact of sewage on the environment (sewage treatment plants). The document refers to the following acts and sources: Directive 2000/60/EC of the European Parliament and of the Council and scenarios of the European Environment Agency (EEA).
Environmental Policy – Promotion of sustainable consumption and environmental impacts related to product use and end-of-life	30 Aug 2024	Circular economy (CE), Climate change mitigation	Kierunki działań opisane w polityce wpływają m.in. na redukcję emisji CO ₂ e w fazie downstream, m.in. poprzez oferowanie produktów o niższym współczynniku emisyjności w porównaniu do tradycyjnych rozwiązań. Przykładem takich działań są zmniejszone gramatury opakowań (downgauging), projektowanie opakowań o wysokiej recyklingowalności oraz stopniowe wdrażanie struktur monomateriałowych. Działania te ograniczają ilość odpadów postkonsumenckich oraz wspierają obieg zamknięty materiałów. The policy actions focus on reducing downstream CO ₂ emissions, e.g. by offering lower-carbon and lower-emission products or packaging with reduced grammage. Examples include lightweight packaging design, high recyclability, and promoting closed-loop material flows. The policy refers to the following acts: Regulation (EU) 2025/40 of the European Parliament and of the Council of 19 December 2024 on packaging and packaging waste, amending Regulation (EU) 2019/1020, Directive (EU) 2019/904 and repealing Directive 94/62/EC; Regulation (EC) No 1907/2006 (REACH); Standards on Substances of Very High Concern (SVHC).

E-1 Climate Change

1.6. E1-3 ACTIONS AND RESOURCES IN RELATION TO CLIMATE CHANGE POLICIES

Formika, aware of its impact on the climate, consistently takes steps to reduce it. Each year, initiatives are implemented with the goal of reducing the carbon footprint, including optimising energy use in production processes and gradually shifting the energy mix towards renewable energy sources. In 2024, particular attention was devoted to the following actions:



The actions implemented allowed for a further, slight **reduction (by 3%) in the carbon footprint in Scopes 1 and 2 compared to 2023**, despite a 5% increase in production in the main printing process and higher cooling energy demand due to warmer summer conditions than in the previous year.

E-1 Climate Change

1.7. E1-4 TARGETS RELATED TO CLIMATE CHANGE MITIGATION AND ADAPTATION

When analysing the material impacts and opportunities related to climate change mitigation, it was demonstrated that electricity and natural gas consumption significantly affect the organisation's CO₂ emissions. The increase in production achieved in 2024 and planned in the coming years leads to increased electricity demand, therefore the only way to compensate for this growth is a shift to renewable energy.

A detailed description of the targets has been disclosed in section ESRs 2 SBM-1

1.8. E1-5 ENERGY CONSUMPTION

Energy consumption at Formika primarily results from production processes and office operations. The vast majority of the energy consumed is purchased, while direct fuel consumption (excluding vehicle fuel) is negligible.



E-1 Climate Change

1.8. E1-5 ENERGY CONSUMPTION AND MIX

ENERGY CONSUMPTION AND ENERGY MIX

Disclosure requirement AR-34 E1-5 - Energy consumption and energy mix

No.	Energy consumption and energy mix	Base year	Comparative information	Reporting year	Year-on-year % change
	Type of energy consumption	Base year 2022	Previous year 2023	Reporting year 2024	Previous year / reporting year (%)
1	Consumption of coal and coal products (MWh)	0	0	0	
2	Consumption of crude oil and oil products (MWh)	368.3	391.6	576.8	47.30%
3	Consumption of natural gas (MWh)	1761.3	641	554.3	-13.50%
4	Consumption of fuels from other fossil sources (MWh)	0	0	0	
5	Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (MWh)	4757.5	3672.3	3464.7	-5.70%
6	Total fossil energy consumption (MWh) (calculated as sum of rows 1-5)	6887.1	4704.8	4595.8	-2.30%

E-1 Climate Change

1.8. E1-5 ENERGY CONSUMPTION AND MIX

ENERGY CONSUMPTION AND ENERGY MIX					
Disclosure requirement AR-34 E1-5 - Energy consumption and energy mix					
No.	Energy consumption and energy mix	Base year	Comparative information	Reporting year	Year-on-year % change
	Type of energy consumption	Base year 2022	Previous year 2023	Reporting year 2024	Previous year / reporting year (%)
	Share of fossil fuels in total energy consumption (%)				
7	Consumption of nuclear energy (MWh)	0	0	0	
	Share of nuclear energy consumption in total energy consumption (%)				
8	Consumption of fuels from renewable sources, including biomass (also covering industrial and municipal biological waste, biogas, renewable hydrogen, etc.) (MWh)	0	0	0	
9	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	905.5	1390.8	2282.3	
10	Consumption of self-generated renewable energy without the use of fuels (MWh)	0	0	0	
11	Total renewable and low-carbon energy consumption (MWh) (calculated as sum of rows 8-10)	905.5	1390.8	2282.3	64.10%
	Share of renewable sources in total energy consumption (%)				
	Total energy consumption (MWh) (calculated as sum of rows 6 and 11)	7792.6	6095.7	6878.1	12.80%

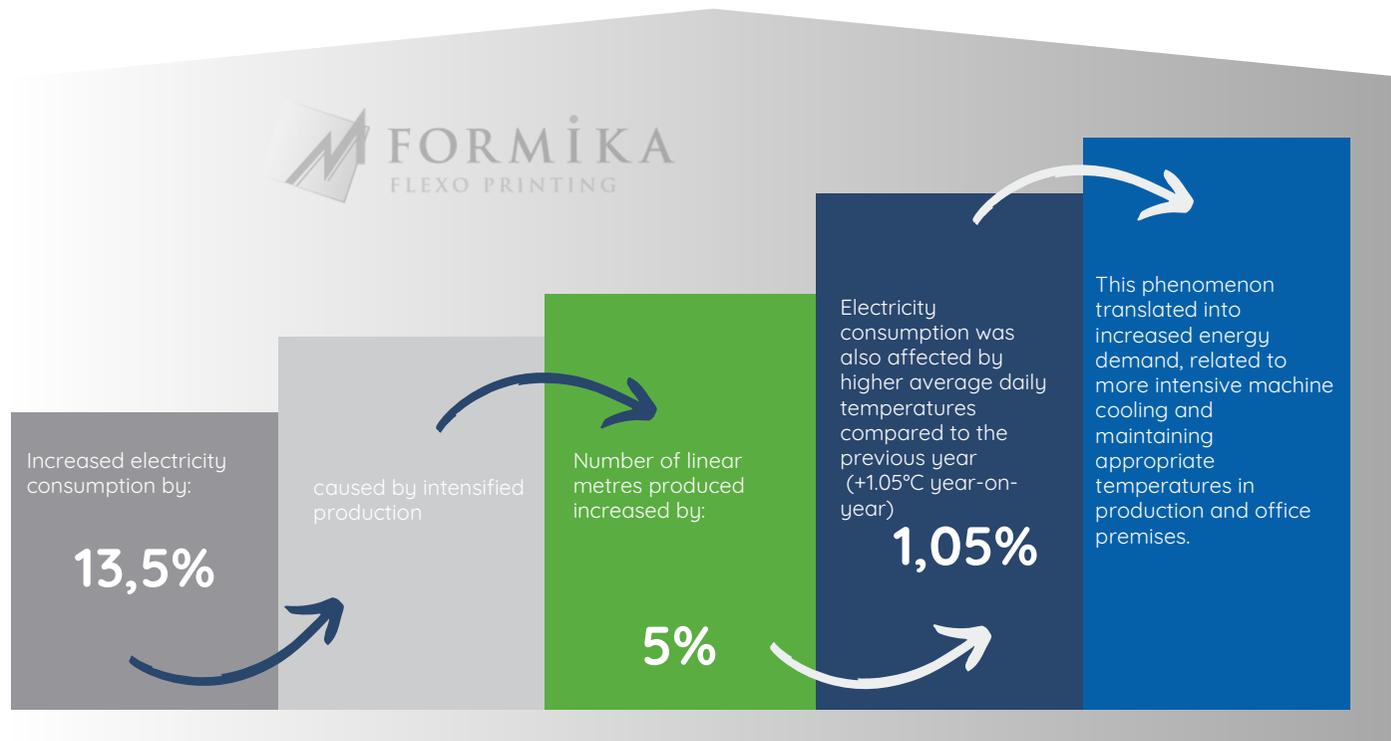
E-1 Climate Change

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1.8. E1-5 ENERGY CONSUMPTION AND MIX

Total energy consumption in 2024 increased by 12.8% compared to the previous year.

- This increase was mainly due to higher electricity consumption (+13.5%), resulting from intensified production. The number of printed linear metres increased by 5%, with the printing process being the most energy-intensive stage of the entire production process. Higher average daily temperatures compared to the previous year (+1.05°C year-on-year) also contributed to higher electricity demand, driven by more intensive cooling of machinery as well as maintaining appropriate temperatures in production and office premises.
- In the reporting year, an increase in the consumption of oil-based fuels was also observed. These fuels are used almost exclusively in passenger cars belonging to the company fleet. The 47% increase was related to greater activity of the sales force implementing budgeted sales targets across specific product categories.
- By contrast, the warm year, combined with the optimisation of heat recovery processes from machinery and dynamic adjustment of heating settings, contributed to a 13.5% reduction in natural gas consumption, which is used exclusively for heating purposes during the winter season.



E-1 Climate Change

1.9. RECONCILIATION OF NET REVENUE

For the calculation of the **energy intensity ratio**, the company's total net revenue was applied, amounting to:

264 228 211 PLN

1.10. ENERGY INTENSITY RATIO

For the calculation of the ratio, all Scope 1 and Scope 2 emissions and total net revenue were taken into account, as the company's core business is homogeneous and qualifies within the sectors considered to have a significant climate impact.

The increase in energy intensity was partly related to higher production levels: approx. +5% in printing, +6.7% in sleeves and +12.1% in tubes, combined with a simultaneous 1.3% decrease in sales revenues.

Another factor contributing to the higher energy intensity ratio was a warmer year, which resulted in higher energy consumption for cooling processes – the region's average annual temperature in 2024 was 9.6% higher than in 2023.

ENERGY INTENSITY RATIO				
Disclosure requirement E1-5				
No.	Energy intensity	Comparative information	N	% N / N-1
		Previous year 2023	Reporting year 2024	Year-on-year % comparison
2	Energy intensity (total energy consumption / net revenue) [kWh/PLN]	0.0228	0.026	14.32%
	Energy intensity (total energy consumption / net revenue) [MWh / million PLN]	22.7701	26.0309	14.32%

E-1 Climate Change

1.11. E1-6 GHG EMISSIONS SCOPE 1 AND 2 GROSS, AND TOTAL GREENHOUSE GAS EMISSIONS

1. General information on emissions calculation

Greenhouse gas emissions resulting from operational activities have been monitored at Formika sp. z o.o. since 2023, when the first assessment of Scope 1 and Scope 2 emissions was carried out.

Reported greenhouse gas emissions were calculated in accordance with the **Greenhouse Gas Protocol** – Corporate Accounting and Reporting Standard.

The Operational Control Approach was adopted in the report. According to this approach, the organisation accounts for 100% of emissions from operations over which it, or its subsidiaries, has operational control.

According to the GHG Protocol, reported emissions include:

- Scope 1 (direct emissions): Sources of emissions included natural gas combustion in buildings, fuel consumption for the needs of building installations and fleet vehicles, as well as refrigerant losses in cooling systems.
- Scope 2 (indirect emissions from purchased energy): Calculated using both the location-based and market-based methods.
- Scope 3 (other indirect emissions).

2. Methodological assumptions

- For Scope 1 emissions, calculations were based on emission intensity factors for individual fuels, using the DEFRA (2023) database.
- Scope 2 emissions were calculated using both the location-based and market-based methods.
 For location-based emissions, average emission intensity factors published by the National Centre for Emissions Management (KOBiZE, Poland – data for 2022) were used.
 For market-based emissions, supplier-specific emission factors were applied for Formika's purchased electricity.
- For Scope 3 emissions, calculations were based on data provided directly by Formika's suppliers (for category 1). In the absence of such data, emission factors were mainly taken from DEFRA (2023), with additional support from ADEME (2020).

The base year for Scope 1 and Scope 2 emissions was established as 2022, while for Scope 3 emissions the base year is 2024, when the first assessment was carried out.

The calculations included six greenhouse gases covered by the GHG Protocol: CO₂, CH₄, N₂O, HFCs, PFCs, SF₆.

Emission values are reported in metric tonnes (Mg) of CO₂ equivalent (CO₂e). Global Warming Potential (GWP) factors applied in the calculations are consistent with the IPCC Fifth Assessment Report (AR5).



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1.11. E1-6 GHG EMISSIONS SCOPE 1 AND 2 GROSS, AND TOTAL GREENHOUSE GAS EMISSIONS

TOTAL GREENHOUSE GAS EMISSIONS – BREAKDOWN OF SCOPE 1, 2 AND MATERIAL SCOPE 3 EMISSIONS							
Disclosure requirement E1-6 – Gross Scope 1, 2 and 3 GHG emissions (AR 48)							
No	Type of emmissions	Historical Information				Intermediate targets and years concerned	
		Base year 2022	Comparative information 2023	Reporting year 2024	% (N/N-1)	2030	2050
Scope 1 GHG emissions							
1	Scope 1 gross GHG emissions [Mg CO ₂ e]	465,95	240,67	305,25	26,83%	-30%	-90%
2	Share of Scope 1 emissions under regulated emission trading systems	n.d	n.d	n.d	0		
Scope 2 GHG emissions							
1	Scope 2 gross GHG emissions (location-based) [Mg CO ₂ e]	3879,2	3022,70	3431,00	13,51%	-30%	-90%
2	Scope 2 gross GHG emissions (market-based) [Mg CO ₂ e]	3746,5	2776,40	2619,50	-5,65%	-30%	-90%
Material Scope 3 GHG emissions							
	Total Scope 3 significant indirect GHG emissions [Mg CO ₂ e]			46836,75		Decarbonisation plan under development	
1	Purchased goods and services (including cloud services and data processing centres)			45922,53			
4	Upstream transport and distribution			39,32			
5	Waste generated in operations			8,03			
6	Business travel			81,13			
7	Employee commuting			244,06			
9	Downstream transport and distribution			543,68			
Total GHG emissions							
1	Total GHG emissions (location-based) [Mg CO ₂ e] – for 2022, 2023 Scopes 1+2; for 2024 Scopes 1+2+3	4345,15	3263,37	50575,00	not comparable.		
2	Total GHG emissions (market-based) [Mg CO ₂ e] – for 2022, 2023 Scopes 1+2; for 2024 Scopes 1+2+3	4212,45	3017,07	49763,5	not comparable.		

E-1 Climate Change

1.11. E1-6 GHG EMISSIONS SCOPE 1 AND 2 GROSS, AND TOTAL GREENHOUSE GAS EMISSIONS

3. Scope 1 emissions, i.e. direct emissions, result from the use of fuels in buildings, refrigerant leakages from cooling systems, and fuel consumption in transport.



Emission intensity				
Disclosure requirement E1-6				
No	Energy intensity	Comparative information	N	% N / N-1
		Previous year 2023	Reporting year 2024	Previous year / reporting year (%)
2	Total net emissions [Mg CO ₂ e]	non-complete data	49763.5	-
3	Emission intensity [Mg CO ₂ e / PLN]	-	530.9700	-

- a) Stationary combustion**
 Direct emissions from stationary combustion include all emissions from three boilers and a gas stove located in Formika’s buildings, as well as from a power generator. The fuels used are natural gas and diesel oil. No other fossil fuels or biomass are used. To accurately estimate emissions from stationary combustion, the calculation was based on natural gas consumption expressed in MWh. The data was obtained directly from invoices issued by the gas supplier. The amounts in MWh were converted to CO₂ emissions using the emission factors provided by KOBIZE (National Centre for Emissions Management, Poland), which reflect average emissions from natural gas combustion in the industrial sector in Poland. Emissions of other greenhouse gases expressed as CO₂ equivalent were below 1% and were therefore omitted from the calculation. For diesel oil consumption, the quantity method was applied, using DEFRA 2023 emission factors.
- b) Mobile combustion emissions**
 Mobile emissions arise from vehicles and equipment owned by Formika but not used for production, including 24 company cars and 2 lawn mowers. The fuels used are petrol (gasoline) and diesel oil. Calculations were based on the quantity method using DEFRA 2023 emission factors.
- c) Other emissions**
 Although the impact is minor, emissions from refrigerant and air conditioning systems resulting from leaks and technical servicing during equipment operation, replacement, or disposal have been included. These were accounted for due to their high Global Warming Potential (GWP). Calculations were carried out using the Purchased Gas Method, i.e. all purchased gas was assumed to be used and released over the reporting period. The GWP factors applied in the calculations are consistent with IPCC AR5.

E-1 Climate Change

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1.11. E1-6 GHG EMISSIONS SCOPE 1 AND 2 GROSS, AND TOTAL GREENHOUSE GAS EMISSIONS

4. Scope 2 Emissions

Scope 2 covers indirect emissions related to the generation of purchased or acquired electricity, heat, steam or cooling consumed by the reporting company.

At Formika, the only source of Scope 2 emissions is the purchase of electricity. The electricity was supplied by an **external provider - PGE**.

Since 1 July, part of the electricity has been supplied under a **Power Purchase Agreement (PPA)** concluded between Formika and PGE.

This electricity originated from the business partner – **Formika Green Energy**.



a) Location-Based

For the location-based method, average emission factors for the electricity grid supplying the region were applied. Electricity consumption data was obtained from invoices issued by PGE. The emission factor was sourced from KOBIZE data for 2023.

b) Marked-based

For the market-based method, greenhouse gas (GHG) emissions were calculated based on the actual electricity consumption as reflected in invoices issued by PGE, using emission factors provided directly by the supplier (PGE), referring to 2023.

Electricity consumption covered by the PPA agreement supplied by PGE was reported in the document “Determination of Settlement Prices”. For electricity purchased under the PPA, an emission factor equal to zero was applied, since the electricity originated entirely from renewable energy sources (RES).

E-1 Climate Change

1.11. E1-6 GHG EMISSIONS SCOPE 1 AND 2 GROSS, AND TOTAL GREENHOUSE GAS EMISSIONS

5. Scope 5 Emissions

The vast majority – as much as 94% of all emissions associated with Formika’s operations in 2024 – came from Scope 3 emissions, i.e. all indirect emissions across the value chain.

The largest share of Scope 3 emissions was represented by **Category 1 – Purchased goods and services** (optional subcategory: cloud services and services provided by data centres), which accounted for 98% of total Scope 3 emissions. This is primarily linked to the emission intensity of raw materials, mainly aluminium. Formika remains in constant contact with its suppliers, updating its knowledge of their climate-related actions. In many cases, the company requires the use of new technologies, and in some cases, future technologies that are not yet available on the market, such as the use of recycled aluminium for foil production or lids for food packaging.

Assumptions applied in Scope 3 emission calculations:

a) Category 1

Calculations were based on data regarding the most important raw materials and materials used in Formika’s production processes in 2024. The calculations were based on data provided directly by suppliers, and in the absence of such data – on LCA (IPCC GWP100) emission factors taken from the DEFRA (2023) database. Emissions in this category, based on primary supplier data, represented 73% of total emissions. The average emission factor method was applied.

b) Category 4

Transport from suppliers to Formika, managed by Formika but carried out by an external company, was included. Due to lack of direct emission data from carriers, the distance-based method was applied. Calculations used Formika’s internal logistics data (e.g. distances and cargo weight) combined with DEFRA (2023) emission factors. Storage at suppliers was not included due to lack of data.

c) Category 5

Calculations were performed in 2025, based on waste data reported in the BDO system for 2024 and DEFRA (2023) emission factors. The factor-based method was applied.

d) Category 6

Calculations included business travel by air and land, as well as private car use for business purposes. Emissions from business travel by company cars were already included in Scope 1. The distance-based method and DEFRA (2024) emission factors were used.

Data on travel by private cars was obtained directly from travel booking providers, while information on private car mileage was taken from employees’ settlement reports. In 2024, no calculations were made for business trips with overnight stays.

E-1 Climate Change

1.11. E1-6 GHG EMISSIONS SCOPE 1 AND 2 GROSS, AND TOTAL GREENHOUSE GAS EMISSIONS

e) Category 7

Calculations were carried out in 2025 based on data collected from employee surveys completed by Formika staff and DEFRA (2024) emission factors.

f) Category 9

Calculations were performed in 2024 and included transport to customers carried out by external companies (i.e. not by the producer itself) as well as warehousing under Formika's control. Due to lack of available data, warehousing at the client's side was not included when the warehouses were not owned by Formika. Primary data obtained from suppliers represented 33% of the calculated emissions in this category. For remaining suppliers, the distance-based method was applied.

Calculations were based on Formika's internal logistics data (distances and cargo weight) combined with DEFRA (2023) emission factors.

g) Other categories

In 2024, Categories 10, 11 and 12 were omitted due to lack of available data and difficulties in obtaining them. These data will be gradually included in future reporting cycles as they become available.

1.12. E1-7 PROJECTS FOR GHG REMOVALS AND EMISSION REDUCTIONS FINANCED THROUGH CARBON CREDITS

In the reporting year 2024, Formika did not plan and did not purchase carbon credits nor acquire offset units.

1.13. E1-8 INTERNAL CARBON PRICING

During the 2024 reporting year, Formika did not establish an internal carbon price (GHG conversion unit price) to be applied in management processes to address the impacts of climate change.

Instead, Formika focused on direct initiatives aimed at emission reduction, such as optimisation of production processes, energy recovery and use of renewable energy sources. Such measures have not yet been considered as carbon pricing tools for emission management.



E-2 Pollution

2.1. CONTEXTUAL INFORMATION ON DISCLOSURES UNDER ESRS E2 - POLLUTION

As part of the double materiality assessment, the environmental topics related to Pollution (ESRS E2), Water and marine resources (ESRS E3), and Biodiversity and ecosystems (ESRS E4) were assessed as not material.

This means that, on the one hand, FORMIKA does not exert significant actual or potential impacts on the environment in these areas (impact materiality perspective). On the other hand, these topics do not have a material effect on the Company's development, performance or financial position (financial materiality perspective).

Nevertheless, considering the interest of our stakeholders - particularly customers - and the fact that in the areas of E2 and E3 we already have available data, policies, targets and specific actions, we have decided to provide voluntary disclosures in these areas.

This will enable a comprehensive presentation of FORMIKA's environmental activities within this Sustainability Report.



E-2 Pollution

2.2. E2-1 POLICIES RELATED TO POLLUTION

Formika has adopted a comprehensive Environmental Policy, whose key objective is to reduce the negative environmental impacts of its operations, including preventing air, water and soil pollution. This policy covers both actions within the organization and extends to the wider value chain context – at the level of suppliers, production processes and transport. It addresses areas such as mitigating negative impacts related to air pollution, substituting and minimizing hazardous substances, preventing incidents and reducing their impact through the creation of action frameworks, setting measures and defining key monitoring indicators.

Mitigating negative impacts related to air, water and soil pollution

1	Regular monitoring of VOC (volatile organic compounds), ozone and noise levels – with results reported systematically and used to guide corrective actions.
2	Investments in heat recovery technologies, automation of ventilation systems and optimization of heating sources (gas/electric furnaces, heat pumps) – contributing to reducing emissions related to energy processes.
3	Increasing the share of renewable energy sources in the energy mix, leading to lower CO ₂ and other greenhouse gas emissions.
4	1.Segregation and safe disposal of non-recyclable waste.

Substitution and minimization of hazardous substances

1	Minimizing the use of environmentally high-risk substances, including avoiding substances of very high concern (SVHC), in line with REACH regulations.
2	In the area of consumables and chemicals used in production, implementing solutions with the lowest possible environmental impact.
3	Cooperation with suppliers including environmental compliance assessments of materials – as part of the supplier qualification process.

E-2 Pollution

2.2. E2-1 POLICIES RELATED TO POLLUTION

Prevention of incidents and mitigation of their impacts

1	As part of the environmental management system, emergency response procedures have been implemented for situations such as leaks, machine failures or uncontrolled emissions – with clearly defined escalation and accountability rules.
2	Implementation of motion sensors for lighting control, smart HVAC management systems, SMED activities and reduction of changeover times – these are examples of solutions that not only reduce energy consumption but also emissions associated with machine operation.

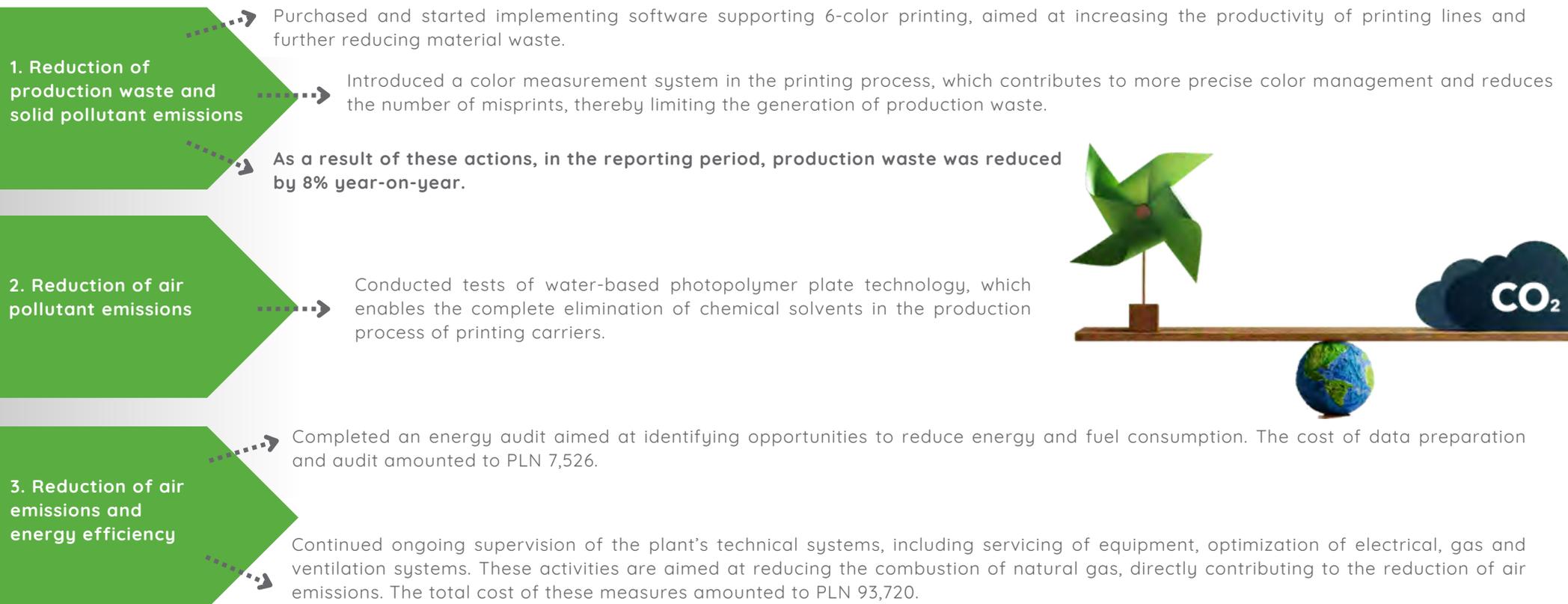
Formika’s Environmental Policy is implemented with the support of the ESG Steering Committee. Progress in achieving goals (including emission reduction and pollution minimization) is monitored periodically based on KPIs related to resource consumption and emission levels.



E-2 Pollution

2.3. E2-2 ACTIONS AND RESOURCES RELATED TO POLLUTION

As part of the implementation of the Pollution Reduction Policy, Formika undertakes a range of initiatives aimed at reducing pollutant emissions to the environment, particularly in the form of solid waste, air emissions and the use of chemical substances. These activities are aligned with the principle of resource efficiency and responsible production, and their implementation involves both technological investments and operational process optimization.



E-2 Pollution

E2-3 TARGETS RELATED TO POLLUTION

In the reporting year, the following pollution reduction targets were established:

Targets related to pollution			
No.	Target description	Measurement method	Result
1	Reduction of suspended PM10 emissions by 5% compared to 2023, year-on-year	(Suspended PM emissions in 2024 / PM emissions in 2023) - 1	-13.53%
2	Maintaining NMVOC (Non-Methane Volatile Organic Compounds) emissions resulting from the plant's operations at the same level as in 2023	(CO2 emissions in 2024 / CO2 emissions in 2023) - 2	14.93

- Thanks to continued activities in the field of heat recovery optimization and reduction of natural gas consumption, the target related to PM emission reduction into the atmosphere was achieved.
- The increase in NMVOC emissions was due to a higher number of new product designs compared to the previous year, which required preparation of a larger number of printing matrices using chemical solvents. In addition, numerous failures of the washing system were recorded during the reporting year, which also contributed to higher consumption.
- It is worth noting that the successful completion of pilot tests of matrix production using water-based washing systems paves the way for the elimination of this factor in the coming years, which is expected to result in significant NMVOC reductions in the future.



E-2 Pollution

2.5. E2-4 POLLUTION OF AIR, WATER AND SOIL

In the reporting year, the following pollution reduction targets were established:

Pollution of Air, Water and Soil										
Disclosure requirement E2-4: Pollution of air, water and soil										
No.	Type of pollutant	2022			2023			2024		
		TO AIR	TO WATER	TO SOIL	TO AIR	TO WATER	TO SOIL	TO AIR	TO WATER	TO SOIL
1	Carbon monoxide (CO)	190.219	0	0	69.23	0	0	59.866	0	0
2	Non-methane volatile organic compounds (NMVOC)	18,940.95	0	0	20,060.17	0	0	23,055.14	0	0
3	Nitrogen oxides (NOx/NO2)	253.626	0	0	92.307	0	0	79.822	0	0
4	Sulphur oxides (SOx/SO2)	2.536	0	0	0.923	0	0	0.798	0	0
5	Polycyclic aromatic hydrocarbons (PAHs)	0	0	0	0	0	0	0	0	0
6	Particulate matter (PM10)	3.17	0	0	1.154	0	0	0.998	0	0

The pollutant emission values reported above were calculated based on natural gas consumption and pollutant emission factors for combustion sources with a nominal thermal output of up to 5 MW, using the automatic emission calculation tool included in the reports submitted to the National Database (KOBiZE) for the years 2022-2024, in accordance with the KOBiZE elaboration of January 2025. The NMVOC emission factors are taken directly from the annual emission reports in the KOBiZE database.

E-2 Pollution

2.5. E2-4 POLLUTION OF AIR, WATER AND SOIL

Formika's operations are conducted in two buildings that are functionally connected on a daily basis.

Building B1 was commissioned in 2014, while Building B2 was completed in 2019. The buildings are separated by two firewalls spaced 15 cm apart. Both are equipped with heating systems powered by a high-capacity gas boiler, low-capacity electric boilers, and heat pumps. In the event of a fire, the fire gates are closed and the ventilation, heating, and compressed air systems are isolated.

In 2024, compared to 2023, we reduced gas consumption by approximately 13.5%. This was achieved thanks to favourable weather conditions and the optimisation of heat source use. The gas boiler was operated only during periods of low temperatures, when its full heating potential could be effectively utilised. Its operation was avoided in situations where only minor reheating was needed. The increase in the use of washing agents for the production of printing plates resulted from two factors: a higher share of work requiring new printing carriers, and a failure of the distillation unit.

In 2025, the company plans to partially replace solvent-based washing technology with water-based technology, which is expected to reduce NMVOC (non-methane volatile organic compounds) emissions into the air. The organisation does not emit pollutants into water or soil.

In 2024, compared to 2023, we reduced gas consumption by approximately 13.5%.



13,5%



Building B2

Building B1

2.6. E2-5 POTENTIALLY HAZARDOUS SUBSTANCES AND SUBSTANCES OF VERY HIGH CONCERN

At Formika, no materials containing particularly hazardous substances listed in official national or EU documents are used in quantities exceeding permissible limits. The current list of such substances (under the REACH Regulation), along with their limits and any potential content, is continuously monitored by the Quality Assurance Department. Given the nature of its operations, the company has also had no contact with substances of very high concern (SVHC).

Formika's long-term goal is to completely eliminate raw materials containing PFAS by 2026.

E-3 Water and Marine Resources

3

3.1. CONTEXTUAL INFORMATION RELATED TO E-3 DISCLOSURES – WATER AND MARINE RESOURCES

As part of the double materiality assessment, environmental topics related to pollution (ESRS E2), water and marine resources (ESRS E3), and biodiversity and ecosystems (ESRS E4) were deemed non-material.

This means that, on one hand, Formika does not exert a significant actual or potential impact on the environment in these areas (impact materiality perspective), and on the other hand, these topics do not have a material impact on the company's development, performance, or financial position (financial materiality perspective).

However, considering the interest of our stakeholders – particularly clients – and the fact that in the areas of E2 and E3 we have available data, policies, targets, and specific actions in place, we have decided to voluntarily disclose information on these topics. This approach allows for a comprehensive presentation of Formika's environmental actions within this Sustainability Report.



3.2. E3-1 POLICIES RELATED TO WATER AND MARINE RESOURCES

Policies Related to Water and Marine Resources

Issue	Reference to Formika's Policy
a) Water management	Environmental Policy, section "WATER RESOURCE MANAGEMENT". Document approval date: 30.08.2025. Approved by: Paweł Gurgul, CEO
i. Use of water and marine resources	Water is not used in production processes or machine washing; water for domestic purposes comes from in-house deep wells, treated and tested. Minimal impact on local water resources.
ii. Water treatment	Water from internal sources is treated and regularly tested microbiologically and physico-chemically.
iii. Prevention of water pollution	Liquid post-production waste (e.g. paint residues, rinsing agents) is selectively collected and processed by specialized entities; rainwater drainage and treatment systems are in place; regular inspections and minimization of wastewater releases.
b) Product and service design considering water and marine resources	The policy assumes minimizing the impact of packaging on the environment, including water; selection of eco-friendly materials; promotion of life-cycle responsibility and sustainable product design.
c) Commitment to reduce material water consumption	The company declares minimal water usage limited to domestic needs; water is not used in production, which reduces pressure on water resources.
Sites in water-scarce areas	The plant is located in an area that may be periodically exposed to seasonal water shortages.
Water-related policies/practices linked to a sustainable economy and oceans	Not applicable to the company's activities.

E-3 Water and Marine Resources

3.3. E3-2 ACTIONS AND RESOURCES RELATED TO WATER AND MARINE RESOURCES

The plant is located in an area that may be periodically exposed to seasonal water shortages, which further justifies actions aimed at reducing pressure on local water resources. Therefore, the water management strategy in the facility has been designed to minimize dependence on municipal networks and reduce water-related emissions.

The activities include the following elements:

1. Elimination of burdens on municipal resources

Water used for employees' domestic purposes comes exclusively from two on-site deep wells located within the plant area. This water is continuously treated and monitored for microbiological and physicochemical parameters, ensuring compliance with sanitary and technical standards and eliminating the need for municipal water supply infrastructure.

➔ **Mitigation layer a):** avoiding the use of water from municipal sources

2. Reduction of water consumption in daily operations

PIR sensors have been installed in most taps in the production hall, enabling automatic and efficient water flow management. As a result, water use is limited strictly to necessary amounts. All new or replaced taps are equipped with such systems.

➔ **Mitigation layer b):** reducing consumption through efficiency-enhancing measures

3. Rainwater infiltration and reuse system

The installed system enables collection, treatment, and redistribution of rainwater:

- Rainwater from roofs is directed to tanks feeding firefighting reservoirs.
- Excess water is infiltrated into the ground through a system of perforated pipes, enabling its return to the natural cycle.
- Water from paved surfaces (e.g., parking lots) is drained, cleaned of surface pollutants (sand, oils, leaves), and then directed to technical storage tanks.

➔ **Mitigation layer c):** recovery and reuse of water and partial regeneration of the water cycle

4. Reduction of wastewater and liquid waste impact on the environment

All liquid waste generated in the production process (e.g., ink and solvent residues) is selectively collected and transferred to specialized entities for safe disposal.

The amount of wastewater is minimized through the infiltration system, and its quality is regularly monitored

➔ **Mitigation layer b):** reduction d): regeneration — through reduced wastewater load



E-3 Water and Marine Resources

3.4. E3-3 TARGETS RELATED TO WATER AND MARINE RESOURCES

As a result of the materiality assessment, the topic “Water and marine resources” was classified as non-material in relation to the entity’s direct environmental impacts as well as the associated risks and opportunities. Consequently, the entity has not established formal environmental targets in this area.

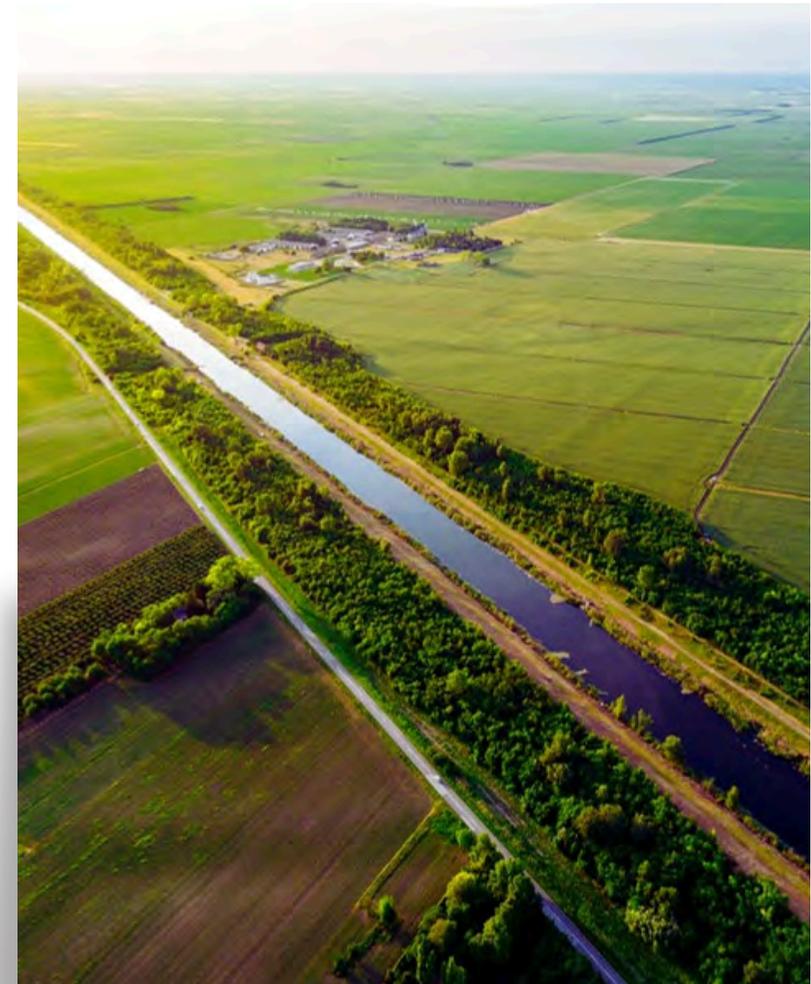
At the same time, the company continuously monitors selected operational indicators (KPIs) that may have an indirect connection with water management activities.

These include, in particular:

- ➔ Groundwater consumption (from own sources – deep wells)
- ➔ Volume and quality of wastewater discharged from the facility

The above data are collected and analyzed within the integrated environmental management system and are taken into account in both internal and external reporting, including compliance with regulatory requirements and voluntary sustainability initiatives.

Although the topic is currently assessed as non-material, water management is subject to regular review as part of the periodic update of the materiality analysis, particularly in the context of potential regulatory, climatic, or operational changes that could affect the level of environmental risk or impact.



E-3 Water and Marine Resources

3.5. E3-4 WATER CONSUMPTION

WATER CONSUMPTION						
Disclosure requirement E3-4 – water consumption						
No.	Water consumption	Comparative information	Comparative information	Reporting year		
	Data expressed in m ³	Provide value for base year 2022	Provide value for previous year 2023	Provide value for reporting year 2024	Difference	Comment
1	Water consumption [m ³]	4,280	4,263	4,767	11.82%	Increase related to warmer summer, higher sanitary use, and lawn watering.
2	Water consumption in production processes	0	0	0	0.00%	
3	Total amount of water recycled and reused	0	0	0	0.00%	
4	Total amount of stored water [m ³]	1005	1005	1005	0.00%	Constant amount of water stored in open and closed fire protection tanks.
5	Water consumption in machinery and equipment washing processes	bd	bd	bd		
6	Volume of discharged liquid wastewater [m ³]	2790	3305	3502	5.97%	Increase in wastewater due to more intensive use of water for hygiene purposes
7	Amount of post-production liquid wastewater	0	0	0		
8	Amount of waste from grease separator [m ³]	3	3	3		
9	Amount of waste resulting from treatment of stormwater collected from hardened surfaces (parking lots, roads, pavements) [m ³]	18	18	18		
10	Water intensity – water consumption in m ³ / 1 million EUR	75	69	78	12.93%	Increase related to warmer summer, higher sanitary use, and lawn watering.

E-3 Water and Marine Resources

3.5. E3-4 WATER CONSUMPTION

The data presented on the previous page regarding water consumption are based on direct meter readings installed at the company's own water intakes (deep wells). The volume of discharged wastewater is determined from invoices and reports provided by MZO Pruszków, the local sewage system operator.

These figures are not estimated or modeled, but derived exclusively from actual measurements. No sectoral coefficients or ecological thresholds are applied.

The quality of water and wastewater is monitored in accordance with applicable standards and regulations. The quality of raw water is tested twice a year in compliance with the conditions of the water permit. The quality of wastewater is inspected once a year.



3.6. E3-5 ANTICIPATED FINANCIAL EFFECTS FROM WATER AND MARINE RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES



As a result of the double materiality assessment, issues related to water and marine resources were not classified as material from either an impact perspective or a financial risk perspective for the company's operations.

Accordingly, no anticipated financial effects—whether negative or positive—have been identified at the time of preparing this report that could materially affect the company's financial position, performance, or cash flows in the short, medium, or long term.

At the same time, the company continues to monitor water management topics through operational indicators and is prepared to reassess materiality should environmental, regulatory, or operational conditions change.

E-5 Use of Resources and Circular Economy

4.1. ESRs 2 IRO-1 – RELATED TO E5

formika sp. z o.o., in pursuit of sustainable development, has begun a regular assessment of the environmental impact of its operations, with particular emphasis on resource use and circular economy principles.

As part of its double materiality analysis, the company identified key areas in which its activities may have a significant impact – both within its direct operations and across the value chain. Detailed information on the results of the materiality assessment can be found in the ESRs 2 SBM-3 section of this report.

Based on this analysis, Formika assessed the potential risks and opportunities associated with the management of raw materials, components, and waste. The company strives, in line with its scale of influence, to ensure that its supply chain partners are subject to the same standards of responsible resource management and sustainability reporting.

Although at this stage the company has not conducted additional consultations specifically focused on resource management, the findings from the materiality assessment provide a solid foundation for future planning and continuous improvement of processes in line with circular economy principles.



E-5 Use of Resources and Circular Economy

4.2. E5-1 POLICIES RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

Policies related to resource use and circular economy

Disclosure scope	Policy description
Source document	<p>Environmental Policy, version 1.0, approved on 30.08.2024 by the President of the Management Board, Paweł Gurgul. The company identifies, assesses, and remediates material impacts, risks, and opportunities related to resource use and the circular economy in the chapters: "Raw material management, including chemical substances" (pp. 8–10) and "Promotion of sustainable consumption and environmental awareness related to product use and end-of-life" (pp. 10–12). The Policy includes actions aimed at:</p> <ul style="list-style-type: none"> • optimising raw material consumption, • minimising waste, • recycling aluminium and paper, • reusing solvents, • eliminating harmful and toxic substances, • promoting recyclability and post-consumer recycling.
General policy scope	Formika's Environmental Policy defines a systemic approach to resource management in line with the principles of the circular economy. Operational activities are implemented to reduce waste generation, increase recycling, and optimise raw material use. Measurable goals and KPIs have been defined, and progress is periodically monitored by the ESG Steering Committee.
a) Shift away from primary materials / increase in secondary material use	The document includes commitments to reduce the use of primary resources such as bauxite-based raw materials. 100% of aluminium waste is sent for recycling. The company also plans to introduce post-consumer recyclates into its plastic packaging, aiming to reach at least 10% by 2030.
b) Sustainable sourcing and use of renewable resources	The Policy promotes the use of renewable materials, lower-weight substrates, and the design of packaging that facilitates reuse and recycling. It also encourages substituting primary resources with renewable or secondary alternatives.
Value chain coverage	The Policy applies to both upstream and downstream parts of the value chain. Formika collaborates with raw material suppliers on sustainable sourcing and promotes environmental awareness among customers by choosing safe packaging materials and eliminating harmful components (pp. 11–12).

E-5 Use of Resources and Circular Economy

4.3. E5-2 ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

Within the organisation, the following actions are implemented in relation to resource use and the circular economy:

Shift from Primary to Secondary Raw Materials

1	Recycling: 100% of aluminium waste is directed to recycling. The company has implemented automated systems for aluminium scrap collection and pressing. The aluminium is subsequently reintroduced into reuse processes.
2	Operational materials (paint buckets, cleaning agents, pallets) are intended for multiple reuse cycles.
4	Distillation and reuse of recovered solvent used in the production of printing plates.
5	Washing of production equipment (printing and anilox rollers, screens, and printing plates) is carried out in a closed-loop solvent recovery system.

Sustainable Sourcing and Use of Resources

1	Reduction of packaging weight (so-called "downgauging") to decrease the material intensity of packaging.
2	<p>a) Commercialisation of the project replacing co-extruded tubes with mono-material laminate tubes. The project involves substituting customer products previously made of co-extruded tubes with laminate tubes of 500 µm thickness, consisting of PP and PE materials.</p> <p>b) Promotion of MonoPP laminate for sachet production and replacement of multi-layer structures for several customers.</p> <p>c) Qualification and commercialisation of aluminium foil lids with reduced lacquer thickness (heat-seal coating) at customer sites.</p>

E-5 Use of Resources and Circular Economy

4.3. E5-2 ACTIONS AND RESOURCES RELATED TO RESOURCE USE AND THE CIRCULAR ECONOMY

In addition to the ongoing activities listed above, the following projects were implemented in 2024:

1

Project: Development of PCR-content tubes

In 2024, a dedicated project team was established with the objective of sourcing components that meet legal and quality requirements in line with customer expectations regarding tubes containing PCR (Post-Consumer Recycled) material. The team's work will continue in 2025.

Area: Circular Economy (CE)

Lever: Substitution of virgin materials with recycled content

2

Project: Implementation of 6-colour printing software

Purchase and implementation of a 6-colour printing management system aimed at increasing productivity and reducing material waste.

Area: Circular Economy (CE)

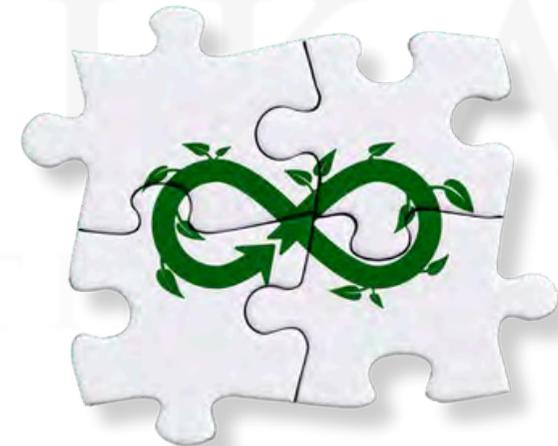
Lever: Process optimisation

3

Project: Implementation of a color measurement system to reduce waste and speed up changeovers

Area: Circular Economy (CE)

Lever: Process optimisation



E-5 Use of Resources and Circular Economy

4.4. E5-3 TARGETS RELATED TO RESOURCE USE AND CIRCULAR ECONOMY

In addition to the ongoing activities described above, the following projects were implemented in 2024:

CIRCULAR ECONOMY TARGETS			
Disclosure requirement - E5-3 Targets related to Resource Use and Circular Economy			
No.	Objective description	Measurement Method	Result
1	Increase in sales volume of monomaterial packaging: up to 75,000 tubes, 3.45 million lids, and 1.5 million sachets	Number of sold packaging items per category	Tubes: 1.1 million pcs; Lids: 9 million pcs; Sachets: 5.2 million pcs
2	Qualification and replacement of yoghurt film PP6 with PP5 film	Replacement of PP6 film orders with PP5 film orders	completed



E-5 Use of Resources and Circular Economy

4.5. E5-4 RESOURCE INFLOWS

Resource inflows					
Disclosure requirement E5-4					
No.	Resources entering the organisation	Unit	2023	2024	Year-on-year change (%)
1	Total mass of products* entering the organisation	kg	n/a	35,813	
2	Total mass of technical materials entering the organisation	kg	6,031,571	6,394,343	6.01%
3	Of which: total mass of secondary materials or components reused, or re-used intermediates and secondary raw materials used for the undertaking's products and services	kg	5,011	4,227	-15.65%
4	Total mass of biological materials entering the organisation	kg	0	0	
5	of which from sustainable sources	kg	0	0	
6	Total mass of technical and biological materials entering the organisation	kg	6,031,571	6,394,343	6.01%
7	Total mass of products, technical and biological materials	kg	6,031,571	6,430,156	6.61%
8	Percentage of biological materials from sustainable sources	%	0	0	
9	Percentage of secondary (recycled) materials	%	0.08%	0.07%	-20.87%

The increase in the mass of resources entering the organisation is related to the year-on-year growth in production.

E-5 Use of Resources and Circular Economy

4.6. E5-5 RESOURCE OUTFLOWS

Resource outflows					
Disclosure requirement E5-5					
No.	Resources discharged from the organisation	Unit	2023	2024	Year-on-year (%)
Waste directed to recovery					
1	Hazardous waste				
2	- prepared for re-use	kg	0	0	
3	- recycling	kg	0	0	
6	- other recovery operations	kg	36,259	53,485	47.51%
7	Non-hazardous waste				
8	- prepared for re-use	kg	0	0	
9	- recycling	kg	831,400	868,751	4.49%
10	- other recovery operations	kg	307,296	331,076	7.74%
11	Total amount of waste directed to recovery (2+3+6+8+9+10)	kg	1,174,955	1,253,312	6.67%



E-5 Use of Resources and Circular Economy

4.6. E5-5 RESOURCE OUTFLOWS

Resource OUTFLOWS					
Disclosure requirement E5-5					
No.	Resources discharged from the organisation	Unit	2023	2024	Year-on-year (%)
Waste directed to disposal					
12	Hazardous waste				
13	- incineration	kg	0	0	
14	- landfill	kg	0	0	
15	- other disposal operations	kg	188	186	-1.06%
16	Non-hazardous waste				
17	- incineration	kg	60	0	
18	-landfill	kg	0	0	
19	- other disposal operations	kg	0		
20	Total amount of waste directed to disposal (12-19)	kg	248	186	-25.00%
21	Total amount of radioactive waste	kg	0	0	
22	Total amount of waste generated (11+20)	kg	1,175,203	1,253,498	6.66%
23	Total amount of non-recycled waste (2+6+8+10+13+14+15+17+18+19)	kg	343,803	384,747	11.91%



E-5 Use of Resources and Circular Economy

4.6. E5-5 RESOURCE OUTFLOWS

Resource OUTFLOWS					
Disclosure requirement E5-5					
L.p.	Resources Discharged from the Organisation	Unit	2023	2024	Year-on-year (%)
Hazardous waste					
24	Total amount of hazardous waste (2+3+6+13+14+15)	kg	36,447	53,671	47.26%
25	Non-hazardous waste	kg	1,138,756	1,199,827	5.36%
26	Total amount of waste (24+25)	kg	1,175,203	1,253,498	6.66%



Waste residues from inks, distillation residues, paint containers and filters are treated through other recovery operations (R12/R1), as described in row 6. Row 10 includes multi-material waste. The increase in the quantity of this waste is directly related to the higher production scale.

Waste subjected to recycling, as referred to in row 9, originates from selective collection processes and includes materials such as aluminium, steel and paper. The year-on-year increase of nearly 4.5% in this category also results from the growth in production volumes.

PART 4

EU TAXONOMY

ASSESSMENT AND DETERMINATION OF COMPLIANCE WITH THE EU TAXONOMY
WHAT IS THE EU TAXONOMY?
DESCRIPTION OF THE PROCESS FOR ASSESSING COMPLIANCE WITH THE EU TAXONOMY
ACCOUNTING PRINCIPLES
DETAILED ANALYSES

EU Taxonomy

1

1.1 ASSESSMENT AND DETERMINATION OF ALIGNMENT WITH THE EU TAXONOMY

In preparing its voluntary Sustainability Report for 2024, Formika sp. z o.o. discloses for the first time information related to the alignment of its activities with the so-called EU Taxonomy for environmentally sustainable activities. This section of the report is presented ahead of the disclosure obligations introduced under the CSRD. It is, like the entire Sustainability Report, an expression of our commitment to transparency and responsibility in the context of ongoing environmental and regulatory changes. The data presented in this Taxonomy section are fully compliant with Article 8 of Regulation (EU) 2020/852, hereinafter referred to as the EU Taxonomy Regulation.

1.2 WHAT IS THE EU TAXONOMY?

The EU Taxonomy is a classification system that defines the conditions an economic activity must meet in order to be considered environmentally sustainable.

It constitutes a comprehensive framework of common EU-wide rules and detailed technical screening criteria (Technical Screening Criteria - TSC). The Technical Screening Criteria specify whether a given activity: makes a substantial contribution to at least one of the environmental objectives, and does no significant harm (DNSH) to the remaining objectives.

In this report, the evaluation of TSCs has been conducted in accordance with the Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (the Climate Delegated Act), as amended by Regulation (EU) 2022/1214 of 9 March 2022 and Regulation (EU) 2023/2485 of 27 June 2023. The above regulations define the substantial contribution to two environmental objectives:

Climate change mitigation (climat change mitigation- CCM)

Climate change adaptation (climat change adaptation - CCA)

The second key legal act applied in the report is the Commission Delegated Regulation (EU) 2023/2486 of 26 June 2023, which establishes the technical screening criteria for the remaining environmental objectives:

Sustainable use and protection of water and marine resources (Water and Marine Resources - WTR)

Transition to a circular economy (Circular Economy - CE)

Pollution prevention and control (Pollution Prevention and Control - PPC)

Protection and restoration of biodiversity and ecosystems (Biodiversity and Ecosystems - BIO)



EU Taxonomy

1

1.2 WHAT IS THE EU TAXONOMY?

The purpose of these regulations is to direct financial flows toward more sustainable activities that support the implementation of the EU's climate policy and its broader environmental strategy—both by 2030 and in the longer term. A particular focus is placed on innovation, enabling the achievement of the EU's and global climate objectives. The EU Taxonomy provides clear and uniform definitions of activities considered environmentally sustainable, thereby helping companies, investors, and policymakers make informed decisions. As a result, it also serves as a tool **against “greenwashing”, i.e. the practice of misrepresenting activities as environmentally friendly without real substance**

An environmentally sustainable activity is understood as an activity that meets the following criteria:



EU Taxonomy

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1.2 WHAT IS THE EU TAXONOMY?

According to the above-mentioned regulations, Formika Sp. z o.o.'s activities may be classified into one of three categories:

- **Non-eligible activity** – activities for which no relevant technical screening criteria (TSC) have yet been established. These activities are not yet covered by the TSC, and criteria for them will be determined in the future.
- **Eligible but non-aligned activity** – activities that fall within the scope of the taxonomy but, for various reasons, do not meet the technical screening criteria or fail to comply with certain elements of the Minimum Safeguards.
- **Taxonomy-aligned activity** – activities that meet all taxonomy requirements and are therefore classified as environmentally sustainable.

In accordance with the detailed requirements for calculating and disclosing indicators set out in Commission Delegated Regulation (EU) 2021/2178, Formika discloses in this report the following non-financial indicators:



TURNOVER

the percentage share of turnover derived from products or services associated with environmentally sustainable activities.

CAPEX

the percentage share of capital expenditure (investments in assets or processes) related to environmentally sustainable activities.

OPEX

the percentage share of operating expenses linked to assets or processes associated with environmentally sustainable activities.



EU Taxonomy

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1.3. DESCRIPTION OF THE PROCESS FOR ASSESSING COMPLIANCE WITH THE EU TAXONOMY

In accordance with the available recommendations for verifying compliance with the Taxonomy, the assessment was conducted through the following process:

1. Identification

This stage involved a review of all activities carried out by Formika Sp. z o.o. to determine which activities could potentially qualify under the EU Taxonomy. The identification process began with verification according to the Polish Classification of Activities (PKD) and subsequently NACE codes. Next, revenues, capital expenditures, and operating expenses reported by the company were verified. To identify individual types of activities, the descriptions contained in the annexes to the relevant EU Delegated Regulations were used. In the first year of taxonomy reporting, Formika determined that its eligible activity currently falls under the sixth environmental objective: Transition to a circular economy (CE – Circular Economy).

2. Allocation

The allocation consisted of assigning the identified eligible activities to the taxonomy-related values of turnover, capital expenditure, and operating expenditure.

3. Verification of Compliance

a. Verification of compliance with Technical Screening Criteria (TSC)

A detailed verification was carried out to assess compliance with the EU Taxonomy, particularly regarding the fulfillment of criteria for making a substantial contribution to at least one of the environmental objectives. Verification against the TSC covered all types of activities identified as eligible and was based on the analysis of the specific criteria for significant contribution and “Do No Significant Harm” (DNSH) principles. This assessment was carried out between January and April 2025.

It should be noted that activities defined under NACE 18.12 (Other printing) and 17.21 (Manufacture of corrugated paper and paperboard and of containers of paper and paperboard) remained outside the scope of the EU Taxonomy for 2024. The activity identified as eligible for the Taxonomy corresponds to NACE 22.22 (Manufacture of plastic packing goods), which is covered under Annex II of Regulation (EU) 2023/2486, section 1.1 “Manufacture of plastic packaging goods for circular economy (CS).” Following the analysis, it was concluded that most of the company’s activities do not meet the detailed technical screening criteria (TSC) and were therefore classified as eligible but not environmentally sustainable.

b. Verification of compliance with Minimum Safeguards

In line with Article 18 of Regulation (EU) 2020/852, an assessment was also conducted to confirm compliance with Minimum Safeguards.

This evaluation, presented in the “Verification of Compliance with Minimum Safeguards” section, covered the company’s procedures ensuring adherence to the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, particularly compliance with the International Labour Organization (ILO) Conventions and the International Bill of Human Rights.

The company’s compliance was verified based on the recommendations outlined in the final report of the EU Platform on Sustainable Finance.



EU Taxonomy

1

1.3. DESCRIPTION OF THE PROCESS FOR ASSESSING COMPLIANCE WITH THE EU TAXONOMY

According to the above guidelines, a breach of Minimum Safeguards may occur if any of the four specific circumstances arise:

- Lack of cooperation with the OECD National Contact Point (NCP) in the event of a formal complaint. If a company fails to cooperate with the OECD National Contact Point (NCP) regarding an accepted complaint. **Result for Formika Sp. z o.o.:** No complaints concerning the company were reported during the reporting period.
- No response within three months to allegations raised by the Business and Human Rights Resource Centre (BHRRC). If a company fails to respond within three months to allegations raised by the Business and Human Rights Resource Centre. **Result for Formika Sp. z o.o.:** No complaints concerning the company were reported during the reporting period.
- Inadequate or non-existent due diligence processes in the areas of human rights, labour rights, corruption, taxation, or fair competition. **Result for Formika Sp. z o.o.:** The assessment confirmed that a distributed Due Diligence Process operates within Formika Sp. z o.o., and that most of the recommendations outlined in the OECD Guidelines are incorporated into the company's internal procedures and policies.
- Final conviction or legal determination that the company has violated labour or human rights in specific types of court cases. **Result for Formika Sp. z o.o.:** No court cases of the above-mentioned nature were recorded during the reporting period.

4. Calculation

The data established in the allocation and compliance verification stages were subsequently used to prepare tables containing the information required under Annexes I and II to Commission Delegated Regulation (EU) 2021/2178, as amended.



EU Taxonomy

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1.4. ACCOUNTING PRINCIPLES

Turnover

In the denominator of the EU Taxonomy turnover indicator, the total consolidated revenue of Formika Sp. z o.o. is included, as disclosed in the Financial Statements under Net revenue from the sale of products, goods, and materials (Note 13).

The numerator of the qualifying turnover indicator includes revenues from activities that fall within the EU Taxonomy classification system (both those meeting and not meeting the technical screening criteria).

The numerator of the Taxonomy-aligned turnover indicator includes the portion of CAPEX related to activities compliant with the Technical Screening Criteria (TSC).

Capex

In the denominator of the EU Taxonomy CAPEX indicator, all investments classified in the Financial Statements as Property, Plant and Equipment (Note 2) are included.

The numerator of the qualifying CAPEX indicator includes the portion of CAPEX related to activities within the EU Taxonomy classification (both aligned and non-aligned with the TSC).

The numerator of the Taxonomy-aligned CAPEX indicator includes the portion of CAPEX related to activities that meet the Technical Screening Criteria.

Opex

The denominator of the EU Taxonomy OpEx indicator includes (in accordance with Annex I to Commission Delegated Regulation (EU) 2021/2178) all direct, non-capitalised costs associated with R&D, building renovation, short-term leasing, maintenance and repair, as well as other direct expenses related to keeping Formika Sp. z o.o.'s tangible assets in good working condition.

The numerator of the qualifying OpEx indicator includes the portion of such costs related to Taxonomy-eligible activities (both aligned and non-aligned with the TSC).

The numerator of the Taxonomy-aligned OpEx indicator includes the portion of OpEx related to activities that meet the Technical Screening Criteria.

For operating expenses, the same allocation method as for CAPEX has been applied.

Supplementary
Information

The data used for the calculations originate from the Symfonia ERP Finance and Accounting system and cover the reporting period from 1 January to 31 December 2024. For operating expenditures (OpEx) defined in Commission Delegated Regulation (EU) 2021/2178, a detailed review of accounts was performed to identify positions eligible under the Taxonomy.

Formika Sp. z o.o. does not engage in or finance any activities listed under Sections 4.26–4.31 of Annex I and II to Regulation (EU) 2021/2139, i.e. activities related to energy generation from nuclear processes or from fossil gas.

The company therefore discloses only qualitative information in accordance with the templates provided in Annexes 2–5 and 12 to Commission Delegated Regulation (EU) 2021/2178, as both investment (CapEx) and operating (OpEx) expenditures associated with such activities are equal to zero.

EU Taxonomy

1

1.4. ACCOUNTING PRINCIPLES

Disclosures Regarding Activities Related to Nuclear Energy or Fossil Gas

I. Activities related to nuclear energy

The undertaking carries out research, development, demonstration and deployment of innovative electricity generation installations producing energy from nuclear processes with minimal waste from the fuel cycle, finances this activity or has exposure to it.

NO

The undertaking constructs and safely operates new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, and modernises them for safety, using best available technologies, finances this activity or has exposure to it.

NO

The undertaking safely operates existing nuclear installations generating electricity or process heat, including for district heating or industrial processes such as hydrogen production from nuclear energy, and modernises them for safety, finances this activity or has exposure to it.

NO

II. Activities related to fossil gas

The undertaking constructs or operates electricity generation installations using fossil gaseous fuels, finances this activity or has exposure to it.

NO

The undertaking constructs, modernises or operates installations for the cogeneration of heat/cooling and electricity from fossil gaseous fuels, finances this activity or has exposure to it.

NO

The undertaking constructs, modernises or operates installations for the generation of heat/cooling from fossil gaseous fuels, finances this activity or has exposure to it.

NO

EU Taxonomy

1.5. DETAILED ANALYSES

The detailed results of the analysis described above are presented in the following tables: Turnover, CAPEX, and OPEX.

a) TURNOVER

Formika Sp. z o.o. generates revenue from several areas of its business activities, most of which are not included in Commission Delegated Regulation (EU) 2021/2139 (as amended) nor in Delegated Regulation (EU) 2023/2486.

The main sources of revenue in 2024 were as follows:

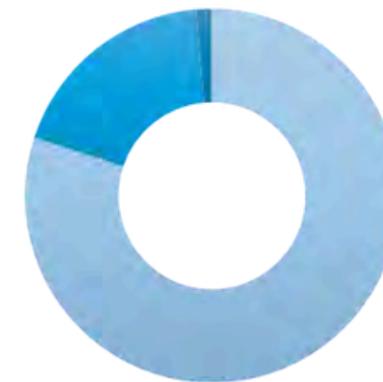
- from the sale of aluminium packaging - PLN 211,369,301
- from the sale of plastic packaging - PLN 49,110,155
- from the sale of plastic monomaterial packaging - PLN 3,801,789

A portion of the revenue generated from the above activities does not meet the technical screening criteria; therefore, these activities were recognised as eligible but non-aligned with the Taxonomy.

The share of turnover eligible under the EU Taxonomy in total turnover amounted to 20.02% in 2024.

Chart below: Revenue of Formika Sp. z o.o. for 2024, showing turnover not covered by the EU Taxonomy, as well as eligible and high-alignment potential activities (currently still non-aligned).

Revenues not included within the scope of the EU Taxonomy Regulation	80.0%
Revenues eligible under the EU Taxonomy	18.6%
Revenues with a high degree of Taxonomy alignment	1.4%



■ Revenues not included within the scope of the EU Taxonomy Regulation
 ■ Revenues eligible under the EU Taxonomy
 ■ Revenues with a high degree of Taxonomy alignment

EU Taxonomy

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1.5. DETAILED ANALYSES

TURNOVER ELIGIBLE UNDER THE EU TAXONOMY

Economic activity	Codes	Turnover (mln PLN)	Share of turnover 2023 (%)	Criteria for Substantial Contribution						Criteria for DNSH (Do No Significant Harm)						Minimum safeguards	Share of Taxonomy-aligned activities (A.1) or Taxonomy-eligible activities (A.2), turnover for 2024 (%)	Category: Enabling activity,	Transitional activity,
				Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity				
A. Taxonomy-eligible economic activity																			
A.1 Environmentally sustainable activity (Taxonomy-aligned)																			
Turnover from environmentally sustainable activities (A.1)		0	0.00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N		0.00%		
of which enabling activity		0	0.00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N		0.00%	F	
Of which transitional activity		0	0.00%	N/EL						N	N	N	N	N	N		0.00%		T
A.2. Taxonomy-eligible but environmentally non-sustainable activity (Taxonomy-eligible, non-aligned)																			
Manufacture of plastic packaging	CE* 1.1	52.91	20.00%	N/EL	N/EL	N/EL	N/EL	EL	N/EL								20.00%		
Total turnover from activities eligible under the Taxonomy but not environmentally sustainable (non-aligned activities) (A.2)		52.91	20.00%	0.00%	0.00%	0.00%	0.00%	20.00%	0.00%								20.00%		
Total turnover from activities eligible under the Taxonomy (A.1 + A.2)		52.92	20.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								20.00%		
B. Non-eligible activity																			
Turnover from non-eligible activities		211.41	80.00%																
TOTAL		264.33	100.00%																

EU Taxonomy

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1.5. DETAILED ANALYSES

b) CAPEX

Capital Expenditures (CAPEX)

The main investment expenditures in the reporting year related to the purchase of machinery for the production of monomaterial products and software aimed at improving production efficiency.

In 2024, the Company completed an investment project involving the purchase and commissioning of a new machine dedicated to the production of monomaterial plastic packaging tubes. This investment was identified as Taxonomy-eligible in accordance with Commission Delegated Regulation (EU) 2023/2486, Section 1.1 “Manufacture of plastic packaging goods” (NACE code C22.22).

The new technology enables the production of packaging designed for recycling (Design for Recycling), thanks to a homogeneous material composition and the optimisation of primary raw material use.

The objectives of the investment include:

- increasing the share of packaging compliant with circular economy (CE) principles,
- reducing the amount of production waste,
- decreasing the use of multi-layer materials that are difficult to recycle.

The purchased machine contributes to the technological transformation of production processes towards greater environmental compliance and supports the climate and resource efficiency objectives of the European Union.

A second key element was the implementation of a colour quality control system using spectrophotometers.

The project involves the installation and integration of software and measurement equipment (spectrophotometers) to automate and accelerate the colour approval process in packaging production. This solution enables digital, real-time monitoring of print quality, resulting in reduced quantities of non-compliant materials and fewer production corrections. In accordance with point 4.1 of Regulation (EU) 2023/2486, the project constitutes an IT/OT solution supporting resource efficiency.

The implementation allows for:

- shorter colour approval times,
- reduction of production waste by approx. 3%,
- reduced consumption of raw materials (inks, films),
- improved energy efficiency of the process.

For the above-mentioned software, direct allocation was applied to the type of activity in which the acquired assets will be used. For the machinery investment, a proportional allocation method would normally be appropriate, as the assets will be used in various contracts – both Taxonomy-eligible and non-eligible activities. However, due to the recent commissioning of the monomaterial tube production machine and the lack of data on its actual utilisation profile in the first year of operation, the investment value was provisionally recognised as 100% Taxonomy-eligible, in line with the company’s environmental strategy and expected order structure. This allocation will be verified in the next reporting cycle based on actual production data.

The share of Taxonomy-eligible capital expenditures in total capital expenditures of Formika Sp. z o.o. amounted to 81.62% in 2024, including:

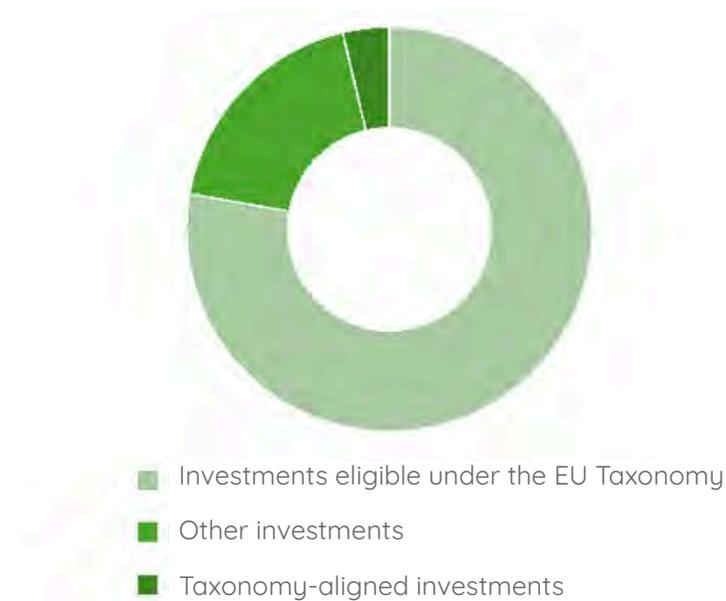
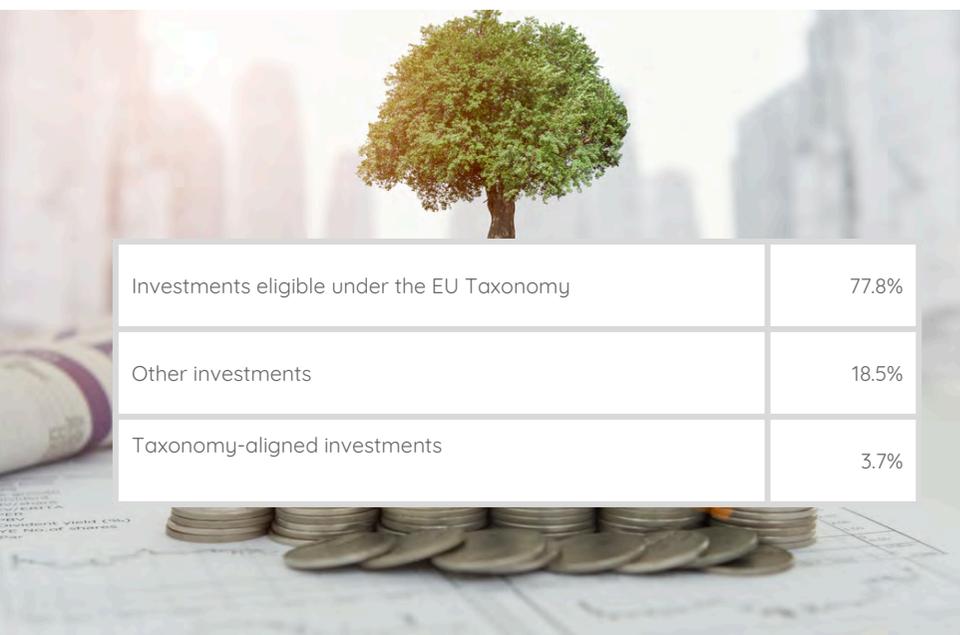
- Taxonomy-aligned capital expenditures – 3.71%,
- Taxonomy-eligible but non-aligned capital expenditures – 77.91%.

EU Taxonomy

1

1.5. DETAILED ANALYSES

The chart below: Capital expenditures (CapEx) of Formika Sp. z o.o. in 2024 – total, Taxonomy-eligible, and Taxonomy-aligned investments.



EU Taxonomy

1.5. DETAILED ANALYSES

Capital expenditures (CAPEX)

Economic activity	Codes	Capital expenditures (mln PLN)	Share of capital expenditures year 2024 (%)	Criteria for Substantial Contribution						Criteria for DNSH (Do No Significant Harm)							Share of Taxonomy-aligned activities (A.1) or Taxonomy-eligible activities (A.2), capital expenditures for 2023 (%)	Category: Enabling activity	Transitional activity	
				Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Minimum safeguards				
A. TAXONOMY-ELIGIBLE ACTIVITY																				
A.1. Types of Environmentally Sustainable Activities (Aligned with the Taxonomy)																				
Capital expenditures related to environmentally sustainable activities (aligned with the Taxonomy) (A.1)		0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	N			
Of which: enabling activity		0	0	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	N	0	E	
Of which: transitional activity		0	0	N/EL						N	N	N	N	N	N	N	N	0	T	
A.2. Taxonomy-eligible but not Environmentally Sustainable Activities (Not Aligned with the Taxonomy)																				
Manufacture of plastic packaging materials	CE 1.1	0.39	3.71%	EL	EL	N/EL	N/EL	EL	N/EL									0.00%		
Deployment of IT/OT data-driven solutions	CE 4.1	8.27	77.91%	EL	EL	N/EL	N/EL	EL	N/EL									0.00%		
Total capital expenditures for Taxonomy-eligible but not environmentally sustainable activities (A.2)		8.66		0	0%	0%	0%	0%	0%									0.00%		
A. Total capital expenditures from Taxonomy-eligible activities (A.1 + A.2)		8.66	81.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%									0.00%		
B. NON-ELIGIBLE ACTIVITIES																				
Capital expenditures for activities not eligible under the Taxonomy		1.95	18.38%																	
TOTAL		10.61	100.00%																	

EU Taxonomy

1

1.5. DETAILED ANALYSES

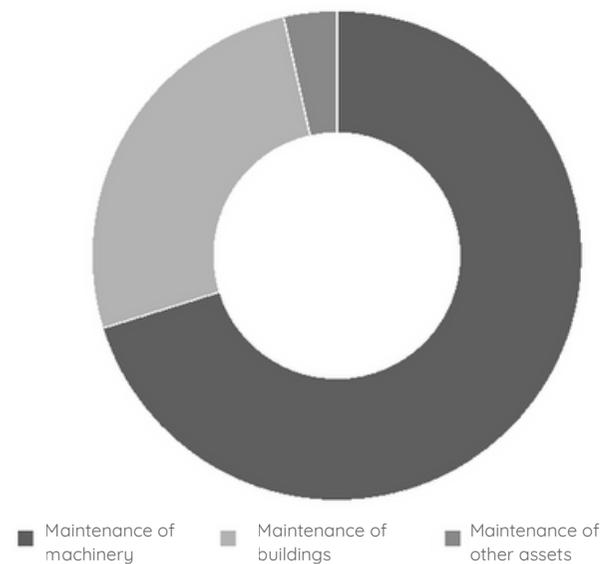
c) OPEX

OPERATING EXPENDITURES (OPEX)

Operating expenditures classified as Taxonomy-aligned operating expenditures in 2024 amounted to PLN 6,373,874.11 and were incurred to maintain machinery, equipment, vehicles, and other assets necessary for conducting Taxonomy-aligned activities.

Chart below: Operating expenditures (OpEx) included in the denominator according to Delegated Regulation (EU) 2021/2178, by category.

Maintenance of machinery	70.20%
Maintenance of buildings	26.30%
Maintenance of other assets	3.50%



EU Taxonomy

1.5. DETAILED ANALYSES

OPERATING EXPENDITURES (OPEX)

Economic activity	Codes	Operating expenditures (mln PLN)	Share of operating expenditures year 2023 (%)	Criteria for Substantial Contribution						Criteria for DNSH (Do No Significant Harm)						Minimum safeguards	Share of Taxonomy-aligned (A.1) or Taxonomy-eligible (A.2) activities, operating expenditures for 2024 (%)	Category: Enabling activity	Transitional activity		
				Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity						
A. TAXONOMY-ELIGIBLE ACTIVITIES																					
A.1. Types of Environmentally Sustainable Activities (Aligned with the Taxonomy)																					
Operating expenditures related to environmentally sustainable activities (aligned with the Taxonomy) (A.1)		0	0.00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.00%				
Of which: enabling activity		0	0.00%	N/EL	N/EL	N/EL	N/EL	N/EL	N/EL	N	N	N	N	N	N	N	0.00%	F			
Of which: transitional activity		0	0.00%	N/EL						N	N	N	N	N	N	N	0.00%		T		
A.2. Taxonomy-eligible but not Environmentally Sustainable Activities (Not Aligned with the Taxonomy)																					
Total operating expenditures for Taxonomy-eligible but not environmentally sustainable activities (A.2)		0	0.00%	0.00%	0%	0%	0%	0%	0%								0.00%				
A. Operating expenditures from Taxonomy-eligible activities (A.1 + A.2)		0	0.00%	0.00%	0%	0%	0%	0%	0%								0.00%				
B. NON-ELIGIBLE ACTIVITIES																					
Operating expenditures for activities not eligible under the Taxonomy		5.36	100.00%																		
TOTAL		5.36	100.00%																		



PART 5

SOCIAL

S-1 OWN WORKFORCE
S-2 WORKERS IN THE VALUE CHAIN
S-4 CONSUMERS AND END-USERS

S-1 Own workforce

1.1. SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

Formika regularly studies the interests, views, and rights of individuals belonging to its group of internal stakeholders. The results of these studies and opinions are implemented in the company’s strategy and business model.



Employee Engagement Survey

The survey was conducted in September and October 2024 to better understand employees’ opinions about the company they work for. Every employee was given a real opportunity to influence the shape of the organization.

The survey was carried out anonymously by the independent agency Experience Institute, which has been conducting similar projects for over 20 years as part of the “Investor in Human Capital” program.

Participation in the survey was an opportunity to genuinely shape the future of our company.

70% of employees took part in the survey – confirming their willingness to co-create the workplace.

- Engagement Index: 67% (average for manufacturing companies: 68%; award-winning companies: 72%)
- eNPS (Employee Net Promoter Score): -50%
 - Ambassadors: 11%
 - Critics: 66%



Strengths identified by employees:

- Work atmosphere
- Job stability
- Social conditions and infrastructure



Areas for development identified by employees:

- Remuneration
- Workload
- Development opportunities



In December 2024 and January 2025, 19 team workshops were held with the participation of HR and individual departments. During these sessions, in-depth analyses were carried out, and new improvement initiatives were launched.

As a result, joint action plans were developed to strengthen our key strengths and systematically improve areas requiring development.

S-1 Own workforce

1.1. SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

Formika regularly assesses the interests, views, and rights of individuals belonging to its own workforce. The results of these assessments and opinions are integrated into the company's strategy and business model.

2

Quarterly meetings

The meetings are addressed to company employees, who are among Formika's key stakeholders. They serve as a transparent communication channel from the Management Board – providing information on the company's financial performance, strategic changes, and directions for development. These meetings help employees better understand business decisions and their own role within the company structure.

They are an important element of dialogue between employees and senior management – attended, among others, by members of the executive team, including the President of the Management Board – allowing employees to directly ask questions, express opinions, raise issues, or clarify doubts.

Proposed actions are recorded in the Central Action Log, and their implementation is monitored and enforced according to agreed timelines.

The meetings are organised with consideration for the shift work system – held during both morning and afternoon shifts – ensuring participation of the widest possible group of employees. In 2024, four such meetings were held.



3

Development conversations

At FORMIKA, development conversations are a structured process aimed at supporting employees in their professional growth and planning their career paths. The process consists of three stages:

- preparation,
- conducting the conversation,
- and regular progress monitoring.

During the conversation, the employee and supervisor jointly analyse past performance, assess competencies, and identify areas for further development. The discussion is based on competency matrices, resulting in the establishment of specific development goals, which are then included in an individual plan and subsequently monitored in the course of work.

These conversations also serve as an important tool for gathering feedback from employees – a key stakeholder group. Employees have the opportunity to express their needs, expectations, and aspirations, ensuring their genuine influence on shaping the organisation's competency development strategy. In this way, employee feedback is systematically incorporated into the planning of development activities at both the individual and organisational levels.



S-1 Own workforce

1.1. SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

Formika regularly examines the interests, views, and rights of individuals belonging to its own workforce. The results of these surveys and opinions are implemented in the company's strategy and business model.

4

Employee Initiatives Programme

The purpose of Formika's Employee Initiatives Programme is to encourage employees to actively submit ideas and improvements that can contribute to enhancing the company's operations, increasing efficiency, quality, or workplace comfort. This programme serves as a tool for employees to have a real impact on their work environment and, at the same time, acts as a form of stakeholder opinion assessment, where the stakeholders are the employees themselves. By enabling the expression of initiatives and the implementation of valuable solutions, Formika not only fosters employee engagement but also systematically gathers information about employees' needs, expectations, and observations, treating them as a valuable source of organisational improvement.

As part of the programme in 2024, a total of 37 initiatives were submitted, 60% of which were accepted for implementation. In the first and second stages, rewards totalling PLN 7,180 were paid out. The implemented initiatives generated savings exceeding PLN 100,000.



5

Employee Representatives

The purpose of appointing Employee Representatives at Formika is to ensure formal representation of employees' interests in matters concerning the company — particularly in the context of consultation processes, co-decision, social dialogue, and actions related to occupational health and safety (OHS), work organisation, or regulatory changes. Through their representatives, employees' voices can be systematically taken into account in the employer's decision-making processes in the aforementioned areas.

The rules for electing representatives are defined in the Employee Representative Election Regulations dated 11 September 2019. Representatives are elected by secret, equal, and direct ballot from among candidates nominated by employees. Every employee employed on the day of the election announcement is entitled to vote. The elected representatives serve a five-year term. The most recent employee representative elections took place in October 2024, and the results were approved by Management Board Regulation No. 01/2024 of 22 October 2024.



S-1 Own workforce

1.1. SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS

- Formika regularly examines the interests, views, and rights of individuals belonging to its own workforce. The results of these surveys and opinions are implemented in the company's strategy and business model.

6

Newsletter

As part of its efforts to consider the opinions and interests of its own employees – a key stakeholder group – FORMIKA regularly publishes an employee newsletter. This publication serves as an important internal communication tool that promotes transparency, engagement, and dialogue. By featuring company initiatives, team achievements, event reports, and content created by employees themselves, the newsletter helps build a sense of community and fosters an organisational culture based on openness and participation.

In 2024, one issue of the newsletter was published. The May edition included 15 articles, and more than 20 employees from various departments were involved in its preparation.



7

Meetings with employees

It is a company tradition to hold an annual Christmas meeting each December for all employees. During this event – through a variety of activities and shared fun – we have the opportunity to get to know each other better, strengthen our sense of community, and give special recognition to employees with the longest tenure.

In addition to this gathering, Formika, together with the “Formika for Children” Foundation, organizes the initiative “Make the dreams of children and young people come true - become their Santa Claus”, in which employees take part by preparing gifts for children from foster care homes.



S-1 Own workforce

1.2. SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

EMPLOYEES

Formika's employees are the company's greatest asset. We make every effort to ensure that they are properly motivated, possess the necessary qualifications, and have a continuous drive to acquire new knowledge.

In 2024, we employed 290 people.

- Administrative employees were remunerated based on monthly rates, while production workers received hourly wages.
- The Management Board, consisting of two members, was also remunerated based on monthly rates.
- The sales department, located at Formika, maintains regular contact with clients, ensuring sales both in the domestic and international markets.
- Half of our sales are generated in foreign markets, handled by both Formika employees and external agents.
- All employees were entitled to performance-based bonuses linked to the company's financial results.
- Individuals working on Formika's premises who are not directly employed by the company are subject to the same mandatory health and safety (OHS) and hygiene practice training as our own employees.

In 2024,
we employed 290 people.

CHILD LABOUR

Formika operates in Poland, where child labour is legally prohibited, which significantly reduces the risk of its occurrence. In accordance with applicable regulations, we carefully verify the age of candidates during recruitment to ensure that only adults are employed.

Under Polish law, a child is defined as a person under the age of 15, while a young worker is a person between 15 and 18 years of age. Although the law allows for the employment of young workers under certain conditions, Formika does not employ individuals in this age group.

Furthermore, we require our business partners—both upstream and downstream—to comply with the prohibition of child labour through relevant provisions included in our General Terms and Conditions of Purchase (GTCP) and General Terms and Conditions of Sale (GTCS).

Since 2024, we have introduced an additional measure: all suppliers are required to sign a Code of Conduct, which explicitly prohibits child labour.

Since 2024, suppliers
have been required to
sign a Code of Conduct
that explicitly prohibits
child labour.

S-1 Own workforce

1.2. SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

FORCED LABOUR

We do not accept any form of forced labour. Every employee at Formika works voluntarily, without any physical, psychological, or financial coercion. We also require our business partners to adhere to the same ethical standards.

EMPLOYEE BENEFIT FUND

All our employees have access to various forms of financial support through the Employee Benefit Fund. In addition, individuals from Ukraine employed by Formika receive financial, material, or housing assistance as part of the company's Support for Ukraine Programme.

RISKS AND MITIGATION MEASURES

Formika proactively manages risks related to employment, focusing on strengthening engagement, retaining talent, and building the sustainable development of the organisation. Detailed descriptions of risks and their mitigation measures are provided in section ESR2 SBM-3.



S-1 Own workforce

1.3. S1-1 POLICIES RELATED TO OWN WORKFORCE

Formika has implemented a number of policies relating to its own employees. These documents have been communicated to all staff and are available on the company's website. Disclosures regarding these policies are presented below in the section Key Policies.

In addition to the adopted Policies, the organisation also applies several internal regulations that govern key aspects of employment, employee relations, and engagement, including:

- Work Regulations,
- Remuneration Regulations,
- Employee Benefit Fund Regulations,
- Social Pension Regulations,
- Employee Representative Election Regulations,
- Employee Initiatives Programme Regulations.

These documents support transparency, operational consistency, and the active participation of employees in the life of the organisation. They have been communicated to all employees and remain permanently available on the shared network drive for review by all staff.



S-1 Own workforce

1.3. S1-1 POLICIES RELATED TO OWN WORKFORCE

1.Key policies:

HUMAN RESOURCES POLICY, LAST UPDATED: 30 August 2024

Key contents: Formika's Human Resources Policy focuses on ensuring a high-quality working environment that supports employees' professional and personal development. It defines the principles for recruitment, training, career development, performance management, and equality and diversity. The key elements of the policy also include the prevention of discrimination and workplace bullying (mobbing), as well as the promotion of employee health and safety.

Person at the highest level responsible for policy implementation: HR Director

Scope of the policy and exclusions:

The Human Resources Policy applies to all employees, including permanent, temporary, and contract staff. Specific professional groups or circumstances not covered by the general rules may be excluded. The policy's scope may be adjusted depending on local legal requirements and takes into account individual employment contracts and agreements.

Exceptions may be introduced only in special cases agreed upon with the Management Board.

The policy applies to all Formika employees, with no exclusions.

Third-party standards or initiatives observed through policy implementation:

UN Guiding Principles on Business and Human Rights (UNGP): The policy enforces an absolute prohibition of child labour and forced labour. It promotes equality and diversity by eliminating discrimination and bullying, aligning with the UNGP framework protecting workers against human rights violations. It also introduces procedures for responding to human rights violations, including a whistleblowing policy and a misconduct reporting system. OECD Guidelines for Multinational Enterprises: The policy implements measures to ensure equal treatment of employees and prevent discrimination based on gender, age, origin, or other characteristics. It supports community initiatives through activities of the Formika for Children Foundation and promotes work-life balance for employees. International Labour Organization (ILO) Standards: The policy requires compliance with occupational safety and health standards ensuring both physical and mental well-being. It defines principles for fair market-based remuneration, the elimination of the pay gap, and prevention of wage discrimination. It emphasises equal employment opportunities and the prevention of all forms of discrimination.

Consideration of key stakeholder interests in policy development:

Employee consultations (engagement surveys, stay interviews, and exit interviews), Social dialogue – regular meetings with employee representatives, Data and benchmark analysis, Consideration of workforce diversity, Integration with international standards

Method of communication and accessibility: The Human Resources Policy is made available to all employees via the company intranet, training materials, and information brochures.

New employees receive a detailed introduction to the policy during the onboarding process.

The policy is also available to key stakeholders – including business partners and shareholders – through annual reports and dedicated information sessions.

The company organises training sessions and workshops to ensure all employees understand and comply with the policy.

The document is also publicly available on the company's website for a broader audience.

S-1 Own workforce

1.3. S1-1 POLICIES RELATED TO OWN WORKFORCE

BUSINESS ETHICS POLICY, LAST UPDATED: 30 August 2024

Key contents:

The Business Ethics Policy consists of several core components:

- Competition Policy – commitment to conducting business in accordance with the principles of fair competition, avoiding the abuse of a dominant market position, and complying with applicable antitrust and competition laws.
- Anti-Corruption Policy – commitment to creating a business environment in which corruption is not tolerated and all forms of unethical behaviour are consistently eliminated.
- Conflict of Interest Management Policy – ensuring that all company actions and decisions are made objectively, transparently, and in the best interests of the company and its partners.
- Anti-Money Laundering Policy – commitment to preventing all forms of money laundering and terrorist financing, in full compliance with applicable laws and international standards.
- Fraud Prevention Policy – commitment to identifying, preventing, and responding to any attempts at fraud, thereby protecting the interests of the company, its employees, and its business partners.

Person at the highest level responsible for policy implementation: President of the Management Board

Scope of the policy and exclusions: The policy applies to payments, cooperation with clients and suppliers, and all business relationships. It does not exclude any business areas or stakeholder groups – it is fully applicable across the organisation. The Fraud Prevention Policy applies to all employees and business processes within the company, including activities related to procurement, sales, finance, and administration. No exclusions are indicated – the policy covers all operational areas and stakeholders of the company.

Third-party standards and initiatives observed through implementation of the policy:

OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the United Nations Convention against Corruption: Formika's Business Ethics Policy enforces anti-corruption and anti-bribery measures, ensuring transparency in business processes and compliance with international ethical standards. The policy promotes integrity and transparency through anti-corruption training, the introduction of a whistleblowing system, verification of business partners, and cooperation with supervisory authorities. These measures foster a culture of ethics and accountability, minimise corruption risk in international relations, and strengthen stakeholder trust. Global Reporting Initiative (GRI) Guidelines: The Business Ethics Policy incorporates reporting on incidents of misconduct, progress toward ethical goals, and the effectiveness of implementation measures, thereby supporting open communication with stakeholders. European Union Whistleblower Protection Directive (2021/1937): The policy introduces anonymous reporting channels that ensure protection for employees and business partners who report unethical practices.

Consideration of key stakeholder interests in policy development: Key stakeholders covered by the policy include: Company's own employees, Workers in the upstream and downstream value chain, Local communities, Organisations monitoring compliance with ethical standards. Mechanisms include:

- Whistleblowing system – anonymous reporting of ethical breaches enables open communication and allows employees and partners to help identify potential risk areas.
- Training programmes – raising employee awareness of the company's ethical standards.
- Integration with international standards – providing stakeholders with clarity about expectations and commitments in their relationship with Formika.

Method of communication and accessibility: The Business Ethics Policy is publicly available on Formika's official website.

S-1 Own workforce

1.3. S1-1 POLICIES RELATED TO OWN WORKFORCE

INFORMATION SECURITY POLICY, LAST UPDATED: 16 September 2024

Key contents: The policy defines the principles for the processing and protection of employees' personal data, ensuring their confidentiality and security. It obliges employees to comply with procedures for the safe use of IT systems, including password management, in order to prevent unauthorised access to information. Employees are required to immediately report any suspicious activities or incidents that could compromise information security, enabling a rapid response and minimisation of potential damage. The policy stipulates that employees have access only to the information necessary for the performance of their professional duties, thereby reducing the risk of unauthorised data disclosure.

Person at the highest level responsible for policy implementation: President of the Management Board

Scope of the policy and exclusions:

The policy defines the rules for protecting employees' personal data, including procedures for data processing, storage, and sharing.

It also covers the protection of confidential and corporate information, such as business documents, procedures, trade secrets, and information concerning business partners, including personal data. No exclusions apply.

Third-party standards and initiatives observed through policy implementation: ISO/IEC 27001 – Information Security Management System: The policy introduces access management, protection against unauthorised access, risk management procedures, and information security monitoring mechanisms. General Data Protection Regulation (GDPR): The policy ensures compliance with GDPR requirements by protecting the personal data of employees and clients, managing access to this data, and establishing procedures for reporting data security incidents. It includes provisions concerning data processing agreements with external entities. NIS2 Directive (Network and Information Systems Directive): The policy supports the protection of IT systems and critical infrastructure to prevent cyberattacks. It introduces procedures for incident management and requires reporting major security breaches to the relevant authorities. OECD Guidelines on Information Management: The policy promotes principles of transparency, data protection, and fair information processing. It includes risk management related to the processing of confidential information, including partner and client data.

Consideration of key stakeholder interests in policy development: Employee consultations (engagement surveys, stay and exit interviews), Social dialogue – regular meetings with employee representatives, Data and benchmark analysis, Consideration of workforce diversity, Integration with international standards

Method of communication and accessibility: The Information Security Policy is publicly available on Formika's official website.

2) Scope of Policy Implementation

The policies implemented by Formika include the identification of the entity's material impacts on its own workforce, the management of those impacts, as well as the material impacts, risks, and opportunities related to its own employees.

S-1 Own workforce

1.4. S1-2 PROCESSES FOR ENGAGING WITH OWN WORKERS AND WORKERS' REPRESENTATIVES ABOUT IMPACTS

Formal mechanisms for cooperation with employees are described in the Human Resources Policy and in the internal workplace regulations outlined in section S1-1 – Policies Related to Own Workforce. The Human Resources Policy applies to all employees of the company. The Business Ethics Policy and the Information Security Policy have a broader scope – they apply not only to all persons working on the company's premises but also to other individuals professionally associated with Formika (e.g., employees of suppliers and clients).

The regulations indicated in section S1-1 apply to all of the entity's own employees.

In addition, the organisation has implemented **grievance reporting system**, including breaches of law, ethical standards, internal rules, and procedures.

This system allows all individuals with a business relationship with the company – including all employees and job candidates – to report concerns. It is accessible via Formika's official website. The principles related to reporting grievances are defined in the internal document:

“Procedure for Reporting Grievances and Taking Follow-up Actions” dated 18 September 2024, effective as of 25 September 2024. Information about the procedure is provided to all individuals or legal entities applying for employment or entering into any contractual or service relationship with Formika sp. z o.o. at the stage preceding the signing of a relevant agreement – during recruitment or negotiations.

Employee representatives operate within the organisation. Their role and the election process are described in section SBM-2 – Interests and Views of Stakeholders. Procedures for communication and social dialogue are also presented in SBM-2 – Interests and Views of Stakeholders.

Response to impacts and potential effects: The organisation identifies and analyses its impacts through employee engagement surveys, development conversations, turnover and absenteeism indicators.

Management of these impacts is described in S1-1 – Policies Related to Own Workforce.

New employees joining Formika receive detailed information about the company's principles and values. Each employee is provided with the **Company Code of Ethics, which is introduced during the onboarding process**. Employees are informed about the possibility of reporting any negative impacts or behaviours through the online platform formika.liniaetyki.com. Reports can also be submitted via email to rzecznik-etyka@formika.com.pl, by phone to the Ethics Officer, or by sending a written notice directly to the company's address. The system establishes channels for reporting any justified suspicions or potential breaches of law or ethical standards defined in the Code of Ethics and the Internal Anti-Mobbing Policy. Any individual in a professional relationship with Formika who witnesses or becomes aware of a violation may submit a report.

According to the established procedure, internal reports may be submitted via the online platform formika.liniaetyki.com, by email (rzecznik-etyka@formika.com.pl), by phone to the Ethics Officer, or by sending a written notice directly to the company's address.



S-1 Own workforce

1.5. S1-3 PROCESSES TO REMEDIATE OF NEGATIVE IMPACTS AND CHANNELS FOR OWN WORKFORCE TO RAISE CONCERNS

- Formika has formal processes in place that allow for the reporting and effective remediation of potential and actual negative impacts on employees.
- Any individual in a professional relationship with the company—regardless of the form of cooperation—may submit a grievance, either anonymously or with their name, through the platform formika.liniaetyki.com, by phone, email, or post.
- Grievances are reviewed by the Ethics Committee, which conducts investigations, prepares reports and recommendations, and submits them to the Management Board.
- Remedial actions may include organisational decisions (e.g., job reassignment, whistleblower protection, disciplinary measures), preventive measures, planning of systemic improvements, and—where necessary—notification of law enforcement authorities.
- All grievances are recorded in a dedicated register.
- Employees are familiarised with the applicable ethical policies, and the company conducts periodic training and educational activities on mobbing and discrimination.
- The procedure governing grievance handling is described in section S1-2 – Procedures for Cooperation with Own Employees and Employee Representatives Regarding Impacts.

Composition of the Ethics Committee:



S-1 Own workforce

1.6. S1-4 TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

1. Actions with a Positive Impact on Own Workforce



- Facilitating the balance between professional and family life by reducing commuting time — and thus the overall time spent on work — as well as lowering commuting costs for employees.
- Optimising employment in line with production plans.
- Developing employees' competencies and ensuring proper prioritisation of production goals.
- Enabling co-decision in matters related to the Employee Benefit Fund, occupational health and safety (OHS), and other employment-related issues through elected employee representatives.
- Incorporating employee feedback and expectations into the company's development strategy, collected through annual employee surveys.
- Reducing the impact of noise and odours on employee well-being.
- Improving workplace safety and minimising adverse effects of the working environment on employees' health.
- Ensuring decent and living wages that allow employees to maintain a satisfactory standard of living.
- Maintaining transparency of remuneration regulations, giving employees confidence regarding working and pay conditions, and supporting their ability to effectively manage household budgets.
- Recruiting based on competencies.
- Promoting internal promotions, which enhance employee motivation, engagement, and loyalty while providing real opportunities for professional development.
- Increasing opportunities for women's professional growth.
- Conducting training sessions on compliance with the Code of Ethics and the prevention of mobbing and harassment in the workplace.
- Providing employees with accessible grievance channels to report misconduct, harassment, or unethical behaviour.
- Implementing HR policies that explicitly prohibit child labour and forced labour, including verification of candidates' age during recruitment.
- Enforcing principles that protect privacy and personal data of candidates and employees.
- Providing company housing for employees from outside Poland.

S-1 Own workforce

1.6. S1-4 TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

2. Mitigating Risks Related to Own Workforce:

More detailed information on workforce-related risks and mitigation measures is presented in section S1 SBM-3.

Additionally, the organisation implements targeted occupational health and safety (OHS) actions aimed at eliminating hazards associated with employees' work on the company's premises. **Examples of these measures include:**



- Safety measures at the human-machine interface include light beam systems that warn against entering potentially hazardous zones, such as safety light curtains, photocells, limit switches, and light barriers.
- Emergency pull-cord switches are installed to immediately stop machinery in case an employee enters a danger zone.
- Other protective systems include brakes, stabilising mechanisms, motion sensors, and audible and visual alarms.
- Ergonomic and assistive devices help reduce the risk of injuries and improve working conditions – for example, specialised lifts for stacking and transporting materials between workstations, roll-handling carts for loading machine components, and adjustable-height stands that facilitate pallet assembly from the lowest levels.



S-1 Own workforce

1.6. S1-4 TAKING ACTION ON MATERIAL IMPACTS ON OWN WORKFORCE, AND APPROACHES TO MITIGATING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO OWN WORKFORCE, AND EFFECTIVENESS OF THOSE ACTIONS

3. Measuring the Effectiveness of Actions:

An employee engagement survey was conducted between 23 September and 14 October 2024. Other key performance indicators (KPIs) adopted for monitoring this area include:

The employee engagement index amounted to 66%.

IMPLEMENTATION OF THE RECRUITMENT PLAN BY RECRUITMENT PATH						
	Number of hires:			Share by Type of Recruitment (%)		
	COMPARATIVE INFORMATION baseline year	COMPARATIVE INFORMATION YEAR N-1	YEAR N	COMPARATIVE INFORMATION baseline year	COMPARATIVE INFORMATION ROK N-1	YEAR N
	2022	2023	2024	2022	2023	2024
Total completed recruitments	bd	52	124	bd	100%	100%
Internal promotions	bd	12	7	bd	23%	6%
External recruitment via employee referral programme	bd	0	12	bd	0%	10%
External recruitment	bd	40	117	bd	77%	94%

S-1 Own workforce

1.7. S1-5 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

No.	Target for 2024	Indicator	Result
1	Maintain the gender pay gap below 2%	Ratio of the difference between the average salary of men and women to the average salary of men	9.20%
2	Maintain the pay gap relative to the living wage at 0%	Ratio of the number of employees receiving wages below the living wage to the total number of employees	0.00%
3	Maintain zero fatal occupational accidents	Number of fatal occupational accidents during the calendar year	0
4	Limit the number of occupational accidents to a maximum of 4 per year	Total number of occupational accidents recorded during the calendar year	4
5	Shorten the recruitment process duration to a maximum of 45 days	Number of days from the date of job posting to the date of offer acceptance by the selected candidate	38

S-1 Own workforce

1.8. S1-6 – CHARACTERISTICS OF THE UNDERTAKING’S OWN WORKFORCE

EMPLOYEES BY TYPE OF CONTRACT AND GENDER						
Template for presenting information on employees by type of contract and gender (number of persons or FTEs), covering employees working on a full-time or part-time basis and excluding voluntary work.						
Disclosure requirement: S1-6 – Characteristics of the undertaking’s own workforce						
No.	information by year	women	men	other*	not disclosed	total
1	Number of employees (headcount / FTE)					
	2022 baseline year	103	174	0	0	277
	2023 comparative information	99	160	0	0	259
	2024 reporting year	109	180	0	0	289
2	Employees with permanent contracts (headcount / FTE)					
	2022 baseline year	75	126	0	0	201
	2023 comparative information	81	133	0	0	214
	2024 reporting year	85	139	0	0	224
3	Employees with fixed-term contracts (headcount / FTE)					
	2022 baseline year	28	48	0	0	76
	2023 comparative information	18	27	0	0	45
	2024 reporting year	24	41	0	0	65
4	Employees working full-time (headcount / FTE)					
	2022 baseline year	102	174	0	0	276
	2023 comparative information	98	160	0	0	258
	2024 reporting year	108	179	0	0	287
5	Employees working part-time (headcount / FTE)					
	2022 rok bazowy	1	0	0	0	1
	2022 baseline year	1	0	0	0	1
	2023 comparative information	1	1	0	0	2

*Gender as self-identified by employees

S-1 Own workforce

1.9. S1-7 CHARACTERISTICS OF NON-EMPLOYEES WHO ARE PART OF THE UNDERTAKING'S OWN WORKFORCE

Forms of Employment by Gender

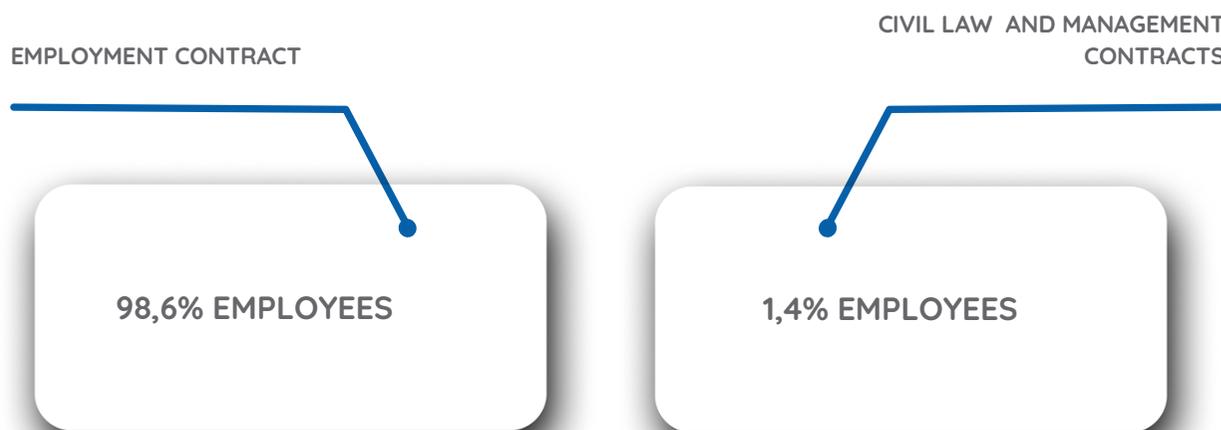
No.	Form of work arrangement		Women			Men			Other			Total		
			comparative information baseline year	comparative information year N-1	YEAR N	comparative information baseline year	comparative information year N-1	YEAR N	comparative information baseline year	comparative information year N-1	ROK N	comparative information baseline year	comparative information year N-1	YEAR N
			2022	2023	2024	2022	2023	2024	2022	2023	2024	2022	2023	2024
1	Employment contract	no. of people	102	99	109	175	160	181	0	0	0	277	259	290
		percentage	37%	38%	38%	63%	62%	62%	0%	0%	0%	100%	100%	100%
2	Civil-law contract	no. of people	1	2	2	3	1	0	0	0	0	4	3	2
		percentage	25%	67%	100%	75%	33%	0%	0%	0%	0%	100%	100%	100%
3	Temporary agency work	no. of people	0	2	1	1	3	11	0	0	0	1	5	12
		percentage	0%	40%	8%	1	60%	92%	0%	0%	0%	100%	100%	100%
4	External contracts (B2B service agreements)	no. of people	0	0	0	0	0	2	0	0	0	0	0	2
		percentage	0%	0%	0%	0%	0%	100%	0%	0%	0%	0%	0%	100%
5	Subcontractor employees performing work on Formika's premises	no. of people	9	9	8	9	9	8	0	0	0	18	18	16
		percentage	50%	50%	50%	50%	50%	100%	0%	0%	0%	100%	100%	100%
Total number of individuals performing work on Formika's premises		no. of people	112	112	120	188	173	202	0	0	0	300	285	322
		percentage	37%	39%	37%	63%	61%	63%	0%	0%	0%	100%	100%	100%

S-1 Own workforce

1.9. S1-7 CHARACTERISTICS OF NON-EMPLOYEE WORKERS IN THE UNDERTAKING’S OWN WORKFORCE

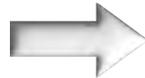
Employment within the organisation is based predominantly on stable forms of work.

As many as 98.6% of employees are employed under standard employment contracts, which constitute the organisation’s preferred form of cooperation. The remaining 1.4% are individuals performing work under civil-law contracts or management contracts. These are primarily senior management staff, for whom this form of engagement aligns with the nature of their professional responsibilities.



S-1 Own workforce

1.10. S1-8 COLLECTIVE BARGAINING COVERAGE AND SOCIAL DIALOGUE



In 2024, no collective agreements or other formal arrangements were in place at Formika. However, Employee Representatives were appointed within the organisation and are elected by employees through a voting process. The most recent elections took place in 2024. The representatives act on behalf of all employees employed at Formika and advocate for their interests.

Through the Employee Representatives, a dialogue is established between employees and the Management Board whenever necessary. This dialogue helps to better understand business-level challenges and identify ways in which the company can support employees in specific life situations.



REPRESENTATION OF EMPLOYEE WORKFORCE REPRESENTATIVES

Percentage of employees represented by Workforce Representatives in individual employee groups

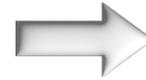
Employee group	Number of employees			Number of workforce representatives			Percentage of employees represented [%]		
	comparative information baseline year	comparative information year N-1	YEAR N	comparative information baseline year	comparative information year N-1	YEAR N	comparative information baseline year	comparative information year N-1	YEAR N
Reporting year:	2022	2023	2024	2022	2023	2024	2022	2023	2024
Production employees	232	199	184	1	1	1	100%	100%	100%
Office employees	61	60	106	1	1	1	100%	100%	100%

S-1 Own workforce

1.11. S1-9 DIVERSITY METRICS

FORMIKA Employees by Job Grade and Gender (2022–2024)

Position	Year	Women	% W	Men	% M	Total
Management Board	2022	1	50%	1	50%	2
	2023	1	50%	1	50%	2
	2024	0	0%	2	100%	2
Senior Management	2022	2	33%	4	67%	6
	2023	2	40%	3	60%	5
	2024	0	0%	4	100%	4
Managers and Supervisors	2022	6	20%	24	80%	30
	2023	18	40%	27	60%	45
	2024	12	40%	18	60%	30
Other Employees	2022	93	39%	146	61%	239
	2023	78	38%	129	62%	207
	2024	97	38%	159	62%	256
Total Employees	2022	102	37%	175	63%	277
	2023	99	38%	160	62%	259
	2024	109	38%	181	62%	290



In 2024, the share of women decreased by 0.79 percentage points year-on-year, while the share of men increased accordingly. This reflects the structure of employment, with around 60% of roles in production (physical positions).

By age group, the share of employees aged 30–50 decreased by 2.18 pp. The share of employees aged 50+ increased by 4.66 pp, and the share of employees under 30 increased slightly by 0.61 pp.

DIVERSITY METRICS

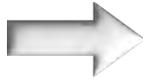
Category	Year	Women	Men	Other
Total	2022	103	174	0
	2023	99	159	0
	2024	109	181	0
age 50+	2022	4	22	0
	2023	7	29	0
	2024	8	37	0
age 30–50	2022	76	127	0
	2023	79	109	0
	2024	85	120	0
age <30	2022	23	25	0
	2023	13	21	0
	2024	16	24	0

Employment Structure by Citizenship

		Base Year	Year N-1	Reporting Year
		2022	2023	2024
Total Employees	Number	277	259	290
	Percentage	100%	100%	100%
Non-Polish Citizens	Number	64	63	88
	Percentage	23%	24.30%	30.30%

S-1 Own workforce

1.12. S1-10 ADEQUATE WAGES



A key element of Formika’s conscious and responsible approach toward its employees is the development of a remuneration policy. The principles of this policy are defined in the Human Resources Policy, in the section “Employment Conditions and Remuneration.” The company’s remuneration system is based on three pillars:

- **base salary,**
- **bonus schemes, and**
- **additional benefits.**

The organisation’s goal is to ensure that all employees receive remuneration at a level at least equivalent to the living wage, in line with the latest calculations by the WageIndicator Foundation for the Mazovia region. At the same time, Formika strives to maintain salaries within 95-105% of the market benchmark for each respective role and industry. The detailed remuneration principles are specified in the company’s Remuneration Regulations. In 2024, all employees received pay above the statutory minimum wage applicable in Poland. Changes in labour law regulations in this area are continuously monitored. During the reporting year, remuneration levels were also monitored against the living wage threshold. According to data published by the WageIndicator Foundation, the living wage for the Mazovia region – where Formika’s headquarters are located – was lower than the statutory minimum wage.



It should be noted that Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 does not establish a specific level of minimum wages that Member States are required to guarantee.

However, it provides that minimum wages should represent between 50% and 60% of the national average wage.

According to data published by the Social Insurance Institution (Zakład Ubezpieczeń Społecznych, ZUS), the average wage in the fourth quarter of 2024 amounted to PLN 8,147.38.

ADEQUATE WAGES - S1-10									
Type of contract	Share of individuals earning at least the minimum wage **			Share of individuals earning a living wage **			Share of individuals earning below the living wage***		
	2022	2023	2024	2022	2023	2024	2022	2023	2024
Employment contract	100%	100%	100%	100%	100%	100%	0%	0%	0%
Civil-law contract	100%	100%	100%	100%	100%	100%	0%	0%	0%
Temporary agency work contract	100%	100%	100%	100%	100%	100%	0%	0%	0%
Other forms of cooperation*	100%	100%	100%	bd	50%	100%	bd	50%	0%

S-1 Own workforce

1.13. S1-11 SOCIAL PROTECTION

In accordance with the applicable Polish law, all company employees are covered by public social insurance programmes (ZUS) and statutory healthcare protection. This coverage includes illness, unemployment occurring during employment with the company, occupational accidents, acquired disability, parental leave, and retirement benefits. In addition, all Formika employees have access to a range of employee benefits offered by the company.



AVAILABILITY OF EMPLOYEE BENEFITS AMONG EMPLOYEES

Name of benefit	Comparative information baseline year		Comparative information year (N-1)		YEAR N		Year-on-Year Change [%]
	2022		2023		2024		%(N/N-1)
	% of eligible employees	% of employees using the benefit	% of eligible employees	% of employees using the benefit	% of eligible employees	% of employees using the benefit	% 2024/2023
Employee Benefit Fund	100%	100%	100%	100%	100%	100%	0%
Free transport to company premises	100%	22%	100%	23%	100%	24%	4%
Private medical care	100%	100%	100%	100%	100%	84%	-16%
Co-financing of Multisport cards	100%	27%	100%	34%	100%	33%	-3%
Meal subsid	100%	100%	100%	100%	100%	100%	0%
Employee social events	100%	80%	100%	77%	100%	76%	-1%

S-1 Own workforce

1.14. S1-12 PERSONS WITH DISABILITIES

In 2024, the organisation employed two persons with disabilities, representing 0.69% of the total workforce.

EMPLOYEES WITH DISABILITIES					
EMPLOYEES WITH DISABILITIES			Comparative information baseline year	Comparative information year N-1	YEAR N
			2022	2023	2024
1	Women	Number of persons	1	1	1
		Share of total workforce	0.98%	1.01%	0.92%
2	Men	Number of persons	0	0	0
		Share of total workforce	0%	0%	0%
Total:		Number of persons	1	1	1
		Share of total workforce	0.36%	0.39%	0.34%

S-1 Own workforce

1.15. S1-13 TRAINING AND SKILLS DEVELOPMENT METRICS

A regular performance evaluation process is conducted within the organisation at least once a year and is based on clearly defined criteria known to both the employee and their supervisor.

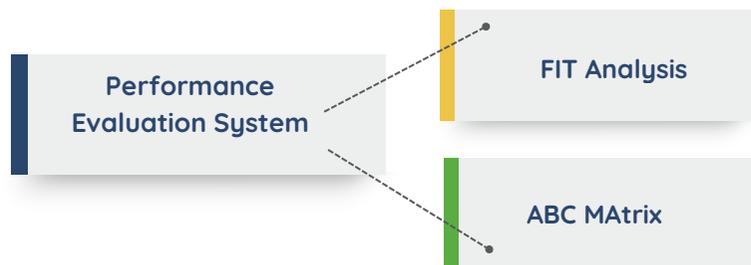
The process takes place with the employee's full awareness and may include evaluation by the direct supervisor, colleagues, a broader group of employees, and – in selected cases – with the participation of the HR department.

In 2024, as part of the strategic Fast Track programme, a performance evaluation was carried out for all employees holding key positions within the organisation – namely, the Managers and Supervisors group (30 employees – 100% of this category).

The evaluation covered both performance outcomes and demonstrated attitudes and behaviours, and the process was conducted by senior management.

The principles and tools used in the evaluation were developed during the Fast Track programme workshops and will be implemented organisation-wide starting from the following year. The assessment system is based on two tools – the FIT analysis and the ABC matrix – which combine the evaluation of the employee's alignment with the company's values and culture with the assessment of their performance against key performance indicators (KPIs). In the first stage, the level of alignment is determined across four dimensions: value and goal alignment, competence fit for the position, teamwork style, and relationship with the supervisor.

Subsequently, based on three role-specific KPIs, each employee is positioned within the ABC matrix, which assigns them to one of the categories A, B+, B, or C, enabling the implementation of targeted developmental or managerial actions.



Assessment of employee alignment in four key areas:

- consistency of personal and organisational values and goals,
- match between competencies and job requirements,
- teamwork and collaboration style,
- relationship with the supervisor.



Evaluation of employee performance based on three Key Performance Indicators (KPIs) assigned to each role.

Employees are classified into categories A, B+, B, or C, which determine further development or managerial actions.

S-1 Own workforce

1.15. S1-13 TRAINING AND SKILLS DEVELOPMENT METRICS

The remaining employees were evaluated for 2024 by their direct supervisors across three core areas: competencies, performance outcomes, and behaviours/attitudes. Based on the results, remuneration increases were granted and individual development plans were prepared.

Share of Employees Covered by Performance Review	YEAR N	
	2024	
	Women	Men
Management Board	nd	0
Senior Management	nd	0
Managers and Supervisors	100%	100%
Other Employees	100%	100%

Average number of ESG training hours per employee:

Management Board	Senior Management	Managers and Supervisors	Other employees
9 h/pax	5,75 h/pax	5,23 h/pax	0,64 h/pax

Training activities within the organisation are carried out on the basis of an annual training plan, which takes into account:

- results of employee performance evaluations,
- the organisation's strategic needs,
- requirements arising from specific legal provisions (e.g. initial and periodic occupational health and safety (OHS) training),
- industry and internal standards (e.g. quality and product safety training).

This ensures that the training process is directly linked to competence development, work efficiency improvement, and compliance with legal and normative requirements.

In 2024, Formika introduced a full cycle of 21 training sessions for employees at all organisational levels, dedicated to the topic of sustainable development.

The sessions were conducted by external consultants with expertise in ESG and practical experience in implementing sustainability strategies.

S-1 Own workforce

1.15. S1-13 TRAINING AND SKILLS DEVELOPMENT METRICS

In addition to ESG-related training, the company also organised courses covering a variety of other topics.

TRAINING INDICATOR			
		Comparative information year N-1	
		2023	2024
1	Training indicator for women	15,4	14,0
2	Training indicator for men	15,2	11,0

TRAINING INDICATOR					
		Comparative information year N-1		Year N	
		2023		2024	
No.	Average Number of Training Hours per Employee	Women	Men	Women	Men
1	Management Board	45	49	nd	41
2	Senior Management	48	75	nd	29
3	Managers and Supervisors	32	37	30	22
4	Other employees	21	22	12	9



S-1 Own workforce

1.15. S1-13 TRAINING AND SKILLS DEVELOPMENT METRICS

Type of training		Training Hours				Number of Trained Employees				Training indicator			
		Comparative information YEAR N-1		YEAR N		Comparative information YEAR N-1		YEAR N		Comparative information YEAR N-1		YEAR N	
		2023		2024		2023		2024		2023		2024	
		F	M	F	M	F	M	F	M	F	M	F	M
1	Occupational Health and Safety (OHS) training	61	99	58	49	61	99	54	39	0.62	0.24	0.5	0.22
2	ESG-related training	0	0	3,057	7,322	0	0	105	166	0	1.04	0.96	0.92
3	Ethics and Compliance training	441	691	54	36	278	462	122	86	2.81	0.54	1.12	0.48
4	LEAN Management training	131	140	228	383	35	39	41	72	0.35	0.45	0.38	0.4
5	Sales and Customer Service training	79	45	152	263	143	15	27	31	1.44	0.19	0.25	0.17
6	Quality and Product Safety training	19	46	769	6,589	38	192	53	231	0.38	1.44	0.49	1.28
7	Technical / Tools training	110	223	73	78	28	46	15	51	0.28	0.32	0.14	0.28
8	Soft Skills and Organisational Skills training	783	1,123	34	20	125	189	70	33	1.26	0.21	0.64	0.18



S-1 Own workforce

1.16. S1-14 HEALTH AND SAFETY METRICS

To ensure a high level of occupational health and safety and to prevent work-related injuries, the company implements a range of additional initiatives beyond those described in section S1-4, point 2. Regular OHS audits are carried out, and meetings of the Occupational Health and Safety Committee are held with the participation of employee representatives. During these meetings, potential preventive measures and initiatives to improve workplace safety are discussed.

In addition, occupational risk assessments are conducted for individual production positions, along with measurements of noise and lighting levels in the work environment.

The organisation provides regular OHS training, covering both mandatory introductory and periodic training as required by law, and additional topics arising from current operational needs.

A suggestion mechanism is also in place, allowing employees to propose improvements to enhance safety at their workplaces, thereby supporting the continuous improvement of the company's occupational health and safety management system

Health and Safety metrics			
No.	Type of event in the field of safety and hygiene at work	2023	2024
	Name of event	Number of events	Number of events
Accidents among employees			
1	Minor accidents	6	4
2	Serious accidents	0	0
3	Fatal accidents	0	0
4	Collective accidents	0	0
6	Total number of accidents	6	6
Accidents among non-employees			
7	Minor accidents	0	0
8	Serious accidents	0	0
9	Fatal accidents	0	0
10	Collective accidents	0	0
11	Total number of accidents	0	0
Accidents among subcontractor employees working on company premises			
12	Minor accidents	no data available, we do not record accidents or potentially accident-related events involving our subcontractors	no data available, we do not record accidents or potentially accident-related events involving our subcontractors
13	Serious accidents		
14	Fatal accidents		
15	Collective accidents		
16	Total number of accidents		

S-1 Own workforce

1.17. ADDITIONAL OCCUPATIONAL HEALTH AND SAFETY DATA

ADDITIONAL OCCUPATIONAL HEALTH AND SAFETY DATA				
Disclosure Requirement S1-14				
No.	Type of occupational health and safety event	2022	2023	2024
	Description	Number	Number	
1	Number of days of incapacity to work caused by work-related injuries or health conditions	114	258	136
2	Number of recorded cases of occupational diseases	0	0	0
Employee Information				
3	Total number of hours worked	473 297	427 915	430 888
4	Accident rate (number of accidents per million working hours)	12,68	14,02	9,28

Formika ensures that all employees fully enjoy the rights granted under applicable national regulations, including paid annual leave in accordance with each employee's entitlement, as well as guaranteed parental leave related to childbirth and childcare, and special leave for personal or family circumstances.

1.18. S1-15 WORK-LIFE BALANCE METRICS

FAMILY LEAVE (PERCENTAGE OF ELIGIBLE EMPLOYEES WHO TOOK FAMILY LEAVE, BY GENDER)				
Percentage of Employees Eligible for and Using Family Leave	Comparative Information	Comparative Information Year N-1	Year N	Year-on-Year Change [%]
	baseline year 2022	2023	2024	
Women - % of employees eligible for parental leave	8%	7%	5%	-25%
Women - % of eligible employees who took parental leave	100%	100%	100%	0%
Men - % of employees eligible for parental leave	n/a	4%	3%	-22,95%
Men - % of eligible employees who took parental leave	0%	13%	43%	242,86%



S-1 Own workforce

1.19. S1-16 COMPENSATION METRICS (PAY GAP AND TOTAL COMPENSATION)

S1-16 Compensation metrics (pay gap and total compensation)

No.	Gender Pay Gap (%) - detailed data		Comparative information baseline year	Comparative information Year N-1	Year N
			2022	2023	2024
2	Management Board	%	0	0	nd*
3	Senior Management	%	7,44	16,61	123%
6	Managers and Supervisors	%	1,4	2,33	66%
7	Other employees	%	-0,35	-2,1	500%

		Comparative information baseline year	Comparative information Year N-1	Year N
		2022	2023	2024
CEO Pay Ratio	%	6,83	6,82	3,25
Adjusted Gender Pay Gap (%)	%	0,01	-1,19	0,33
Unadjusted Gender Pay Gap	%	2,84	0,03	9,2

- **The CEO Pay Ratio** was calculated as the ratio of the CEO's remuneration — being the highest remuneration within the organisation — to the median salary of all employees.
- **The Adjusted Gender Pay Gap** was calculated as the sum of the products of the pay gap at each job grade in which both men and women are employed and the numerical share of that group in the total employee population included in the analysis.
- **The Unadjusted Gender Pay Gap** represents the unadjusted indicator, calculated as the ratio of the difference between the average salary of men and the average salary of women to the average salary of men, expressed as a percentage.

The significant increase in this indicator compared to previous years results directly from an organisational change that took place in the second quarter of 2024, which led to the absence of women in the two highest and best-paid job categories (Management Board and Senior Management).

In its remuneration policy, the organisation promotes actions aimed at reducing the gender pay gap, including a mentoring programme for women that supports their professional development and facilitates internal promotions, as well as the principle of including at least one female candidate on the shortlist during recruitment for key positions.



S-1 Own workforce

1.20. S1-17 INCIDENTS, COMPLAINTS AND SEVERE HUMAN RIGHTS IMPACTS

Formika sp. z o.o. monitors and reports the number of complaints submitted in relation to mobbing and discrimination. This information is reported annually in the company's Sustainability Report.

In 2024, no cases of human rights violations were reported within Formika, including incidents of discrimination or harassment. During the reporting year, no legal proceedings were initiated against the company, and Formika was not subject to any fines or compensation orders related to non-compliance with human rights.

Formika applies a human rights violation monitoring indicator, as presented in the table below.

HUMAN RIGHTS GRIEVANCES AND VIOLATIONS - DATA FOR 2024			
Type of case reported by whistleblowers	Number of reported cases	Number of cases under review	Number of confirmed cases
Discrimination	0	0	0
Harassment	0	0	0
Mobbing (workplace bullying)	0	0	0
Labor law violations	0	0	0
Personal data protection breaches	0	0	0



S-2 Workers in the value chain

2.1. S2 SBM-2 - INTERESTS AND VIEWS OF STAKEHOLDERS

The company's business model and strategy take into account the impacts that Formika has on workers in its value chain.

We are committed to building a stable and effective working environment that supports the growth of our business partners and their employees.

Our policies, working standards, and organisational culture promote responsible and ethical business conduct throughout the value chain, with a particular focus on:



Information and insights regarding value chain workers' interests are collected through internal reporting mechanisms, including employee engagement surveys, the Employee Initiative Programme, and internal communication channels.

Key issues identified through these processes are reviewed during management reviews and Leadership Team Meetings (LTM), where appropriate actions and improvement decisions are made.



S-2 Workers in the value chain

2.2. S2 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

The company's business model and strategy take into account the impacts that Formika may have on workers in its value chain. Formika is committed to building a stable and efficient working environment that contributes to the growth and well-being of its business partners and their employees. Our policies, labour standards, and organisational culture support value chain workers particularly in the following areas:

Characteristics of Value Chain Workers – Suppliers / SBM-3 (S2) Material Impacts, Risks and Opportunities and Their Interaction with the Strategy and Business Model		
No.	Job Position Particularly Exposed to Adverse Impacts or Vulnerability where the Company Exerts Significant Influence	Description of Impact on the Position
1	Production planning	Pressure to modify the established production schedule to shorten lead times for ordered raw materials.
2	Technology	Pressure to obtain colour samples from external entities within a shortened timeframe.
3	Production workers	Work during weekends to meet deadlines or fulfil priority orders.
4	Logistics	Overtime work to pack and prepare goods for shipment (beyond standard working arrangements).
5	Customer Service Department	Overtime work to prepare the necessary documentation for incoming deliveries.
6	Sales Department	Pressure to negotiate lower prices for raw materials and services.
7	Customer Service Department	Working under time pressure to prepare customer reports (for Formika).
8	Transport	Deliveries outside standard working hours.
9	Transport	Work on weekends to ensure timely deliveries.
10	Transport	Just-in-time deliveries – long waiting times for unloading in case of delays.
11	Quality Department	Working under time pressure to prepare required quality documentation as quickly as possible.

S-2 Workers in the value chain

2.2. S2 SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL

Characteristics of Value Chain Workers – Clients / SBM-3 (S2) Material Impacts, Risks and Opportunities and Their Interaction with the Strategy and Business Model

No.	Job Position Particularly Exposed to Adverse Impacts or Vulnerability where the Company Exerts Significant Influence	Description of Impact on the Position
1	Production	Downtime at the client's site caused by defective packaging or incorrect labelling leads to additional workload and work disruption for employees.
2	Quality Department	The need for additional quality inspections at the client's facility and the risk of excessive workload for employees in the event of packaging defects being detected.
3	Logistics	Rescheduling of logistics and client staff working hours in case of delays or incorrect packaging of goods.
4	Human Resources	Stress and reduced motivation among the client's employees due to defective or delayed packaging deliveries, as well as difficulties in maintaining adequate staffing levels.
5	Maintenance Department	Additional maintenance work for the client's maintenance staff required to adjust machine settings to accommodate the delivered packaging.

S-2 Workers in the value chain

2.3. S2-1 POLICIES RELATED TO VALUE CHAIN WORKERS

Formika's expectations towards workers operating within its value chain are defined in the company's Corporate Policy. The principles to be observed by stakeholders in the supply chain (upstream) are detailed in the document entitled **Formika Code of Ethics for Business Partners, dated 30 August 2024**. The organisation strives to obtain a signed confirmation of acknowledgment and acceptance of the Code's provisions from all key suppliers.

The Code covers, among other aspects:

- prevention of conflicts of interest,
- anti-corruption and integrity in business practices,
- compliance with competition law,
- principles of fair and transparent representation of the company's interests.

With regard to workers employed by business partners, particular attention is given to the provisions of Section 5:

“Human Rights, Health and Safety”, which defines the company's core expectations concerning the protection of human rights, workplace safety, and non-discriminatory employment practices.



5.1.	Protection and promotion of human rights concerning own employees and contractors, including compliance with International Labour Organization (ILO) conventions and laws prohibiting slavery and human trafficking
5.2.	Respect for the principle of equal treatment and non-discrimination based on gender, age, ethnicity, religion, sexual orientation, parental status, health condition, or social status
5.3.	Respect for workers' right to freedom of association and collective bargaining
5.4.	Provision of adequate occupational health and safety measures
5.5.	Assurance of decent working conditions and remuneration in compliance with applicable labour law regulations
5.6.	Compliance with children's rights and the prohibition of child labour in line with ILO Convention No. 138 on the Minimum Age for Admission to Employment

S-2 Workers in the value chain

2.3. S2-1 POLICIES RELATED TO VALUE CHAIN WORKERS

Formika has a limited direct influence over the working conditions and labour rights of workers further down the value chain (downstream), i.e. among its clients and end users.

Although the company does not maintain direct employment relationships with these groups, it places strong emphasis on social responsibility and on promoting high ethical standards throughout the extended value chain.

Within the framework of the adopted General Terms and Conditions of Sale (GTCS), dated 2 September 2024, the organisation introduced specific provisions aimed at mitigating risks related to human rights violations and health and safety concerns in its broader business environment.

According to the GTCS:



Cooperation with companies that employ children or use raw materials derived from child labour is strictly prohibited. Formika requires its clients to conduct their operations in compliance with international labour and child protection standards, including ILO Conventions No. 138 and 182 and the United Nations Convention on the Rights of the Child.



Cooperation with entities producing goods that are harmful to human health, particularly those posing a risk to children's health, is also prohibited. Formika and its customers jointly declare that the health and safety of end users — including families and children — constitute a fundamental priority in their business relationships.



S-2 Workers in the value chain

2.4. S2-2 PROCESSES FOR ENGAGING WITH VALUE CHAIN WORKERS ABOUT IMPACTS

In 2024, Formika did not yet have a systematically established approach to the management of issues related to workers in the value chain or to regular cooperation with them. Currently, the company is conducting analyses and assessments regarding its potential influence and engagement mechanisms in this area.

2.5. S2-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR VALUE CHAIN WORKERS TO RAISE CONCERNS

Formika's whistleblowing and grievance procedure applies to the entire value chain, both upstream and downstream, and defines clear communication channels for reporting any violations, irregularities, or unethical behaviour. According to the adopted procedure, grievances may be submitted through the following channels: the online reporting platform formika.liniaetyki.com, the dedicated email address rzecznik-etyka@formika.com.pl, telephone contact with the Ethics Officer, or by submitting a written report directly to the company's registered office.

In 2025, Formika plans to conduct an effectiveness assessment of the grievance mechanism with respect to its coverage and accessibility across the value chain and to introduce appropriate improvements based on the results.



S-2 Workers in the value chain

2.6. S2-4 TAKING ACTION ON MATERIAL IMPACTS ON VALUE CHAIN WORKERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO VALUE CHAIN WORKERS, AND EFFECTIVENESS OF THOSE ACTION

Formika identifies and implements actions aimed at reducing material negative impacts on workers within its value chain and enhancing the positive effects of cooperation based on the results of the annual customer satisfaction survey, complaint trend analyses, and direct feedback gathered from discussions with business partners.

Following the 2024 survey, the Sales Director and the team developed an action plan and scheduled in-person visits to clients who had raised concerns about cooperation. In 2024, no incidents of human rights violations or other value chain-related incidents were recorded.

Production Planning and Production Staff:
Introduction of a priority list for collaboration, allowing for optimal scheduling and stabilisation of the production plan for upcoming production campaigns.

Logistics:
Confirmation (advance notice) of loading operations extended to 48 hours in advance (previously approx. 24 hours), improving predictability for suppliers and drivers.

Transport:
Building stock reserves in Formika's warehouse to avoid urgent material deliveries during ongoing production or on weekends. Enhanced internal coordination between the Procurement and Logistics Departments to enable unloading of vehicles arriving earlier than their scheduled slot.

Improving Handling Efficiency:
Products are now packed to allow for quick and easy sorting after delivery, e.g., by placing different designs on separate pallets.

Enhancing Ergonomics:
Goods are supplied in lighter packaging units (e.g. smaller rolls) to facilitate manual handling, particularly for women and employees with lower physical strength.

Individual Approach:
Each solution is implemented in accordance with the specific guidelines and expectations of individual clients, while maintaining the highest standards of quality and safety.

Annual Customer Satisfaction Survey:
Each year, respondents are given the opportunity to identify areas of Formika's operations requiring improvement and to propose initiatives that may positively influence daily work and the working conditions of employees at client organisations.

Procurement Department Training:
All procurement employees received training on the requirements of the Code of Ethics for Business Partners.

Sustainability Training in Procurement:	
Implementation Period	
Basic Principles of Sustainable Development	May-June 2024
Code of Ethics for Business Partners	August-September 2024

S-2 Workers in the value chain

2.7. S2-5 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

The targets related to managing impacts, risks and opportunities in relation to value chain workers are presented in the table below.

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

No.	Target for 2024	Indicator	Result
1	At least 5% of key suppliers of goods and services to sign the Code of Ethics for Business Partners.	Odsetek kluczowych dostawców którzy podpisali Kodeks etyki dla Partnerów Biznesowych w stosunku do wszystkich dostawców	10.40%
2	All aluminium foil suppliers, due to the significant environmental and social impact of their operations, to undergo an independent sustainability assessment through the EcoVadis platform.	Odsetek dostawców folii aluminiowej ocenionych w systemie EcoVadis	100%
3	At least 50% of laminate suppliers to undergo an independent sustainability assessment through the EcoVadis platform.	Percentage of laminate suppliers assessed under EcoVadis.	66%
4	At least 50% of paint suppliers to undergo an independent sustainability assessment through the EcoVadis platform.	Percentage of paint suppliers assessed under EcoVadis.	100%
5	At least 50% of tube component suppliers to undergo an independent sustainability assessment through the EcoVadis platform.	Percentage of tube component suppliers assessed under EcoVadis.	50%

Percentage of Key Suppliers Who Signed the Code of Ethics for Business Partners

	2023	2024	2025	2026
Target	0	5%	50%	85%
Actual (%)	0	10%		

By 2026, Formika aims for at least 85% of its key suppliers to sign the Code of Ethics for Business Partners.

The roadmap towards achieving this target, along with progress tracking, is presented in the table below.

Regular supplier monitoring regarding their engagement in environmental protection, social responsibility, and corporate governance matters is carried out using the following Key Performance Indicators (KPIs).



S-4 Consumers and end-users

3.1. SBM-2 INTERESTS AND VIEWS OF STAKEHOLDERS



Our organisation's strategy does not explicitly address the mitigation or amplification of significant impacts on consumers or end users.

However, the actions implemented as part of our business model and strategic initiatives effectively contribute to reducing potential negative impacts and enhancing positive outcomes for end users.



One of the company's key strategic directions is the increase in the share of monomaterial packaging in total production. Such solutions facilitate selective waste collection and recycling, thereby helping to reduce the spread of microplastics and other environmental pollutants that may indirectly affect consumer health.



The high hygiene standards maintained in our production facilities, together with regular testing of overall and specific migration, help to mitigate or completely eliminate potential negative impacts of packaging materials on consumer safety.

As a key link in the food supply chain, our organisation prioritises consumer health and safety. This commitment is reflected in the company's Product Safety and Quality Culture Policy and Environmental Policy, both of which explicitly refer to the organisation's responsibility for end-user safety.



Furthermore, as a concrete environmental objective, the company has committed to eliminating PFAS (per- and polyfluoroalkyl substances) from all packaging materials by the end of 2026. This initiative aims to remove potential health risks associated with the migration of such substances into food or the environment.

3.2. SBM-3 MATERIAL IMPACTS, RISKS AND OPPORTUNITIES AND THEIR INTERACTION WITH STRATEGY AND BUSINESS MODEL



- Formika actively responds to changing consumer needs by offering modern and safe packaging solutions. We continuously monitor market trends and consumer behaviour, enabling us to flexibly adapt our product portfolio to the growing demand for high-quality, sustainable packaging.
- An example of this approach is the development of high-barrier aluminium lids, which effectively protect the product contents from external factors, thereby extending shelf life and improving product safety. An even higher level of protection is provided by aluminium lids with a thick polypropylene (PP) layer, designed for packaging used in pasteurisation or sterilisation processes. These solutions ensure safe and long-term storage of both meat preserves and pet food.
- PET and cast polypropylene (cPP) lids are suitable for use in microwave ovens, offering greater convenience for consumers. Additionally, white cPP lids, due to their excellent print quality, enhance the visual appeal of packaging and contribute to a positive consumer experience.
- All Formika packaging products undergo systematic testing in the company's in-house quality control laboratory. Production takes place in facilities that meet high hygiene standards and operate under an implemented HACCP system. Furthermore, pharmaceutical packaging is produced in ISO 8 cleanrooms, corresponding to Class D for the manufacture of dry-form medicinal products.
- In the raw material selection process, we thoroughly verify the presence of any restricted substances or those of particular concern, ensuring that all packaging materials fully comply with applicable legal and regulatory requirements. This compliance is confirmed through regular migration testing conducted in cooperation with accredited and certified external laboratories.

S-4 Consumers and end-users

3.3. S4-1 POLICIES RELATED TO CONSUMERS AND END-USERS

Formika implements its approach to managing impacts on consumers and end users through two key policies:

Food Safety and Quality Policy, the most recent version of this document, dated 27 September 2023 and approved by Joanna Dębicka, Vice President of the Management Board, commits the company to producing packaging compliant with the ISO 9001 and BRCGS Packaging Materials standards.

- Formika also shares its expertise and supports clients in implementing best practices, which directly contributes to the health and safety of end users.
- Consumers receive products packaged according to their needs — functional, safe, and fully compliant with applicable legal requirements.

Product Safety and Quality Culture Policy, approved by Joanna Dębicka on 17 May 2023, this policy directly influences end-user safety and experience.

- It emphasises the continuous development of employees and the implementation of modern quality control methods, ensuring that all packaging meets the highest safety and quality standards. Regular training sessions and production process inspections guarantee that the packaging is suitable for food, pharmaceutical, and cosmetic products.
- Thanks to advanced control systems, the risk of defects is minimised, effectively protecting products from external factors and ensuring their integrity and safety throughout their lifecycle.



Although the above-mentioned policies do not explicitly refer to the UN Guiding Principles on Business and Human Rights (UNGPs) or the OECD Guidelines for Multinational Enterprises, they are fully aligned with their principles and approach.

The commitments contained within these policies — including ensuring consumer health and safety, adhering to ISO 9001 and BRCGS Packaging Materials standards, conducting audits and supplier assessments, and maintaining complaint and remediation mechanisms — reflect a due diligence-based approach consistent with these international frameworks.

S-4 Consumers and end-users

3.4. S4-2 PROCESSES FOR ENGAGING WITH CONSUMERS AND END-USERS ABOUT IMPACTS

Formika Sp. z o.o. has not yet implemented a comprehensive and systematic process for engaging with clients or end users in activities related to the identification and management of actual and potential social or environmental impacts.

To date, cooperation in this area has been occasional and initiated primarily in response to specific project needs or individual operational situations.

The company has not identified any clients or business partners who could be particularly vulnerable to adverse effects of its operations, nor has it introduced tools or mechanisms for their systematic identification. At present, no dedicated team or organisational function within Formika has been assigned responsibility for conducting stakeholder dialogue with clients in the context of impact management. In cases where cooperation with a client on such matters does occur, responsibility for engagement is assigned on an ad hoc basis, depending on the nature of the issue, the subject of cooperation, and the departments involved.

3.5. S4-3 PROCESSES TO REMEDIATE NEGATIVE IMPACTS AND CHANNELS FOR CONSUMERS AND END-USERS TO RAISE CONCERNS

Formika has not identified any material negative impacts on consumers or end users.

Reported issues are monitored through the complaint-handling procedure, which is managed via the company's clients and includes trend analysis and evaluation of the effectiveness of corrective actions.

Consumers or clients may submit reports or complaints through two main channels:

- as part of the complaint-handling procedure, by email or telephone to a designated representative of the Customer Service Department, or
- via the whistleblowing system available on the company's website under the "Contact" section.

In 2025, the company plans to carry out an information campaign directed at clients to raise awareness of these existing reporting channels.

Due to the B2B nature of Formika's operations, the company does not maintain direct communication with end users.

The whistleblowing procedure covers all individuals connected to Formika's business activities, including clients and end users. All whistleblowers are protected against retaliation, in accordance with the company's Whistleblower Protection Policy. The procedure also provides the possibility to report violations not only to the company but also to relevant regulatory and supervisory authorities.

S-4 Consumers and end-users

3.6. S4-4 TAKING ACTION ON MATERIAL IMPACTS ON CONSUMERS AND END-USERS, AND APPROACHES TO MANAGING MATERIAL RISKS AND PURSUING MATERIAL OPPORTUNITIES RELATED TO CONSUMERS AND END-USERS, AND EFFECTIVENESS OF THOSE ACTIONS

Formika undertakes a range of actions aimed at preventing material negative impacts on consumers and end users, while simultaneously enhancing the positive outcomes associated with the use of its products.

- Regular quality testing of finished products to ensure compliance with both technical and aesthetic requirements.
- Maintaining ISO 9001 and BRCGS Packaging Materials certifications, confirming the company's commitment to high standards of quality and product safety.
- Use of recyclable monomaterials and their integration with other compatible materials (e.g. polypropylene – PP), thereby supporting the circular economy.
- Optimisation of production processes to minimise waste and enhance material recovery and recycling efficiency.
- Investment in modern printing machines and automation systems that improve precision and production efficiency while reducing raw material consumption.
- Designing packaging materials that effectively protect products against damage and contamination, ensuring consumer safety and product integrity.
- Organising client meetings at the company's premises to showcase and promote sustainable packaging solutions.
- Conducting vulnerability assessments to detect potential counterfeiting risks and implementing security measures for printed material waste to prevent its misuse by third parties.

Risk Management and Remediation

- Annual product risk review (HARA – Hazard Analysis and Risk Assessment) covering biological, chemical, physical, and other relevant hazards.
- Identification of key risk: incomplete curing of ink and the potential migration of chemical substances into the packaged product.
- Implementation and annual testing of a product recall procedure, ensuring full traceability that allows for the rapid and effective withdrawal of products from the market if necessary.

Effectiveness Monitoring

- Certification audits under ISO 9001 and BRCGS Packaging Materials, as well as customer audits, internal audits, and site inspections aimed at identifying opportunities for improvement.
- Analysis of complaint trends and quality performance indicators to monitor recurring issues and preventive effectiveness.
- Customer satisfaction surveys conducted regularly to assess perceptions of product quality, safety, and service standards.
- Joint audits with customers to strengthen collaboration, transparency, and alignment of quality expectations across the value chain.

Resources and Responsibility

- NPI Dept. (New Product Implementation).
- R&D Dept. (Research & Development).
- PMO (Project Management Office).
- Quality Management Dept.

In 2024, no human rights incidents related to consumers or end users were recorded. This indicator is monitored as part of the objectives disclosed in section S4-5.

S-4 Consumers and end-users

3.7. S4-5 TARGETS RELATED TO MANAGING MATERIAL NEGATIVE IMPACTS, ADVANCING POSITIVE IMPACTS, AND MANAGING MATERIAL RISKS AND OPPORTUNITIES

Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

No.	Target for 2024	Indicator	Measurement method	Target value	2024 result
1	Ensuring consumer health and safety by eliminating risks related to packaging materials and using raw materials compliant with applicable standards and requirements	Absence of product recalls	Number of product recalls	0	0
		Compliance of migration test results with applicable national and EU legal requirements	Share of global and specific migration test results for packaging materials compliant with EU and Polish food contact regulations	100%	100%

A hand holding a green grass ball against a dark suit background. The grass ball is a spherical object made of green grass, held gently in the palm of a hand. The background is a dark, out-of-focus suit jacket. A white paper corner is visible in the bottom right corner.

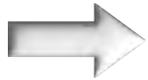
PART 6

CORPORATE GOVERNANCE

G-1 BUSINESS CONDUCT

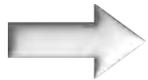
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1.1. GOV-1 THE ROLE OF THE ADMINISTRATIVE, SUPERVISORY AND MANAGEMENT BODIES



The roles, responsibilities and professional expertise of Formika's administrative, management and supervisory bodies in relation to business conduct are described in detail in ESRs 2 GOV-1.

1.2. IRO-1 DESCRIPTION OF THE PROCESSES TO IDENTIFY AND ASSESS MATERIAL IMPACTS, RISKS AND OPPORTUNITIES



The process for identifying and assessing material impacts, risks and opportunities related to business conduct matters is presented in detail in ESRs 2 IRO-1.

1.3. G1-1 CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

1. CORPORATE VALUES:

Formika builds its corporate culture on the core values announced in June 2024 during a company-wide quarterly session attended by all employees. These values form the foundation of the People Policy and are developed through everyday practices within the organisation.



Our driving force is continuous growth — personal, professional, and in the field of products and services.



We create an environment where the innovation and engagement of every employee translate into a tangible impact on the organisation.



We promote a culture of “reaching for more”, which clearly defines both desirable and undesirable behaviours, fostering accountability and empowerment.

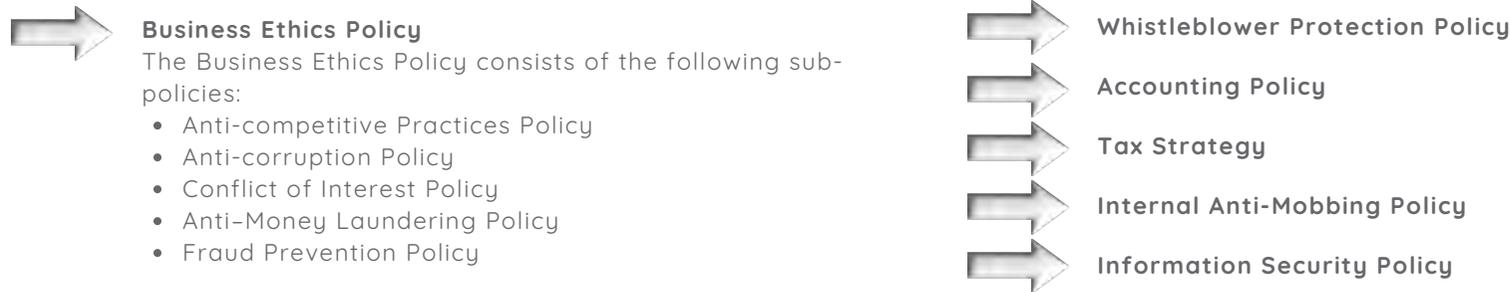
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1.3. G1-1 CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

2. G1-1 Business Conduct Policies

Formika consistently builds its corporate culture by ensuring coherence between the policies it develops and other equivalent internal documents.

These include, among others:



At Formika, ethics and responsibility in business are the foundation that guides our actions at every step. These are the principles followed not only by our employees but also by all partners with whom we cooperate.

We prioritise transparency, integrity, and a zero-tolerance approach to corruption. We believe that responsible business conduct is the only right path forward.



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1.3. G1-1 CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

2. G1-1 Policies Related to Business Conduct

Policy name	Last update date	Area covered	Comment
Business Ethics Policy	30 August 2024	<p>Building organisational culture.</p> <p>The policy includes the following sub-policies:</p> <ul style="list-style-type: none"> · Anti-competitive Practices Policy · Anti-corruption Policy · Conflict of Interest Policy · Anti-Money Laundering Policy · Fraud Prevention Policy 	<p>The Business Ethics Policy defines the standards and principles of conduct aimed at promoting integrity, transparency, and accountability in the company's operations and among its employees. It seeks to build an organisational culture founded on ethics, trust, and respect, thereby strengthening the company's reputation and ensuring compliance with applicable laws. The policy also enables the organisation to manage risks effectively, avoid conflicts of interest, and reinforce stakeholder relations.</p> <p>The policy refers to the following international standards and regulations:</p> <ul style="list-style-type: none"> - UN Convention against Corruption and Bribery - ISO 37001 Anti-Bribery Management Systems - Global Reporting Initiative (GRI) Guidelines on anti-corruption reporting. <p>The policy is publicly available on the company's website.</p>
Whistleblower Protection Policy	18 September 2024	Reporting irregularities and whistleblower protection	<p>This document represents the organisation's commitment to protecting all individuals who report breaches of law, human rights, or business ethics — including both internal and external whistleblowers. Formika guarantees protection against discrimination, retaliation, or any form of adverse treatment. The company also ensures legal protection and support for whistleblowers who experience negative consequences as a result of reporting misconduct.</p> <p>The policy is publicly available on the company's website.</p>
Accounting Policy	30 May 2023	Business operations management	<p>This document, based on the provisions of the Polish Accounting Act, describes the accounting principles adopted by the company to provide a reliable presentation of its financial and asset position as well as its financial performance.</p>
Tax strategy	16 December 2024	Business operations management	<p>This document outlines Formika's approach to managing tax-related obligations and liabilities. It describes key processes and procedures ensuring proper compliance with tax law, as well as transparency and responsibility in tax reporting and settlements.</p>

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1.3. G1-1 CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

3. Ensuring Legal Compliance

The company maintains ongoing cooperation with a Law Firm, which plays a key role in ensuring that all business activities comply with applicable legal regulations. The law firm prepares, reviews, and verifies company documents for compliance with national and EU law to safeguard the company's interests and prevent potential legal risks.

4. Document Control and Record Management

Document management within the organisation is governed by the Internal Procedure PS A2/1 "Document Control", currently in its 5th edition, dated 4 July 2022.

Formika operates within the food supply chain, manufacturing primary packaging for sensitive products, such as food, cosmetics, and pharmaceuticals. In this type of production, the consistency and compliance of documentation – both internal and external (from suppliers and provided to clients) – play a critical role in meeting Polish and EU food law requirements.

This area of documentation is managed by the Quality Assurance Department.

Other registers are maintained by respective organisational units:

- Waste Register – managed by the Administration Manager,
- Occupational Health and Safety Registers – including accident records, training logs, and labour law documentation – maintained by the HR Department.

5. Whistleblowing Policy

The Whistleblower Protection Policy represents the company's commitment to protecting all individuals who report breaches of law – including human rights and business ethics violations – whether they are internal employees or external whistleblowers.

Formika guarantees protection against discrimination, retaliation, or any adverse actions, and provides legal protection and support to individuals who suffer any negative consequences as a result of reporting misconduct.

The policy is publicly available on the company's website and refers to the Procedure for Reporting Violations and Taking Follow-up Actions. The whistleblowing system allows the reporting of all types of misconduct, including:

- labour law or human rights violations (e.g. harassment, discrimination),
- breaches of organisational culture (e.g. corruption, bribery, anti-competitive practices, conflicts of interest, fraud).

Reports can be submitted through three channels:

- by email,
- by phone,
- or via an online whistleblowing platform, which also enables anonymous reporting.

All reports are reviewed by the Ethics Committee, which evaluates the validity of the report, conducts investigations, and implements appropriate corrective and preventive actions. The results of the investigation and the actions taken are communicated to the whistleblower, unless the report was submitted anonymously.



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1.3. G1-1 CORPORATE CULTURE AND BUSINESS CONDUCT POLICIES AND CORPORATE CULTURE

The policy is fully aligned with Directive (EU) 2019/1937 of the European Parliament and of the Council and ensures comprehensive protection of whistleblowers against any form of retaliation. Formika has implemented the Procedure for Reporting Violations and Taking Follow-up Actions, dated 18 September 2024, which establishes formal channels for reporting justified suspicions or potential breaches of law or ethical standards, as defined in the Code of Ethics and the Internal Anti-Mobbing Policy.

Any person in a professional relationship with Formika who witnesses or becomes aware of a violation may submit a report. Reports are received and reviewed by the Ethics Committee, composed of representatives from the Legal Department, HR Department, and Quality Department.

This composition ensures independence and objectivity in the handling of each case.

In addition to the whistleblowing system described above — covering breaches of law and ethical standards — clients may also submit complaints related to product quality.

This mechanism is defined in the internal procedure PS A5/3 “Handling of Products Returned by Clients – Complaints”. According to this procedure, all client submissions are recorded in the digital production support system by the Customer Service Department and subsequently reviewed by the Quality Assurance Department.

6. Ethics training

- Each newly hired employee participates in a structured onboarding process, during which they are introduced to the company’s key policies and principles, including: organisational structure, ethical conduct, anti-mobbing rules, non-compete obligations, and anti-corruption principles.

Training in these areas is available on the Dolineo learning platform and is part of the mandatory training programme for all employees. Employment contracts also include relevant clauses reinforcing these ethical and compliance standards.



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1.4. G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

1. POLICIES TO PREVENT PAYMENT DELAYS

In 2024, Formika did not have a formally established policy to prevent late payments. Nevertheless, the company implemented effective operational practices that successfully mitigated the risk of payment delays, particularly in relation to small and medium-sized enterprises (SMEs).

- The Accounting Department processes domestic transfers two to three times per week, covering invoices due within the next two to three days.
- This approach ensures timely settlement of liabilities and minimizes the risk of late payments.
- Regular reviews of documents in the Electronic Document Workflow System (EOD) are also conducted.
- When invoices are pending approval or completion of internal review, the Accounting Department issues reminders to responsible employees, prompting immediate action to finalise the process.

Formika operates in full compliance with applicable legislation, including the Accounting Act and the Act on Counteracting Excessive Delays in Commercial Transactions. Through its internal procedures and continuous monitoring of receivables and payables, the company maintains stable supplier relationships and a reputation as a reliable and trustworthy business partner.

Formika submits an annual report on payment backlogs, as required by law.

Data for 2024 confirm a high level of payment timeliness:

- Up to 5 days - 38.98%
- 6–30 days - 4.37%
- 31–60 days - 0.54%
- 61–120 days - 0.02%
- Over 120 days - 0.19%

This means that over 95% of payments were settled on time or within 30 days, while delays exceeding 30 days were marginal (below 1%).

Most deviations were short-term technical delays (up to 5 days) resulting from the payment schedule or internal approval procedures, and had no material impact on the financial situation of suppliers.



Our high standard of payment ethics is confirmed by external ratings. According to the Dun & Bradstreet (formerly Bisnode) assessment, the **Paydex score for 2024 was 79–80%, indicating timely settlement of liabilities towards business partners.**



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1.4. G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

2. SUPPLY CHAIN RISK MANAGEMENT

We minimise risks related to the supply chain by qualifying key specifications across all available suppliers. In addition, we implement Business Continuity Plans (BCP) that include diversification of orders, ensuring flexibility and continuity in the supply of raw materials in case of disruptions.

Supplier selection process:



When selecting key suppliers of aluminium foils, laminates, inks and varnishes, and tube components, we verify their commitment to socially, ethically, and environmentally responsible business practices.

This verification is carried out by checking whether the supplier undergoes an EcoVadis sustainability assessment. The Key Performance Indicators (KPIs) for this process are described in section S2-5 of this report. Compliance with the minimum safeguards required under the EU Taxonomy will be verified by Formika through the obligation of key suppliers to sign the “Formika Sp. z o.o. Code of Ethics for Business Partners.”

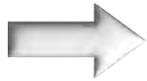
The KPIs related to this requirement are also presented in section S2-5 of the report.



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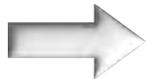
1.4. G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

3. SUPPLIER RELATIONSHIPS IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT



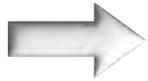
Supplier relations in the area of ESG are governed by the Formika Sp. z o.o. Code of Ethics for Business Partners and the Procurement Policy dated 31 August 2024.

In the supplier selection process, Formika is guided by transparency and the ethical conduct of potential business partners. In all supplier interactions, we strive to build long-term, trust-based relationships that reflect the company's commitment to sustainable development and are grounded in our partners' capacity to manage risk and their engagement in sustainable practices.



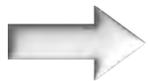
Each supplier is required to disclose any irregularities or conflicts of interest prior to the selection and qualification process. Suppliers are obliged to comply with all applicable laws regarding competition protection and anti-corruption. Business partners may not engage in any activities that restrict market competition, nor participate in any form of corruption, bribery, or acquisition of undue benefits resulting from unethical behaviour.

Suppliers are also prohibited from maintaining relationships with entities subject to trade sanctions. Business partners must fully comply with international trade sanction regulations.



Formika expects all suppliers to protect and uphold human rights in relation to their employees and contractors, treating them with dignity and respect, in line with international labour standards, including the International Labour Organization (ILO) Conventions and laws prohibiting forced labour and human trafficking.

Suppliers must ensure non-discrimination and equal opportunity, regardless of gender, age, ethnic origin, religion, sexual orientation, parental status, genetic condition, social background, or any other characteristic unrelated to the ability to perform work.



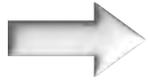
Suppliers are expected to guarantee the right of employees to freedom of association and collective bargaining. Business partners are also required, in their cooperation with Formika, to comply with all health and safety regulations, ensuring safe and hygienic working conditions and providing fair and lawful remuneration.

In cooperation with Formika, suppliers commit to respecting both national and international laws and standards concerning the rights of children and young persons, in line with the ILO Convention No. 138 on the minimum age for employment.

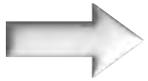
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1.4. G1-2 MANAGEMENT OF RELATIONSHIPS WITH SUPPLIERS

4. ENVIRONMENTAL CRITERIA FOR SUPPLIER SELECTION



Formika's suppliers are required, under the Formika Sp. z o.o. Code of Ethics for Business Partners, to minimise their environmental impact and to continuously improve and reduce their footprint, operating in line with the principles of sustainable development.



Business partners are obliged to manage and monitor environmental issues in their operations. We require our partners to exercise due diligence in the sourcing and use of raw materials, particularly in relation to so-called conflict minerals. Compliance with regulations on single-use plastic packaging and waste management principles is also of key importance. Suppliers are required to monitor these aspects at least once a year and to maintain documentation detailing the quantities, codes, and handling methods of generated waste, in accordance with applicable legal requirements.



Formika's suppliers are also expected to ensure full transparency of the supply chain, allowing the traceability of raw materials used in the production of packaging materials. An annual supplier evaluation is carried out, which includes the assessment of environmental performance and sustainability practices.



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1.5. G1-3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

1. PROCEDURES RELATED TO CORRUPTION AND BRIBERY

Formika Sp. z o.o., in all areas of its operations, consistently strives to create a business environment free from corruption and all forms of unethical behaviour.

The company maintains a zero-tolerance policy toward such practices, reflected in both its internal regulations and operational procedures.

In 2024, a comprehensive corruption risk assessment was carried out across all company departments. Based on the results, positions with higher exposure to potential misconduct risks were identified, and employees in these roles participated in specialised anti-corruption training.

To enhance financial control and accountability, Formika implemented an Electronic Document Workflow System (EOD).

According to this system:

- all purchases must be made within the approved budget,
- and any invoice exceeding PLN 500 requires supervisor approval prior to payment.

The core principles of anti-corruption management are defined in the Business Ethics Policy, which incorporates the Anti-Corruption Policy as an integral part.

This document sets out the company's commitment to actively preventing corruption and to building a culture of integrity, transparency, and accountability.

Another tool supporting the transparency of business processes is the Procurement Policy, which requires all employees responsible for purchasing to apply objective, clearly defined criteria for evaluating bids and participation conditions in procurement processes.

Formika also ensures safe and accessible reporting channels for raising concerns about potential misconduct, including corruption-related incidents.

All individuals cooperating with the company — employees as well as business partners — may report irregularities either anonymously or openly through the company's dedicated whistleblowing system.

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1.5. G1-3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

5. PROTECTION OF WHISTLEBLOWERS

Formika Sp. z o.o. has implemented a comprehensive whistleblower protection system, based on two key documents:

- **the Whistleblower Protection Policy** (effective from 18 September 2024), and
- **the Internal Reporting and Follow-up Procedure** (also dated 18 September 2024).

These documents define the process for receiving reports and guarantee protection for individuals who report irregularities against any form of retaliation.

According to the procedure, a whistleblower is entitled to protection if they acted in good faith, meaning they had reasonable grounds to believe that the information reported was true, concerned a violation of the law, internal regulations, or ethical standards, and was submitted in line with the established procedure.

The protection also extends to:

- individuals assisting in submitting the report,
- persons associated with the whistleblower (e.g. family members),
- legal entities or organisations linked to the whistleblower, including employers or companies owned by them.

The reporting process has been designed to ensure maximum confidentiality. Reports may be submitted anonymously or by name, at the whistleblower's discretion. For anonymous reports, the identity of the whistleblower is not determined during or after the investigation. Under no circumstances may their identity be disclosed without their explicit consent.

The Ethics Committee, responsible for handling reports, conducts investigations in a manner that fully protects personal data.

It holds exclusive authority over maintaining the confidential register of reports, which is accessible only to individuals with written authorisation.

Additionally:

- individuals investigating the case are organisationally and procedurally separated from the reporting parties,
- personal data are anonymised when necessary to protect the whistleblower's interests or due to the nature of the case,
- all communications and investigative actions are conducted in accordance with the highest standards of discretion and confidentiality.

The Ethics Committee coordinates the entire process, shares necessary information with authorised persons, organises hearings, expert consultations, and other activities required to clarify the case — while maintaining whistleblower safety and confidentiality as the highest priority.



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1.5. G1-3 PREVENTION AND DETECTION OF CORRUPTION AND BRIBERY

6. ANTI-CORRUPTION AND ANTI-BRIBERY TRAINING PROGRAMMES

At Formika Sp. z o.o., all newly hired employees participate in a structured onboarding process, during which they are introduced to the company's key policies and principles.

This process covers, among others:

- the organisational structure,
- the Ethics Policy,
- the Anti-Mobbing Policy,
- non-compete regulations, and
- anti-corruption principles.

Training in these areas is mandatory and available via the internal Dolineo learning platform. Clauses related to ethical conduct and compliance with anti-corruption standards are also embedded in employment contracts.

The organisation has developed a dedicated anti-corruption training programme, which includes:

- definitions of corruption and fraud and their key differences,
- examples of potential corruption risks that may occur in the workplace,
- case studies illustrating possible fraud scenarios relevant to a manufacturing environment.

Based on a corruption risk assessment, the highest exposure was identified in the Procurement Department and in the position of New Product Implementation Specialist.

All employees holding these positions (7 people in total) completed specialised anti-corruption training covering prohibited practices and preventive measures.

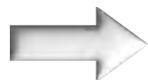
Additionally:

- 46 employees in functions classified as medium-risk for exposure to corruption completed appropriate awareness training,
- 3 members of the Leadership Team (representing 50% of the team) participated in anti-corruption training, which marks an important step towards building responsible leadership and a culture of compliance.
- All training programmes are regularly updated and tailored to the company's operational context and legislative developments.
- Their implementation is monitored by the organisational units responsible for compliance and employee development, ensuring ongoing effectiveness and continuous improvement.



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1.6. G1-4 CONFIRMED INCIDENTS OF CORRUPTION OR BRIBERY



In the reporting year 2024, Formika Sp. z o.o. did not record any incidents related to corruption or bribery.

As in previous years, no convictions or financial penalties were imposed on the company for violations of anti-bribery or anti-corruption laws.

During the reporting period, no employees were dismissed or sanctioned in connection with corruption or bribery, and the company did not identify any corruption-related incidents within its operations.

Furthermore, throughout the value chain, no legal proceedings related to corruption or bribery were initiated against the company or its employees.

Formika monitors potential breaches of corporate governance principles through a dedicated indicator system, as presented below.

BREACHES RELATED TO CORPORATE GOVERNANCE - Data for 2024

Type of Violation Reported by Whistleblowers	Number of Reported Cases	Number of Cases Under Review	Number of Confirmed Cases
Conflict of interest	0	0	0
Corruption	0	0	0
Anti-competitive practices	0	0	0
Money laundering	0	0	0
Fraud	0	0	0

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1.7 G1-5 POLITICAL INFLUENCE AND LOBBYING ACTIVITIES



Formika does not engage in political activities and maintains strict political neutrality.

In 2024, the company did not provide any financial or in-kind support to political parties, political movements, or any entities conducting politically oriented activities.



At the same time, Formika continued its membership in several industry organisations, with the primary purpose of facilitating the exchange of knowledge and experience, improving members' professional competences, and ensuring effective access to information about regulatory changes and market trends. Participation in some of these organisations may indirectly involve engagement in legislative processes, through the submission of joint industry positions or opinions. However, this activity is limited, indirect, and not a primary objective of Formika's participation in such associations.



Due to the nature of how industry organisations operate, it is not possible to reliably isolate the portion of membership fees that could be attributed to lobbying-related activities.

Estimating such values would be disproportionately labour-intensive and carry a high risk of inaccuracy.



In 2024, none of the members of Formika's administrative, management or supervisory bodies held, within the previous two years, comparable positions in public administration or regulatory bodies.



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1.8 G1-6 PAYMENT PRACTICES

Formika continuously monitors its liabilities towards suppliers, ensuring timely settlement of invoices that have completed the full approval process within the Electronic Document Workflow System (EOD). Standard payment terms arise from contractual agreements, purchase orders, or terms specified directly on the invoice.

Standard payment terms:

- for raw material purchases – typically 30 days,
- for large suppliers – usually 90 days from the invoice date,
- for general (overhead) purchases – between 3 and 90 days, with prepayments applied in specific cases.

Formika also plans to phase out excessively short payment terms, which may hinder efficient invoice processing and result in technical delays. **The target payment term is approximately 14 days for selected categories.**

Actions towards small and medium-sized enterprises:

For domestic suppliers without the status of a large enterprise, the company takes corrective actions, eliminating payment terms exceeding 90 days and adjusting them to 60 days, in line with best practices for supporting SME liquidity and reducing the risk of payment backlogs.

Average payment period:

Analyses of the company's reports on payment terms in commercial transactions indicate that, where delays occur, the vast majority do not exceed five days.

The main reason for these minor delays is the short payment period, which sometimes does not allow sufficient time to complete the approval procedure in the EOD system (as detailed in section G1-4).

Compliance:

In accordance with Article 13a of the Act on Counteracting Excessive Delays in Commercial Transactions, Formika submits an annual report on payment terms to the Ministry of Development and Technology.

In 2024, no legal proceedings were recorded concerning payment delays towards suppliers or contractors.





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