



Sustainability Report
of the **Sanok Rubber Company Capital Group**
for 2025

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This document is not the official version, which forms part of the Management Board's Report on the Activities of the Sanok Rubber Company Capital Group for 2025 and has been certified by a certified public accountant. The content of this document is consistent with the official version. The official version is available on the website of Sanok Rubber Company SA - Reports and Statements.

1 ESRS 2 General Disclosures

1.1 General basis for preparation of the Sustainability Report

[BP-1] The legal basis for the preparation of this consolidated sustainability report for the 2025 fiscal year of the Sanok Rubber Company Capital Group is the Accounting Act of September 29, 1994, together with the provisions introduced by the Act of December 6, 2024 amending the Accounting Act, the Act on Statutory Auditors, Audit Firms, and Public Oversight, and certain other acts (Journal of Laws, item 1863) and Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment.

This report has been prepared in accordance with the European Sustainability Reporting Standards (hereinafter "ESRS") introduced by Commission Delegated Regulation (EU) 2023/2772.

Scope of consolidation

The information, data, and indicators presented in this report relate to the parent company Sanok Rubber Company SA (hereinafter "the Parent Company") and the Sanok Rubber Company Group (hereinafter "the Group"), unless otherwise indicated.

The report covers the reporting period from January 1, 2025, to December 31, 2025, consistent with the fiscal year adopted for financial reporting purposes.

The scope of consolidation of this sustainability report corresponds to the scope of consolidation adopted in the consolidated financial statements of the Sanok Rubber Company Group for the 2025 fiscal year and is part of the Management Board's Report on the Operations of the Sanok Rubber Company Group for 2025.

Sanok Rubber Company SA is the Parent Company of a capital group comprising 11 subsidiaries and one lower-tier capital group, consisting of: 1 parent entity, 4 subsidiaries (including one suspended company), and one associate.

None of the subsidiaries comprising the Group, other than the Parent Company, is subject to the requirements for preparing a sustainability report and does not avail itself of the option to be exempt from this obligation.

The operations of the Russian company Stomil Sanok Wiatka Closed Joint-Stock Company have been discontinued; therefore, the report does not include disclosures regarding sustainability issues in relation to this company.

The table below presents a list of the Parent Company's Subsidiaries as of December 31, 2025, along with information on their primary business activities.

No.	Name of Subsidiary	% of shares/ % of voting rights Sanok RC SA	Primary business activity
1	Stomil Sanok Dystrybucja Sp. z o.o. with its registered office in Kostrzyn	100%/ 100%	Secondary market sales of products manufactured by Sanok RC S.A. and sales of spare parts, consumables, and agricultural machinery. Sales of goods not manufactured by Sanok RC S.A. for the 12 months of 2025 accounted for 60.2% of the Company's sales.
2	PHU Stomil East Sp. z o. o. in liquidation, with its registered office in Sanok	65.7%/ 79.3%	Company in liquidation. The company was removed from the National Court Register on January 22, 2026.
3	Stomil Sanok Ukraine, with its registered office in Rivne (Ukraine)	100%/ 100%	Distribution and sale on the Ukrainian market of products manufactured by the Sanok RC Group.
4	Stomil Sanok Viatka Closed Joint-Stock Company, headquartered in Kirov (Russia)	81.1%/ 81.1%	Company held for sale – reported in the consolidated financial statements as discontinued operations.
5	Stomil Sanok BR Production and Trade Unitary Enterprise, headquartered in Brest (Belarus)	100%/ 100%	Manufacture of extruded products for window joinery and manufacture of molded products for household appliances. Sales are primarily made to Sanok RC distribution companies, as well as to direct customers.
6	Colmant Cuvelier RPS S.A.S., headquartered in Villers-la-Montagne (France)	100%/ 100%	Manufacture and sale of rubber compounds and distribution of drive system components.
7	Stomet Sp. z o.o., headquartered in Sanok	100%/ 100%	Manufacture of tooling for the production of rubber and plastic products and repair of machinery and equipment – primarily for Group companies. Sales of products and services outside the Group for the 12 months of 2025 accounted for 21.4% of the Company's sales
8	Świerkowy Zdrój Medical SPA Sp. z o.o. with its registered office in Rymanów Zdrój	100%/ 100%	Organizing and providing services in the fields of medical treatment, sanatorium care, rehabilitation, leisure, recreation, tourism, hospitality, and catering.
9	Draftex Automotive GmbH, Grefrath (Germany)	100%/ 100%	Manufacture and sale of body seals for the premium automotive sector in the German market. The company holds a 14.5% stake in the manufacturing company Qingdao Masters of Rubber and Plastics Co. Ltd (QMRP), headquartered in Jiaozhou City (China).
10	SMX Rubber Company S.A. de C.V	99%/99%	SMX was established as a separate legal entity, ultimately intended to conduct direct sales to customers located in Mexico. SMX remains a subsidiary with a minimal scope of operations and minimal resources to optimize costs related to the development of the Sanok RC Group. The remaining 1% of shares are held by "Stomet" Sp. z o.o.
11	BSP Bracket System Polska, based in Warsaw	54.26%/54.26%	BSP Bracket System is a manufacturing and trading company operating in the infrastructure (non-automotive) sector, providing comprehensive solutions for ventilated facades and fastening systems.
12	Teknikum Group Ltd Finland, headquartered in Sastamala – Parent company of the Teknikum Group	70%/70%*	The parent company of the Teknikum Group. The company provides shared services to companies within the Teknikum Group (administration, finance, marketing, HR, IT)
12a	Teknikum Oy (Ltd), headquartered in Sastamala, Finland	70%/70%	A subsidiary of Teknikum Group Ltd. It has 3 production facilities in Sastamala and 1 in Kerava. The company's production includes industrial hoses, molded products,

			polyurethane products, rubber coatings, plastic products, and rubber compounds. It sells primarily on the Finnish market. The company holds a 100% stake in Teknikum North America Ltd—the company's operations are suspended.
12b	Teknikum Kft, based in Jászladány, Hungary	70%/70%	A subsidiary of Teknikum Group Ltd. The company's production includes plastic products and foam products.
12c	Teknikum GmbH, based in Mülheim, Germany	70%/70%	A subsidiary of Teknikum Group Ltd. A trading company engaged in sales, customer service, and distribution of products manufactured by Teknikum Oy (Ltd) in Europe.
12d	Sammaliston Sauna Oy, based in Noki, Finland	23.1%/23.1%	An associated company that operates recreational saunas, which are occasionally used by employees, customers, and shareholders of the Teknikum Group.

Contextual Information

This sustainability report covers the Group's upstream and downstream value chain context, along with information on greenhouse gas emissions for material Scope 3 categories.

As part of the disclosures regarding specific ESRS topics, information is also provided on the assumptions made, estimation methods, and sources of uncertainty with respect to the value chain.

The Group has not identified a need to disclose information regarding intellectual property, know-how, or innovation outcomes for the purposes of this report and does not avail itself of the exemption in this regard pursuant to ESRS 1, Section 7.7.

No need was identified to disclose information regarding expected events or matters subject to ongoing negotiations. Accordingly, the omission option under Article 19a(3) and Article 29a(3) of Directive 2013/34/EU was not exercised.

[BP-2] Disclosures in relation to specific circumstances

Value chain assessment

The information, data, indicators, and statements contained in this report refer to the Parent Company and the Sanok Rubber Company Group.

Due to the limited availability of primary data on the carbon footprint obtained from suppliers, emission factors from the Ecoinvent database (ecoquery, version 3.11) were used to a significant extent, as well as to a lesser extent from the DEFRA, ADEME, BEIS, EPA, and EXIOBASE databases. These data were used as a source for estimating emissions in those Scope 3 categories for which it was not possible to obtain complete and reliable primary data. Despite the difficulties encountered in obtaining primary data from suppliers, the amount of data obtained directly from suppliers increased during the analyzed period, reaching 15.49% of total emissions in Scope 1 (8.55% in 2024). To further increase the share of primary data from suppliers in the Group's carbon footprint calculations, in 2026 it is planned to introduce a requirement for suppliers to calculate and report carbon footprint data as part of the new supplier qualification process and to include this element as one of the criteria for periodic supplier evaluations and audits.

Information subject to a high level of measurement uncertainty has been disclosed along with the metrics and indicators for which such uncertainty exists. Measurement uncertainty stems from dependence on future events, particularly in the medium- and long-term, and from the lack of access to high-quality data from the value chain.

Changes in the preparation or presentation of sustainability information

In 2025, the Group made changes to the preparation and presentation of information relative to 2024. The scope of the changes and the reasons for them are described in the presentation of individual metrics in the thematic standards.

Where justified, these changes also included corrections of errors identified after the publication of data for 2024. These corrections were made in accordance with ESRS requirements, ensuring data comparability and appropriately restating comparative data where possible.

Accounting for provisions subject to phased implementation

With regard to provisions subject to phased implementation, the Group avails itself of the exemptions provided for in Commission Delegated Regulation (EU) 2025/1416 of July 11, 2025, amending Delegated Regulation (EU) 2023/2772 with regard to the deferral of the date of application of disclosure requirements for certain entities.

Accordingly, the Group omits disclosures regarding the expected financial effects resulting from the impacts, risks, and opportunities associated with the disclosures in E1-9, E2-6, E3-5, E4-6, and E5-6, respectively.

1.2 Corporate Governance

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

The governing bodies of the Parent Company are the General Meeting, the Supervisory Board, and the Management Board. The tasks and responsibilities of these bodies are defined in the Company's Articles of Association.

There are no employee representatives on the management or supervisory bodies.

SUPERVISORY BOARD

Members of the Supervisory Board are appointed and dismissed by the General Meeting for a joint 3-year term, calculated in full fiscal years, and exercise ongoing supervision over the Company's operations in all areas of its business, manage the Company's affairs, and represent it to the extent provided for by law, the Articles of Association, and the Rules of Procedure of the Supervisory Board. The Supervisory Board evaluates the Management Board's reports on the Company's operations, in particular through the Audit Committee.

In 2025, there was a change in the composition of the Supervisory Board—on June 16, 2025, the General Meeting of Shareholders appointed the following members to the Board:

Grzegorz Stulgis	Chairman of the Supervisory Board
Marek Łęcki	Vice Chairman of the Supervisory Board
Marta Rudnicka	Member of the Supervisory Board
Grażyna Sudzińska-Amroziewicz	Member of the Supervisory Board
Radosław Leszek Kwaśnicki	Member of the Supervisory Board
Szymon Adamczyk	Member of the Supervisory Board
Krzysztof Rozen	Member of the Supervisory Board

The Supervisory Board consists of 2 women (i.e., 29%) and 5 men (i.e., 71%).

All members of the Supervisory Board are independent (100%), i.e., they meet the criteria for the independence of a supervisory board member set forth in the Act of May 11, 2017, on Certified Public Accountants, Audit Firms, and Public Oversight (i.e., Journal of Laws of 2025, item 1891).

The supervisory bodies of Subsidiaries are appointed in accordance with applicable legal regulations and the Articles of Association of those Companies; they exercise ongoing supervision over the operations of the Companies and their management boards, and manage the affairs of the Companies within the scope of their delegated powers.

In Companies where there are no supervisory boards, their powers are exercised by the owners and shareholders' meetings.

The Parent Company's Supervisory Board oversees the Company's operations in all areas of its business, including sustainable development, and represents it in accordance with generally applicable law, the Company's Articles of Association, and the Supervisory Board's Rules of Procedure. The Supervisory Board prepares a report covering, among other things, an assessment of the Company's consolidated financial position, risk management, control mechanisms regarding reporting, the application of corporate governance principles, the appropriateness of expenses incurred for CSR-related purposes, and information on the degree of implementation of the diversity policy with respect to the Management Board and the Supervisory Board.

AUDIT COMMITTEE

Pursuant to Article 128(1) of the Act of May 11, 2017, on Certified Public Accountants, Audit Firms, and Public Oversight, the Supervisory Board of the Parent Company appoints the Supervisory Board Audit Committee. At its meeting on July 11, 2025, the Supervisory Board appointed the Audit Committee with the following composition:

Marek Łęcki	Chairman of the Audit Committee,
Grażyna Sudzińska-Amroziewicz	Member of the Audit Committee,
Szymon Adamczyk	Member of the Audit Committee.

MANAGEMENT BOARD OF THE PARENT COMPANY

The Management Board exercises all powers relating to the management of the Company, except for those powers reserved by law or the Articles of Association for other bodies of the Company. The work of the Management Board is directed by the President of

the Management Board. The scope of responsibility of individual members of the Management Board is determined by the President of the Management Board.

The Management Board of the Parent Company was appointed by the Supervisory Board by resolution dated May 29, 2024, for a three-year joint term.

As of December 31, 2025, the Management Board consisted of 5 men (100%).

Composition and division of responsibilities of the Management Board, including with regard to issues related to sustainable development:

Piotr Szamburski – President of the Management Board and CEO

- Strategic management – defining the Company's long-term goals, taking into account an innovative and responsible approach to infrastructure and business processes.
- Human resources management – building an organizational culture that fosters creativity and the implementation of innovation.
- Innovation and resource improvement – implementing modern management methods, seeking effective technological solutions, and optimizing processes.
- Stakeholder relations – collaborating with investors and shareholders, ensuring transparency of operations and the Company's long-term value.
- Responsible for the infrastructure business (construction) and other product sectors.

Rafał Grzybowski – Vice President of the Management Board – Director of Automotive and Powertrain Systems

- Strategic management of sustainable development – developing, implementing, and advancing a sustainable development strategy that ensures alignment with global trends and legal regulations.
- Oversight of ESG impacts and risks – identifying impacts, risks, and opportunities in the area of sustainable development.
- Optimization of production processes – oversight of production planning and inventory management.
- Workplace safety and environmental protection – implementing solutions to improve occupational health and safety and continuously improving quality and environmental management systems.
- Responsible supply chain management – optimizing procurement processes.
- Responsible for the Group's automotive business (products for anti-vibration systems) and powertrain business.

Marcin Saramak – Vice President of the Management Board – Director of Business Development and IT Systems

- Management of development projects – oversight of investments and acquisitions.
- Optimization of procurement processes – ensuring the effective acquisition of capital goods.
- Resource management policy – implementation of a strategy for responsible sourcing of raw materials and minimizing their environmental impact.
- Development of the Group's IT system, including the implementation of integrated systems.
- Innovation and technology – overseeing the development, optimization, and implementation of new materials and technologies that enhance the Company's competitiveness.
- Responsible for the Group's rubber compound manufacturing business.

Martijn Merx – Vice President of the Management Board – Director of Business Transformation

- Overseeing marketing activities – achieving strategic goals.
- Optimization of production costs – restructuring in a manner that minimizes environmental impact and supports operational efficiency.
- Overseeing transformation processes and project relocations – responsible resource management.
- Continuous improvement of processes and organization – supporting innovative solutions.
- Responsible for the Group's automotive business (body sealing system products).

Piotr Dołęga - Member of the Management Board – Chief Financial Officer

- Financial and risk management – supporting the financial stability of the Capital Group.
- Development and implementation of business financing strategies – prioritizing investments in innovative solutions.
- Overseeing insurance policy – protecting assets and minimizing risk.
- Formulating accounting policies – ensuring financial transparency and addressing management accounting needs.
- Implementing uniform accounting and management accounting standards – supporting responsible resource management.
- Oversight of energy cost optimization – ensuring supply, with an emphasis on energy efficiency and emissions reduction.

The Management Board reviewed and approved the results of the verification of the double materiality assessment process for sustainability issues conducted in 2024 and informed the Supervisory Board about the progress and results of the individual stages of preparing the report for 2025.

The risks and opportunities identified in the materiality assessment were incorporated into the Parent Company's risk matrix, which is part of the integrated management system. The risk management approach is described in section [GOV-5].

Risk management is conducted based on the Parent Company's internal procedure and is covered by the internal control system. Details of risk management and internal control are described in section GOV-5.

ESG TEAM

Operational activities in the area of sustainable development within the Group are carried out by the Quality and Environmental Protection Department of Sanok Rubber Company SA, and are supervised by the Director of the Quality and Environmental Protection Division, who reports to Rafał Grzybowski, Vice President of the Management Board. A dedicated ESG team is responsible for preparing the sustainability report. The team collaborates with other Company departments responsible for areas related to sustainable development, such as environmental and social issues and business management, and coordinates the collection of data from the Group's subsidiaries.

Sustainability-related issues are reported by employees of the Environmental Protection Department to the Director of Quality and Environmental Protection, and through him to the Vice President of the Management Board. Additionally, these issues are discussed during the annual Management Review by the Parent Company's senior management with the participation of the Management Board.

During the reporting year, the Supervisory Board, the Management Board, and senior management systematically developed their competencies in the areas of reporting and sustainable development management. These activities included, among others, participation in a dedicated training session conducted by GK2 on ESG issues, participation in webinars organized by the Polish Association of Listed Companies and the Polish Automotive Group, as well as the analysis of academic articles and industry publications. Thanks to the knowledge acquired, management was able to effectively utilize the skills gained, both in improving the sustainability reporting process and in implementing sustainability principles into the Group's day-to-day operations.

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

Sustainability Management

The Group's management and supervisory staff are committed to sustainability issues, placing particular emphasis on the Group's development in this direction.

SUPERVISORY BOARD

Members of the Supervisory Board exercise comprehensive oversight of sustainability issues. They are regularly informed about the progress and results of strategic projects, including ESG initiatives. Meetings of the Supervisory Board are convened as needed and based on the number of matters requiring discussion and decision-making. The frequency of meetings is flexibly adjusted to the dynamics of the company's operations and the urgency of the topics under discussion, including those related to sustainable development.

MANAGEMENT BOARD

The Parent Company's Management Board exercises ongoing oversight over the implementation and execution of matters related to sustainable development, including the management of impacts, risks, and opportunities identified in the materiality assessment. The Management Board makes decisions regarding policies, strategies, objectives, and key performance indicators. Progress and the status of activities are reported to the Supervisory Board at least once a year and as needed.

Rafał Grzybowski, Vice President of the Management Board of Sanok Rubber Company S.A., is responsible for sustainability issues.

As part of ongoing meetings in 2025, the ESG team, together with the Management Board of the Parent Company and in consultation with Group companies, worked on developing a new ESG Strategy and ESG goals for 2026–2030. The IROs identified during the double materiality assessment conducted in 2024 were analyzed. Key issues and goals were selected and included in the ESG Strategy. These goals are described in detail in section [SBM-1]. Monitoring of ESG goal achievement will take place as part of the annual management review at the Parent Company.

[GOV-3] Integration of sustainability-related performance into incentive schemes

In 2025, the Group did not take sustainability-related issues into account when determining remuneration levels, nor did it link financial targets to ESG objectives.

[GOV-4] Statement on sustainability due diligence

KEY ELEMENTS OF THE DUE DILIGENCE PROCESS	ITEMS IN THE STATEMENT ON SUSTAINABLE DEVELOPMENT
a) Incorporation of due diligence into corporate governance, strategy, and business model	2.1, 2.2, 4.1, 3.2
b) Engaging with stakeholders over whom the entity has an influence at all key stages of the due diligence process	1.3
c) Identification and assessment of adverse impacts	1.3, 1.4
d) Taking action to mitigate identified adverse impacts	2.1, 2.2, 2.5, 4.1
e) Monitoring the effectiveness of these efforts and communicating relevant information in this regard	2.1, 2.2, 2.5, 4.1

[GOV-5] Risk management and internal controls over sustainability reporting

Sustainability reporting matters are subject to risk assessment and internal controls.

Risk analysis, including that related to the sustainability reporting process, is conducted by the Company's management and key specialists, with the participation of the Management Board. It is also reviewed and updated at least once a year and whenever a significant change is identified.

The risk analysis is conducted in accordance with the requirements of ISO 31000. The criteria for planning, setting priorities, and the method for tracking actions are described in the internal procedure "Risk Analysis and Preventive Actions."

The main risks identified in relation to the sustainability reporting process are:

- the risk of presenting incorrect data in the sustainability report – assessed as medium,
- providing false data, intentional misrepresentation – risk assessed as medium.

To mitigate these risks, a competent team has been appointed for sustainability reporting; training sessions and informational meetings are conducted for those involved in reporting; and guidelines have been developed describing carbon footprint calculation, double materiality assessment, and taxonomy reporting. Furthermore, the accuracy of reporting is verified during internal controls as part of internal management system audits. Internal controls are performed based on internal control regulations and the Management System Internal Audit procedure.

The collection of disclosures for this Group sustainability report was carried out using a dedicated IT tool, ensuring a two-step approval process at both the subsidiary and the Group level, as well as using dedicated Excel files for collecting numerical data.

As a result of the materiality assessment, risks and opportunities related to sustainable development were identified. The risks, opportunities, and methods for managing them are presented in the table in Section SBM-3.

Both risk analysis and internal control are components of the integrated management system and are regulated in the applicable procedures and instructions.

The results of the risk analysis and internal controls are part of the annual management review, conducted with the participation of the Management Board.

The risk assessment and the results of internal controls are presented at least once a year to the Supervisory Board and the Audit Committee.

Based on the results of the double materiality assessment conducted in 2024, a review and an update of the risk analysis of the Parent Company, which coordinates ESG matters within the Group. The risk analysis took into account in particular environmental risks related to the effects of climate change, the occurrence of environmental accidents, pollution, and emissions—including those resulting from relevant legal regulations—the risk of corruption, and labor risks related to the availability of adequate resources, as well as risks associated with violations of human and labor rights.

1.3 Strategy

[SBM-1] Strategy, Business Model, and Value Chain

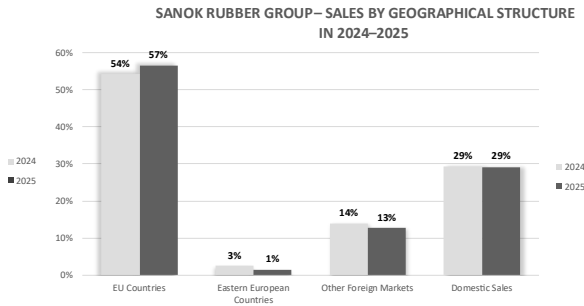
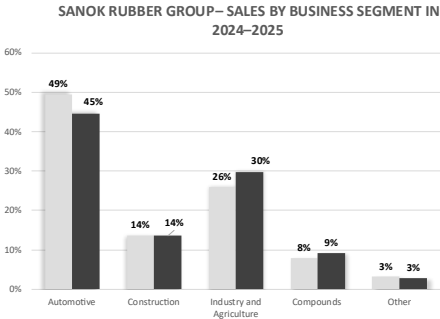
The Group’s organizational structure is presented in Section 1.1 [BP1].

Based on the criteria of industries/product lines, the Group comprises five main operating segments, which include the following product lines:

- automotive segment – rubber, rubber-metal, and rubber-plastic products, as well as products made of TPE thermoplastic elastomers, used primarily in vehicle body sealing systems, suspension systems, and exhaust system mounts, as well as the results of R&D, tools, and equipment in this area,
- construction segment – sealing systems used in the production of window and door joinery (plastic, wooden, aluminum), in gutter and ventilation systems, as well as self-adhesive gaskets used for sealing in already installed joinery and aluminum substructures for ventilated facades,
- agriculture and industry segment – V-belts under the brands: Harvest Belts, Garden Belts, Vege Belts, OptimumPro, and other accessories, as well as products for the pharmaceutical industry—stoppers for sealing glass vials and plastic containers containing antibiotics, infusion fluids, and blood products, as well as plungers for single-use syringes and rubber products for household appliances, industrial hoses, molded products made of rubber, silicone, and plastics for technical applications, and solutions for protecting industrial equipment against wear and corrosion,
- rubber compound segment – production of rubber compounds for internal manufacturing needs and sale of compounds to external customers, including manufacturers of rubber products,
- other segment – relates to other sales not included in the activities listed in the above segments, and includes, among other things, health resort and leisure services, as well as industrial services: the manufacture of tooling for the production of rubber and plastic products, and the repair of machinery and equipment.

The Group operates in the following geographic segments:

- domestic market (Poland)
- the European Union market
- Eastern European market
- other markets.



Sanok Rubber Company Capital Group				
Automotive sector	Construction sector	Sector Rubber Compounds	Industrial Industry and agriculture	Other sectors
Sanok Rubber Company S.A.	Sanok Rubber Company S.A.	Sanok Rubber Company S.A.	Sanok Rubber Company SA	Stomet LLC
Drafftex Automotive GmbH	BSP Bracket System	Colmant Cuvelier RPS	Stomil Sanok Distribution	Świerkowy Zdrój Medical Spa
Colmant Cuvelier RPS	Stomil Sanok BR	Teknikum Group	Teknikum Group	Teknikum Group
SMX Rubber Company	Stomil Sanok Ukraine		Stomil Sanok BR	
			Stomil Sanok Ukraine	

Geographic breakdown of employment	2024	2025
Poland	2,415	2,306
other European Union countries (Germany, France, Finland, Hungary)	783	743
Eastern European countries (Ukraine, Belarus)	62	50

Strategy

The year 2025 marked a transitional phase for the Group between the implementation of the objectives set out in the document "Strategic Directions for the Group's Development for 2022–2024," adopted by a resolution of the Management Board on June 14, 2022, and activities aimed at preparing a new strategy.

Work is currently underway to develop a new overall strategy for the Group, during which a review and verification of existing strategic assumptions related to sustainable development were conducted. This review included: an analysis of the market environment, regulatory changes, and ESG factors affecting the Group's long-term resilience and competitiveness.

These efforts resulted in the development of a new ESG strategy, which was formally adopted by the Management Board on January 7, 2026, and will serve as the basis for the Group's activities in subsequent reporting periods.

The table below presents the sustainability goals defined in the "Group's Strategic Development Directions for 2022–2024," along with information on their achievement status as of the end of 2025 and directions for further action.

SCOPE OF IMPACT	PLANNED	ACHIEVED	FUTURE PLANS
ENVIRONMENT			
Negative climate impact associated with product manufacturing.	Reduction of the carbon footprint by 30% by 2030 compared to the 2022 baseline for Scopes 1 and 2 at the Parent Company in accordance with the adopted Climate Policy.	By 2025, a reduction in the carbon footprint by 19% compared to the 2022 baseline in the Parent Company (applies to Scopes 1 and 2). In 2025, the Climate Policy objectives were updated, expanding its scope to the entire Group while maintaining the existing emission reduction target for the Parent Company.	Climate targets were incorporated into the ESG strategy effective from 2026.
Negative climate impact related to electricity.	Increasing the share of renewable energy in purchased electricity and the implementation of a project for our own photovoltaic farm.	In 2025, the share of renewable energy sources in purchased electricity compared to 2022 increased by 1.1% in the Parent Company. The share of renewable energy was determined based on	Increasing the share of renewable energy sources and implementing the photovoltaic installation project are carried out as part of the climate goal related to reducing the carbon footprint, without setting a separate quantitative target.

		the residual mix published on the Association of Issuing Bodies (AIB) website. In 2022 and 2024, this level remains constant, and the change is attributable to the installed photovoltaic system, which generated 51 MWh of energy. Work has also begun on another project with an expected energy production of 590 MWh/year.	
COMMUNITY			
Positive impact on local communities resulting from our operations.	Engagement in the region's cultural and social life through support for local projects, foundations, and public benefit organizations, particularly in the areas of cultural life, healthcare, assistance to the disabled and the poor, and sports initiatives.	This objective is achieved annually through support for existing and new projects and initiatives for the benefit of local communities. Details are provided in section [S-3] of this report.	Activities in this area will continue under the strategy effective from 2026, which provides for their continued implementation.
Impact on employees.	Focus on the development of employees' competencies and skills	Further refinement and development of the competency model introduced in 2024. Initiation of the process to reorganize the training system.	Development of training programs based on identified competency gaps and the organization's strategic needs.
CORPORATE GOVERNANCE			
Influencing employee development in terms of awareness and commitment to sustainable development.	The Group will conduct enhanced educational activities for its employees, aimed at building a high level of awareness regarding aspects of sustainable growth.	The Parent Company was actively involved in employee education in the area of ESG by organizing training sessions and informational campaigns. Among other things, training was conducted on: the Code of Ethical Conduct, corruption prevention, anti-bullying measures, carbon footprint calculation, personal data protection, and reporting on sustainable development in accordance with ESRS standards.	Continuation of the objective.

The Group's priority is to maintain a strong brand, enabling it to effectively and reliably fulfill customer orders on a global scale based on the locations of the Capital Group's companies.

One of the key activities in product design and manufacturing is planning processes in a way that minimizes their negative impact on the environment and the surrounding community. These activities are carried out in accordance with the highest standards of employee safety and protection, which is an integral part of shaping the corporate culture.

The Group strives to implement innovative and sustainable solutions that support operational efficiency and compliance with applicable regulations and best market practices.

Carbon footprint calculations show that the greatest impact on the climate in terms of CO₂ emissions in the category of purchased raw materials and goods is primarily from raw materials used in the production of rubber and rubber-metal products, specifically: carbon black, oils and plasticizers, synthetic rubbers, and metal components. Furthermore, products for which natural rubber is a key raw material are particularly relevant to the goal of responsible raw material sourcing due to the risk of deforestation.

Consequently, the Parent Company has launched a project aimed at reintroducing rubber waste into the production process, thereby reducing the consumption of the aforementioned raw materials.

The ESG goals and strategic directions set in 2022 did not define separate goals for individual product groups, segments, and geographic markets. In the Group's assessment, the Group's individual product lines, segments, geographic markets, and customer groups do not make a significant difference with respect to the established sustainability goals. All key activities have a similar impact on the extent to which the set goals are achieved for each product group.

Similarly, no significant differences were identified regarding the fulfillment of the Group's customers' expectations and the impact of suppliers regarding sustainability issues. The Group's customers, regardless of product segment or geographic region, define their expectations in a similar way regarding issues related to climate and environmental impact, human rights, and ethical business conduct.

Accordingly, in its new ESG strategy, the Group has set uniform sustainability goals in the environmental, social, and governance areas, with implementation planned by 2030 relative to a 2024 baseline.

The targets are presented in the table below.

AREA	TARGETS SET FOR 2030	ENVIRONMENTAL
ENVIRONMENTAL	Reduction of greenhouse gas emissions in Scopes 1 and 2 by 21%	Described in the Sanok Rubber Group Climate Policy
	Ambition: to reduce greenhouse gas emissions in Scope 3 by 21%.	Described in the Sanok Rubber Group Climate Policy
	Reduction of non-recycled waste to 42%.	These are linked to the implementation of the ongoing devulcanization project described in more detail in Section E5.
SOCIAL	Reduction of the rate of work-related accidents per million hours worked by at least 10%	Ongoing promotion of safe work practices through training, awareness campaigns and competitions for employees. Modernizing the machinery fleet to reduce occupational risks. Promoting a system for reporting near-miss incidents.
	Increasing the representation of the underrepresented gender in senior management to at least 28% while maintaining high standards of competence and professional development.	Applying uniform criteria for recruitment and employee promotions regardless of gender.
	Maintaining engagement in corporate social responsibility by supporting the local community and responding flexibly to its needs within planned budgets	Ongoing support for the local community.
CORPORATE GOVERNANCE	100% of suppliers of production materials and investments meeting the requirements of the "Code of Ethical Conduct for Suppliers of Products and Services of the Sanok Rubber Group" (a commitment signed by the supplier to comply with the Code's requirements).	Ongoing collection of confirmations from suppliers regarding acceptance of the Code's requirements.
	Analysis of 100% of reports of violations submitted to the Ethics Officer.	Ongoing analysis of reports.

The deadlines for individual actions are still being finalized as part of further implementation work, including:

- familiarizing Group employees with the strategy,
- discussing necessary actions and implementation methods with Group management aimed at achieving strategic objectives – Q2 2026.

Reviews and monitoring of the implementation of strategic objectives will be conducted at least once a year, in the first quarter, and will be subject to a management review involving senior management and the Board of Directors.

Business Model

The Sanok Rubber Company Group manufactures a diversified product portfolio targeting various market segments. Its core business is the production of elastomer parts used in sectors such as the automotive, construction, industrial, and pharmaceutical industries, and, more recently, the defense and railway sectors. It also manufactures tools and equipment for rubber production processes, ventilated facade systems, and fasteners, and provides health resort, medical, and hotel services. The Group's business model is based on a balanced mix of automotive and non-automotive segments. The Group achieves growth through the development of its own operations and through the acquisition of stable assets consistent with the Group's strategy.

The Group is a system supplier (design and development, mass production, after-sales service), and the main production material (rubber compound) is manufactured in-house. The Group collaborates with a stable base of suppliers based on long-term relationships. The customer base is diversified; there are no single dominant customers, and cooperation is in most cases based on long-term supply contracts. Distribution channels are varied: the Group primarily supplies components directly to customers from the so-called OEM or Tier groups located worldwide. A small portion of products is sold on the consumer market. In most cases, products are manufactured on a cyclical basis; there is no seasonality.

The Group's business model is determined by a process-oriented approach to broadly defined management and is based on:

- diversification of product lines, segments, and markets, as well as distribution channels,
- the provision of system solutions encompassing design, development, mass production, and after-sales service,
- in-house production of key materials for elastomer components,
- long-term cooperation with business partners, including both suppliers and customers, building collaborative relationships that enable mutual benefits in the long term,
- cost-effective utilization of key resources,
- creating added value for shareholders, customers, employees, and other stakeholders.

The Group's capital expenditures are focused on further modernizing production facilities and systematically improving operational efficiency. The projects being implemented contribute to improving process stability, product quality, and resource utilization, as well as enhancing occupational health and safety conditions, thereby helping to reduce the number of accidents and improve workplace ergonomics. A notable example is the boiler room modernization completed in 2025, which significantly increased energy efficiency, improved the safety of technical infrastructure, and reduced the environmental impact of operations.

Another key element of these efforts is the recently launched de-vulcanization project, aimed at increasing the recycling rate of post-production waste and advancing the circular economy.

The investments currently underway and planned are a key element in building the Group's long-term value, enabling its further development, effective adaptation to changing market and climate conditions, and the growing expectations of stakeholders, particularly regarding the reduction of the carbon footprint of the products offered and the development of solutions based on the principles of the circular economy. At the same time, improved operational efficiency translates into increased competitiveness, facilitates the acquisition of new projects, and helps preserve jobs.

Through these initiatives, the Group gathers information on customer expectations, which is then passed down the supply chain, supporting the development of its own suppliers. These efforts also benefit the local community by fostering the growth and enhancing the efficiency of local partners.

The Group's Value Chain

The Group's value chain encompasses the core operations of each Group company as well as the upstream and downstream value chains and has been estimated based on information available within the Group.

OWN OPERATIONS Own operations within the Group's value chain encompass all processes occurring within Group companies, ranging from the direct purchase of materials to the delivery of products and services to customers and the management of waste generated at this stage. The value chain in this section also includes all operations between individual Group subsidiaries.

UPSTREAM The upstream segment of the Group's value chain encompasses all operations performed by the Group's suppliers and other business partners related to the sourcing and production of raw materials and supplies, the delivery of components and packaging, as well as activities related to the generation of electricity and other utilities, and other services necessary for conducting the Group's own operations.

DOWNSTREAM The lower level of the value chain encompasses the transport of products to recipients and customers, external distribution, and sales; it also includes various types of end users and end-of-life waste management.

VALUE CHAIN [SANOK RUBBER COMPANY CAPITAL GROUP - manufacturing and industrial operations]

UPSTREAM		OWN OPERATIONS		DOWNSTREAM		
PRIMARY RAW MATERIALS		PRODUCT TYPES	INDUSTRIES	CUSTOMER SEGMENTS	INDUSTRIES	COUNTRY/REGION
Types	countries of origin	<ul style="list-style-type: none"> - Body sealing systems - rubber-to-metal components for anti-vibration systems - other rubber and plastic products used in vehicles - sealing systems for windows and doors - sealing systems for facade modules - seals for building ventilation systems - self-adhesive gaskets - power transmission components, including V-belts - rubber products used in household appliances - membranes for pressure vessels - rubber stoppers for medicine vials and syringes - rubber compounds - industrial hoses - plastic products - rubber coatings - polyurethane products - aluminum products 	including: <ul style="list-style-type: none"> - automotive - railway industry - agriculture - construction - home appliances - machine manufacturing - heating systems - pharmaceuticals - mining - infrastructure - maritime transport - personal protective equipment 	<ul style="list-style-type: none"> - distributor - Tier 1, 2, ... n - OEM - assembly line - drug manufacturers - end user - individual - natural person 	<ul style="list-style-type: none"> - industry - agriculture - automotive - construction - pharmaceutical 	<ul style="list-style-type: none"> - World excluding countries subject to sanctions
<ul style="list-style-type: none"> - natural rubber - light fillers - natural oils - coal - gas - cotton - natural resin 	including Poland, Germany, Finland, Ukraine, Malaysia, Vietnam, Indonesia, India, Turkey, China, Kazakhstan					
PRODUCTION MATERIALS						
types	countries of origin					
<ul style="list-style-type: none"> - carbon black - plasticizers - curing agents - EPDM rubber - SBR rubber - BR rubber - other synthetic rubbers - steel - aluminum - plastics - industrial fabrics - cords - paints 	including India, the USA, Korea, Italy, the Netherlands, Saudi Arabia, Brazil, Japan, China, Poland, Finland, Germany, Japan, Hungary, Turkey, Canada, Europe					
READY-MADE COMPONENTS						
types	countries of origin					
<ul style="list-style-type: none"> - steel parts - aluminum parts 	<ul style="list-style-type: none"> - plastic parts - screws, assembly parts including India, Turkey, Poland, Europe					
PACKAGING				USER TYPES	COUNTRY/REGION	

VALUE CHAIN [SANOK RUBBER COMPANY CAPITAL GROUP - manufacturing and industrial operations]					
UPSTREAM		OWN OPERATIONS		DOWNSTREAM	
disposable	Reusable				
- cardboard - plastic - wooden - metal	- cardboard - plastic - metal - wooden			- Individuals - businesses - institutions - laboratories - research institutions - OEMs - farmers - mining industry	- the world, excluding countries subject to sanctions
ELECTRICITY					
- coal - renewable energy (various sources) - natural gas	- wind - solar power - hydro				
OTHER UTILITIES		TYPES OF SERVICES		INDUSTRIES	
- natural gas - compressed air - steam - industrial gases	- thermal energy - industrial and domestic water - domestic hot water - cooling water	- design of finished products - technical consulting - rubber coating service - installation of facade substructures		- automotive industry - industry - construction	
SUBCONTRACTORS				END-OF-LIFE PRODUCT MANAGEMENT	
- electroplated coatings - welding - laser cutting - heat treatment - tool shops	- laboratories - machine and equipment manufacturing - tooling manufacturing - sheet metal cutting and bending services			- waste disposal site - recycling	
OTHER PURCHASED SERVICES		TYPES OF ACTIVITIES / INTERNAL PROCESSES			
- machine inspections - maintenance - repairs - overhauls - construction work - technical inspections - training - insurance	- equipment leasing - vehicle leasing - IT system maintenance - advisory and consulting services - medical care - security - financing	- product design - raw material procurement - product sales - transportation - heat production - warehousing - manufacturing of products based on the processing of thermoplastic and thermosetting plastics	- administrative processes - human resources management - financial and reporting processes - laboratory testing - building maintenance - maintenance of machinery and equipment - IT infrastructure maintenance - reporting		
MEANS / METHODS OF TRANSPORT				MEANS / MODES OF TRANSPORT	
- road - rail - water/sea - air				- road - rail - water/sea - air	

The Group pools resources and focuses on their optimal utilization at every stage of the value chain. The priority is the responsible acquisition, effective management, and long-term securing of key resources—human, raw material, technological, and financial. The Group’s goal is to ensure operational stability, minimize environmental impact, and create sustainable value for all stakeholders across the entire value chain.

HUMAN CAPITAL The Group employs qualified staff and supports their development through training and competency development programs. It creates a work environment that fosters engagement and professional growth, which translates into team motivation and satisfaction.

RAW MATERIAL RESOURCES The Group focuses on the responsible sourcing of raw materials, selecting suppliers that meet specific requirements and paying particular attention to the origin of materials, their environmental impact, and product quality. It requires suppliers to adhere to the principles of the Code of Ethical Conduct for Suppliers of Products and Services. Compliance is monitored through supplier audits, which cover quality, environmental, occupational health and safety, and information security issues. In 2026, the Group plans to include ESG issues in the scope of supplier audits.

TECHNOLOGICAL RESOURCES The Group continuously improves its processes by implementing new, enhanced solutions that boost efficiency and reduce energy and raw material consumption. It invests in modernizing its machinery and implementing new, innovative technologies. The Parent Company has a Continuous Improvement Department responsible for implementing lean manufacturing principles.

FINANCIAL RESOURCES The Group raises capital in various forms. This may be done through the issuance of shares or bonds, which allows the Group to raise funds from investors in exchange for equity stakes in the company or repayment obligations. Another source of financing is loans and credits that the Group obtains from banks and financial institutions, allocating them to the implementation of investments. Additionally, the Group utilizes subsidies and grants available through EU, government, and industry funds, which support the achievement of specific objectives.

SECURING RESOURCES To ensure the stability and resilience of the business, the Group implements risk management strategies that include, among other things, supplier diversification, optimization of raw material costs, and the use of renewable energy sources. It regularly monitors the effectiveness of these measures by conducting audits and implementing systems designed to minimize losses. Responsible management of natural resources, such as energy and water, is a priority for the Group. Currently, projects related to the Group’s own photovoltaic installations are underway.

[SBM-2] Stakeholder Interests and Opinions

In 2024, the Group conducted a materiality assessment of the stakeholders listed in the Integrated Management System Manual. The assessment was based on determining the stakeholders’ influence on the Group and the Group’s influence on the stakeholders. As a result of the analysis, stakeholders significant from both of these perspectives were identified.

The following criteria were used to determine the Group’s influence on a stakeholder:

- scope of influence,
- severity of the impact,
- probability of occurrence.

The following criteria were used to determine the strength of a stakeholder’s impact on the Group:

- impact on the Group’s reputation,
- impact on the Group’s strategy,
- impact on the Group’s financial results.

Each parameter was assigned a specific 3-point scale, which allowed for a standardized assessment of each stakeholder. As a result of the analyses conducted, 14 stakeholder groups significant to the Group were identified. The current approach to engagement was evaluated, and the need to expand the dialogue to include additional forms of engagement was identified.

Stakeholders’ voices are taken into account through regular dialogue. In 2024, selected stakeholders (internal employees, suppliers, local government, subsidiaries) were directly involved in the double materiality analysis process (through a survey or by completing the double materiality questionnaire), particularly regarding the identification of positive and negative impacts of the Group’s operations and its business relationships. Based on the results of this analysis, and taking into account the opinions of key stakeholders, priority issues in the area of sustainable development were identified.

In 2025, the dialogue with stakeholders was deepened through surveys conducted with banks, insurance companies, investors, and the local community. The Group also participated in face-to-face meetings with bank representatives, and the information obtained confirmed the validity of the adopted assumptions.

The Group plans to further intensify and deepen its dialogue with stakeholders in the next reporting year.

When setting the Group's strategic goals for the coming years, issues deemed material from the stakeholders' perspective were taken into account, including the needs and expectations identified in the materiality assessment. This process was a key element of the work on updating the Group's development directions and ensured that strategic goals were aligned with key areas of impact, risks, and opportunities.

In particular, the strategy addresses issues related to reducing greenhouse gas emissions and improving environmental performance, including the reduction of non-recycled waste. Social issues, such as support for local communities, were also taken into account, which helps build positive relationships with stakeholders in the Group's operating environment. Furthermore, in the area of corporate governance, the strategy covers issues related to compliance with ethical principles, including the application of codes of ethics and the development of responsible business relationships, through a consistent approach to handling reports of potential violations and strengthening the ethical standards applicable in relations with suppliers.

Based on the actions described above, it can be expected that the Group's initiatives in the environmental, social, and corporate governance areas will influence relationships with stakeholders and the perception of the Group's operations. These actions may contribute to further strengthening the Group's reputation and enhancing its credibility as a responsible business entity that actively and consciously aligns its operations with the requirements of sustainable development.

The Management Board receives ongoing updates through internal reporting and management review procedures, including the results of the double materiality assessment. Members of the Management Board also personally participate in the process of communicating with selected Group stakeholders. Conclusions are communicated and reported by the Management Board to the Supervisory Board.

A description of the engagement, the topics discussed, and the purpose and results of the communication are presented in Table SBM-2.

STAKEHOLDERS	DIALOGUE WITH STAKEHOLDERS		
NAME OF THE IDENTIFIED STAKEHOLDER	METHOD OF COMMUNICATION WITH THE STAKEHOLDER	TOPICS DISCUSSED AND OBJECTIVE	OUTCOME OF COMMUNICATION
RAW MATERIAL SUPPLIERS PACKAGING SUPPLIERS SERVICE PROVIDERS COMPONENT SUPPLIERS	Ongoing communication at the level of designated contact persons, self-assessments, audits, from audits, Specific Customer Requirements, contracts, website, financial and sustainability reporting of the Group. Direct participation in the double materiality assessment through a dedicated survey.	TOPICS COVERED: Supplier evaluations and qualification. Establishing commercial terms, timely payments, and contract execution. Communication of the Group's strategic requirements. Code of Ethical Conduct. Code of Ethical Conduct for Suppliers of the Group's Products and Services. GOAL: Building lasting business relationships based on mutual trust, clearly defined requirements, and the principles of fair partnership. Undertaking environmental initiatives (e.g., CO ₂ reduction). Assessing topics material to the Group in a double materiality assessment. Identifying the Group's impacts on sustainability issues in the value chain, with particular emphasis on negative impacts. Following this, the effective implementation of mitigation and preventive measures.	Responses were received from 32 of the Group's suppliers, representing both large enterprises SMEs. They confirmed the accuracy of the previously conducted analysis of impacts in the area of sustainability. Furthermore, the participation of suppliers from both the domestic and international markets confirms that sustainability issues are significant throughout the Group's value chain, regardless of the supplier's location and size. This indicates the need to continue monitoring and further cooperation with suppliers regarding responsible business practices. These opinions were incorporated into the double materiality assessment. Information highlighting the priority of emissions reduction, waste management, as well as safe working conditions and ethical business conduct—has been incorporated into the ESG strategy as targets to be

			achieved between 2026 and 2030.
CURRENT CUSTOMERS	<p>Ongoing communication at the level of designated contact persons, self-assessments, audits, from audits, Specific Customer Requirements, contracts, letters of intent, website, social media, and the Group's financial and sustainability reporting.</p> <p>Indirect participation in the double materiality assessment through evaluation of SAQ 5.0 (NQC) questionnaires, consideration of Specific Client Requirements.</p>	<p>TOPICS COVERED: Gathering information on the Group's client requirement specifications, including those related to requests for proposals for new products. Guidelines and requirements set by clients. Code of Ethical Conduct. Information regarding market trends.</p> <p>OBJECTIVE: Meeting expectations by offering products of the expected quality that meet customer requirements and legal regulations. Using only materials that meet safety standards. Ensuring supply chain continuity. Achieving climate goals (e.g., by reducing CO₂ emissions). Ensuring the Group's business continuity.</p>	<p>An analysis of documentation provided by the Group's current and potential customers confirmed that sustainability issues play a significant role in business relationships and are increasingly being incorporated into customer requirements. Customers expect transparency, compliance with ESG guidelines, and alignment of the Group's activities with sustainability standards.</p> <p>Furthermore, the results of the self-assessment questionnaire analysis indicate that customers use different approaches to evaluate their suppliers in terms of ESG, which underscores the need for systematic monitoring of their requirements and adapting the Group's strategy to rapidly changing market standards. Customer requirements related to carbon footprint reduction, the circular economy, and ethical business conduct have been incorporated into the ESG Strategy as goals to be achieved between 2026 and 2030.</p>
POTENTIAL CUSTOMERS	<p>Public information on the website, including the Code of Ethical Conduct, public reports, the SAQ 5.0 (NQC) assessment, and the Group's financial and the Group's sustainability reporting.</p>	<p>TOPICS COVERED: Gathering information on new customers' requirements and new market trends.</p> <p>GOAL: Meeting expectations by offering products of the expected quality that meet customer requirements and legal regulations. Using only materials that meet safety standards. Ensuring supply chain continuity. Achieving climate goals (e.g., by reducing CO₂ emissions). Ensuring the Group's business continuity.</p>	
ENVIRONMENT	<p>Reports and statements from the assessment of environmental aspects of operations.</p> <p>Incorporating environmental interests into the double materiality assessment through analysis of relevant legal requirements, including the results of external inspections (Regional Inspectorate for Environmental Protection, Marshal's Office), analysis of environmental management system audit results (ISO 14001), and analysis of climate projections contained in publicly available knowledge databases.</p>	<p>TOPICS COVERED: Identification of resources used, measurement, recording, and reporting of their consumption. Searching for and implementing methods that improve resource efficiency and prevent or mitigate negative impacts.</p> <p>OBJECTIVE: Taking actions to protect and reduce the consumption of natural resources. Raising awareness among employees and throughout the supply chain.</p>	<p>Compliance with legal regulations based on inspections by institutions such as the Regional Inspectorate for Environmental Protection (WIOS) and the Marshal's Office, and internal measurements of environmental aspects were analyzed.</p> <p>Audits compliant with ISO 14001 confirmed the effectiveness of the implemented procedures and identified areas for improvement.</p> <p>The findings confirm the</p>

			<p>effectiveness of the environmental management system and the need for further optimization to minimize the environmental impact .</p> <p>Reducing the carbon footprint and implementing circular economy principles have been included in the ESG Strategy as goals to be achieved between 2026 and 2030.</p>
CONSUMERS AND END USERS	<p>Public information available on the website, including the Sanok Rubber Group Code of Ethical Conduct and public reports. Participation in a double materiality analysis by incorporating analysis-based requirements and expectations reported by customers—a direct source of knowledge about market needs.</p>	<p>GOAL:</p> <p>Taking into account the fundamental rights and consumer needs regarding access to information and product safety.</p> <p>Taking into account the Group’s expertise and the specific requirements of the Group’s direct customers, particularly regarding the application, environment, and conditions of use of the products.</p>	<p>The Group, focusing primarily on the production of components, has minimal impact on the consumer market. For this reason, no direct consumer surveys were conducted, relying instead on the Group’s own knowledge and the requirements of B2B customers. The Group emphasizes product safety and compliance with customer requirements. Although its share of the consumer market is small, the Group recognizes the potential for further growth and adapting its offering to market expectations. Due to its low materiality, it has not been included in the ESG strategy.</p>
LOCAL GOVERNMENT	<p>Reports and legally required statements, declarations, and ongoing communication based on the needs of both parties.</p> <p>Direct engagement in the double materiality assessment through a dedicated survey.</p>	<p>TOPICS ADDRESSED:</p> <p>Addressing current issues to ensure the proper functioning of the Group.</p> <p>OBJECTIVE:</p> <p>Maintaining legal compliance.</p> <p>Assessing topics relevant to the Group in a double materiality assessment.</p>	<p>An analysis of responses from local authorities confirmed that the Group’s previously identified impacts in the local community are consistent with the perspective of external stakeholders. The absence of significant discrepancies indicates the adequacy of the impact assessment to date and its alignment with the actual needs of the community. Furthermore, the information obtained underscores the importance of continued cooperation with local authorities on sustainable development. Regular dialogue with local government representatives can help better align the Group’s activities with community expectations and increase its positive impact on the surrounding area.</p>
NATIONAL GOVERNMENT	<p>Reports and legally required statements, declarations, and public reports.</p>		

			Emissions reduction, waste reduction, and support for local communities have been included in the ESG strategy as goals to be achieved between 2026 and 2030.
OWN WORKFORCE	Ongoing dialogue with employees through general two-way communication channels at facilities, employee meetings, emails, the internal Intranet, posters, competency assessments, annual satisfaction surveys, reporting of needs, complaints, and misconduct, team-building events. Participation in a double-significance study—through consultations with trade union representatives and analysis of the results of the annual satisfaction survey.	<p>TOPICS COVERED:</p> <p>Working conditions, safety and occupational health, professional development, education.</p> <p>Involvement in the materiality study through:</p> <ul style="list-style-type: none"> - taking into account the results of the Parent Company’s employee satisfaction survey conducted in 2024, - presenting the results of the materiality study for ESRS S1 (Human Capital) for consultation with representatives of the four labor unions operating within the Parent Company. <p>GOAL:</p> <p>Communication of strategy, goals, mission, and policies.</p> <p>Training and professional development tailored to needs.</p> <p>Building awareness and good habits.</p> <p>Understanding needs and improving working conditions.</p>	<p>Actions taken in 2024 included conducting an employee satisfaction survey and a detailed materiality analysis regarding ESRS S1, related to human resources management. Consultations with trade union representatives did not indicate a need for changes or amendments to the analysis results.</p> <p>Continuation of activities related to competency development and training.</p> <p>Additionally, as part of the ESG strategy, the goals to be achieved in 2026–2030 include improving the accident rate and increasing the representation of the underrepresented gender in senior management.</p>
EMPLOYEE COUNCIL / EMPLOYEE REPRESENTATIVES	Regular meetings as part of the ongoing social dialogue between representatives and the Management Board, as well as the Human Resources and Payroll Department. Direct participation in the double materiality assessment—through consultations with trade union representatives. Confirmation of the validity of the adopted assumptions in 2025.	<p>TOPICS DISCUSSED:</p> <p>Agreements regarding employees’ terms of employment.</p> <p>Involvement in the double materiality assessment through consultations with union representatives.</p> <p>GOAL:</p> <p>To understand employees’ needs and improving the working conditions offered.</p>	
INVESTORS	Reports, statements, the Annual General Meeting of Shareholders, communication with the Supervisory Board, conferences, and the Group’s financial and sustainability reporting. Direct engagement in the double materiality assessment through a dedicated survey. In 2025, direct involvement in the double materiality assessment through a dedicated survey.	<p>TOPICS COVERED:</p> <p>Financial results, sustainability, Group strategy.</p> <p>OBJECTIVE:</p> <p>Maintaining reputation, attracting new investors, meeting expectations.</p> <p>Assessment of topics relevant to the Group in a double materiality assessment.</p>	The primary outcome of communication is maintaining the Group’s positive image, as well as the trust of these stakeholders and their willingness to continue, maintain, or develop cooperation with the Group. The Group is not perceived by them as posing a significant risk. As a result of the communication, the following were identified as material: emission reductions, implementation of the circular economy, and adherence to ethical principles, which were
BANKS AND FINANCIAL INSTITUTIONS	Ongoing communication via email, telephone (teleconferences), and in-person meetings, as well as financial reporting and the Group’s sustainability.	<p>TOPICS DISCUSSED:</p> <p>Financial results, sustainability issues, contract terms, contract negotiations.</p> <p>OBJECTIVE:</p> <p>Defining current needs,</p>	

	Direct engagement in the double materiality assessment through a dedicated survey and meetings. In 2025, direct engagement in the double materiality assessment through a dedicated survey and face-to-face meetings.	developing systems, products, and services. Securing financing. Aligning investments with requirements. Identifying and fulfilling the needs of banks based on contract terms. Assessing topics relevant to the Group in a double materiality assessment.	included in the ESG strategy as targets to be achieved for the years 2026–2030.
INSURANCE COMPANIES	Ongoing communication via email, telephone (teleconferences), and in-person meetings, as well as financial and the Group's sustainability. Ongoing communication regarding to policy issuance/renewal, claims reporting. Direct involvement in the double materiality assessment through a dedicated survey. In 2025, direct involvement in the double materiality study through a dedicated survey.	TOPICS COVERED: Adapting contract terms to current needs. Claims processing. OBJECTIVE: Establishing terms that meet current expectations and needs. Smooth fulfillment of contract terms in the event of a claim. Assessing topics relevant to the Group in a double materiality assessment.	
AFFILIATED COMPANIES	Ongoing communication resulting from the operational needs of both parties, General Shareholders' Meetings of individual companies, financial and sustainable development of the Group, periodic business meetings, planning and evaluation of strategies and results. Direct participation in the double materiality assessment by completing a form evaluating the materiality of individual ESRS topics. Confirmation of the validity of the adopted assumptions in 2025.	TOPICS COVERED: Creating a common, unified corporate culture; standardizing high business conduct standards; establishing strategic development directions. OBJECTIVE: Ensuring the proper functioning of the Group. Standardization of Group standards. Assessment of topics relevant to the Group using a double materiality test.	Conclusions regarding the further development of strategic directions, operational goals, and the continued integration of the Group around a shared corporate culture. Group companies actively participated in the double materiality assessment and, as a result, identified significant impacts, risks, and opportunities.
LOCAL COMMUNITY	Ongoing communication (via email, mail, or in-person meetings) based on stakeholder needs, social media, and contact through the website. Direct involvement in the double materiality assessment through a dedicated survey. Deepening the dialogue in 2025 through a dedicated survey.	TOPICS ADDRESSED: Cooperation with local suppliers, support for the needs of the local community. The Group's impact on the local environment. GOAL: Establishing lasting relationships with the local community. Understanding stakeholder needs. Assessing topics relevant to the Group in a double materiality assessment.	To understand and integrate the opinions and needs of the local community into the Group's strategy. Emissions reduction, waste reduction, and support for local communities have been included in the ESG strategy as goals to be achieved between 2026 and 2030.

[SBM-3] Material impacts, risks, and opportunities and their interrelationships with the strategy and business model

As a result of the double materiality analysis conducted within the Group in 2024, key impacts, risks, and opportunities in the environmental, social, and governance areas were identified.

In 2025, a review was conducted to verify the relevance of the double materiality analysis. The purpose of the review was to confirm whether the results of the analysis conducted in 2024 remain adequate, complete, and up-to-date.

As part of the review, the analysis focused in particular on whether any significant changes occurred within the Group during the reporting period that could result in the emergence of new or altered impacts, risks, or opportunities, including, among others:

- changes in legal requirements resulting in a significant change in its impact on the environment,

- changes in operations (new production lines, processes, technologies),
- changes in the organizational structure (mergers, acquisitions),
- changes in operations leading to entry into a new sector or exit from an existing market,
- changes in the structure of key suppliers or in supply chain practices, including, for example, the initiation of cooperation in new geographic markets where there may be increased contextual risks (such as non-compliance with labor standards or human rights),
- changes in stakeholder expectations,
- the emergence of new specific ESG risks or opportunities.

Based on the review conducted, no material changes were identified that would justify the need to update the 2024 materiality assessment.

Defining material issues allows the Group to adopt an appropriate system for managing them.

Conscious management—including incorporating selected issues into the Group’s strategy and monitoring them—aims to minimize or counteract negative impacts and risks, and to capitalize on positive impacts and opportunities. This is one of the key elements of managing risks related to the Group’s sustainability issues, implemented to build long-term business resilience.

Priorities for action have been established for the impacts defined by the Group:

- **HIGH** The process requires action to mitigate the impact, including compliance with legal requirements,
- **MEDIUM** the process is under control; an analysis is required to identify opportunities for implementing improvement measures,
- **STANDARD** The process is under control, is monitored, and requires no action.

TABLE SBM-3 IMPACTS

ESG ISSUE IN ESRs	ISSUE IN THE MATERIALITY ASSESSMENT	DESCRIPTION OF IMPACT	TIME FRAME	PLACE OF ORIGIN	MANAGEMENT PRIORITY
ESRS E1 – Climate Change	Climate change mitigation. Energy	The negative impact stems from carbon dioxide (CO ₂) emissions and includes emissions generated at various stages of the Group’s operations, primarily resulting from the consumption of electricity and heat derived from fossil fuels, heat production, as well as from other technological and logistics processes throughout the value chain. Reducing the impact associated to carbon dioxide emissions includes, among other things, reducing direct emissions, increasing the use of renewable energy sources, improving the energy efficiency of facilities and production processes, and conducting educational activities. This impact has been formally incorporated into the Sanok Rubber Group’s ESG Strategy and the Group’s Climate Policy, which set measurable emission reduction targets and constitutes a key element of long-term efforts to reduce the carbon footprint and fulfill climate commitments.	Short-term Medium-term Long-term	Upstream Own operations Downstream	HIGH

<p>ESRS E2 – Pollution</p>	<p>Air pollution Water pollution Potentially hazardous substances</p>	<p>The negative impact of the Group's operations stems from emissions of dust and gaseous pollutants generated during production processes, as well as from the discharge of rainwater and the use of potentially hazardous substances.</p> <p>The Group has implemented procedures to limit the potential for pollution and continuously improves its processes to reduce pollution. Additionally, quality tests are conducted on stormwater and dust and gas emissions in accordance with the legal requirements necessary to obtain a permit to operate.</p>	<p>Short-term Medium-term</p>	<p>Upstream Own operations</p>	<p>MEDIUM</p>
<p>ESRS E3 – Water and marine resources</p>	<p>Water consumption Water withdrawals</p>	<p>Negative impact resulting from the use of water resources for production and domestic purposes.</p> <p>Technological processes are designed with water consumption in mind, including the use of a closed-loop cooling water system and thermostatic controls. Current water consumption is continuously monitored to detect potential failures and eliminate losses.</p>	<p>Short-term Medium-term</p>	<p>Upstream Own operations</p>	<p>STANDARD</p>
<p>ESRS E4 – Biodiversity and Ecosystems</p>	<p>Direct drivers of biodiversity loss Changes in land use, changes in freshwater and marine use</p>	<p>The negative impact stems from the use of natural rubber in production processes. The harvesting of natural rubber can lead to changes in land use in areas at risk of deforestation.</p> <p>Prevention involves purchasing rubber from verified suppliers. We are currently in the process of obtaining confirmation from suppliers that natural rubber is sourced from sources that do not cause land-use changes, in order to comply with the requirements of the European Union Deforestation Regulation (EUDR).</p>	<p>Medium-term Long-term</p>	<p>Upstream</p>	<p>STANDARD</p>
<p>ESRS E5 – Resource Use and Circular Economy</p>	<p>Inputs related to products and services Waste</p>	<p>The negative impact is associated with the generation of production waste, including hazardous waste, due to the risks it may pose to the environment.</p> <p>The negative impact is minimized through the implementation of a comprehensive waste management system, which includes the selective collection of all generated waste to enable its further processing or safe disposal, as well as the regular recording of the quantity and type of waste. Furthermore, waste is transferred exclusively to waste recipients holding the appropriate permits. With regard to rubber waste, the Parent Company cooperates with recipients that recycle such waste.</p>	<p>Short-term Medium-term</p>	<p>Upstream Own operations Downstream</p>	<p>STANDARD</p>

		The objective related to reducing the amount of non-recycled waste has been included as a measurable target in the Group's ESG Strategy.			
ESRS S1 – Own workforce	Working conditions Equal treatment and equal opportunities for all Other labor-related rights	<p>Negative impact on safety and occupational health due to the risk of accidents, injuries, or occupational diseases, job stability in the event of deteriorating business indicators, work-life balance and work, and, in isolated cases, increased demand for during overtime hours, training, and skill development, particularly their availability and effectiveness.</p> <p>The Group minimizes the effects of negative impacts by ensuring to create working conditions based on:</p> <ul style="list-style-type: none"> - compliance with labor laws, - clear employment rules (preference for employment contracts), - transparency regarding employment policies and compensation rules, - offering flexible working hours, - taking employees' needs into account through dialogue with labor unions, - supporting work-life balance, - ensuring safety and occupational health through the implementation of a certified occupational health and safety management system based on the ISO 45001 standard, - providing training and supporting employees in developing their skills and competencies, - the implemented Sanok Rubber Group Code of Ethical Conduct governing employee matters. <p>The ESG Strategy includes a measurable goal to reduce the rate of work-related accidents and a goal to increase the representation of the underrepresented gender in senior management.</p>	Short-term Medium-term Long-term	Own operations	STANDARD

ESRS S1 – Own workforce	Working conditions Equal treatment and equal opportunities for all Other labor-related rights	Positive impacts result from actions and initiatives to improve work organization and strive for work-life balance, fostering a supportive work environment and raising its standards, ensuring equal treatment and creating equal opportunities for all, including through training and professional and personal development based on the adopted competency model. Building an organizational culture based on the principles of ethical conduct.	Short-term Medium-term Long-term	Own operations	STANDARD
ESRS S2 –Workers in the value chain	Working conditions – job security	The positive impact stems from requiring contractors to comply with the Sanok Rubber Group’s Code of Ethical Conduct for Product and Service Suppliers and extending this requirement down the supply chain. The Code of Ethical Conduct addresses, among other things, issues related human rights and labor rights in accordance with international legal regulations in this area.	Short-term Medium-term Long-term	Upstream	MEDIUM
ESRS S3 – Affected communities	Adequate housing Safety impacts	Negative impacts on the local community manifest through environmental effects resulting from the nature of industrial operations, including, for example, emissions of pollutants or noise. This impact is mitigated by taking measures aimed at maintaining the quality and quantity limits specified in the relevant operating permits. Furthermore, the Group has a positive impact on local communities both within its own operations and throughout the supply chain by adopting the principles of the Sanok Rubber Group Code of Ethical Conduct and the Sanok Rubber Group Suppliers’ Code of Ethical Conduct for Products and Services, which require respect for human rights, the rights of local communities, and the natural environment. The Group actively participates in initiatives supporting local communities by engaging in the social and cultural life of the region, providing financial support to healthcare facilities, public benefit organizations, educational institutions and educational institutions, childcare facilities, local sports initiatives, and initiatives supporting the local environment. The ESG Strategy sets a goal to maintain activity in the area of social responsibility by supporting the local community and responding flexibly to its needs within planned budgets.	Short-term Medium-term Long-term	Upstream Own operations Downstream	MEDIUM

<p>ESRS S4 – Consumers and end-users</p>	<p>Impacts on consumers or end users related to information Personal safety of consumers or end users</p>	<p>Potentially negative impacts related product safety and quality are taken into account from the product design stage. Requirements regarding the functional and quality of products, as components of other market products, take into account requirements formulated by customers.</p> <p>As part of our operations, we ensure that materials and products meet the required safety standards and maintain a high level of personal data protection.</p>	<p>Short-term Medium-term Long-term</p>	<p>Downstream</p>	<p>STANDARD</p>
<p>ESRS G1 – Business Conduct</p>	<p>Supplier relationship management, including payment practices</p>	<p>Impact related to the lack of full automation of communication with suppliers</p> <p>Work is underway to implement a supplier portal designed to streamline communication. Planned implementation date: 2026.</p>	<p>Short-term Medium-term</p>	<p>Upstream</p>	<p>MEDIUM</p>
<p>ESRS G1 – Business Conduct</p>	<p>Corporate Culture Whistleblower Protection Supplier Relationship Management, including payment practices Corruption Bribery</p>	<p>The Group exerts a positive influence through the consistent implementation of ethical standards, transparency, and social responsibility.</p> <p>Key activities in this area include:</p> <ul style="list-style-type: none"> - building a corporate culture based on the values set forth in the Sanok Rubber Group Code of Ethical Conduct and the Sanok Rubber Group Code of Ethical Conduct for Product and Service Suppliers, - implementing a whistleblower protection system that provides employees and stakeholders with secure channels for reporting potential violations, - actively and responsibly managing relationships with suppliers, - practices aimed at preventing incidents of corruption and bribery. <p>The ESG Strategy sets out measurable goals in this area regarding suppliers’ compliance with the requirements of the “Code of Ethical Conduct for Suppliers of Products and Services to the Sanok Rubber Group” and a commitment to review 100% of violation reports submitted to the Ethics Officer.</p>	<p>Short-term Medium-term Long-term</p>	<p>Own operations</p>	<p>MEDIUM</p>

SBM-3 TABLE: RISKS AND OPPORTUNITIES

TOPIC IN ESRS	SUB-TOPIC	RISK OR OPPORTUNITY	DESCRIPTION	RISK OR OPPORTUNITY MANAGEMENT APPROACH
ESRS E1 – Climate Change	Adaptation to climate change	Climate, operational, and legal risks.	Business risks resulting from climate change, including: - the impact of extreme weather events that could disrupt production and logistics processes, - limited water availability, which may disrupt production processes.	Emergency response procedures in emergency situations. Water conservation, use of closed-loop systems in production processes.
	Climate change mitigation		Risk of non-compliance with legal requirements and loss of customers resulting from zero-emission requirements.	Ongoing analysis of legal requirements. Establishment and implementation of the Group's climate policy, including quantitative CO ₂ emission reduction targets. Incorporating this goal into the Group's ESG strategy for 2026–2030. Planning and undertaking ongoing actions to achieve reductions in this area.
	Energy	Operational risk	Risk of increased capital expenditures related to the acquisition of renewable energy sources.	Selection of the most cost-effective solutions for energy production from renewable sources and analysis and selection of a supplier offering the most favorable commercial and technical terms.
	Climate change mitigation	Opportunities arising from climate change mitigation	Opportunity to improve profitability due to reduced emissions fees, the opportunity to obtain green certificates, meeting customer requirements, and improving the Group's image.	Seizing the opportunity by taking steps to improve the energy efficiency of the Group's facilities. In the Reporting Entity, implementation of measures identified in connection with the Company's Energy Audit.
ESRS E2 – Pollution	Water pollution Soil pollution Contamination of living organisms and food resources Potentially hazardous substances	Operational risks	Risk of chemical substances used in production processes, including hazardous substances. Financial risks in this area stem from potential fines and the costs of implementing corrective actions and investments.	Prevention involves the use of procedures setting out detailed guidelines to prevent environmental incidents. At the largest production facilities, namely Sanok Rubber Company S.A., Teknikum Group, and Drahtex Automotive GmbH, the environmental management system has been certified for compliance with ISO 14001.
ESRS E2 – Pollution	Substances of Very High Concern	Legal risk	The risk of legal changes resulting in a ban on the use of currently employed hazardous substances. The risk of incurring costs for activities related to the introduction of substitutes.	Ongoing analysis of legal requirements and proposed changes in this area, as well as planning and implementing necessary adjustments well in advance.
ESRS E3 - Water and marine resources	Water and marine resources	Physical risk	Risk associated with water shortages and the associated costs of temporarily limiting or halting production, and thus the loss of revenue generation opportunities and customer trust.	Continuous monitoring of water consumption combined with water-saving measures and the design of technological processes that reduce water usage.
ESRS E4 - Biodiversity and Ecosystems	Direct factors contributing to biodiversity loss	Legal risk	Risks associated with changes in legislation and the Group's need to adapt to such changes – implementation of requirements related to the EUDR Regulation	To mitigate this risk, continuous monitoring of legislative changes has been implemented, and work continues on implementing a procedure to ensure the compliance of supplies and finished products with the EUDR Regulation, and work has also begun on updating internal systems.

ESRS E5 - Resource Use and Circular Economy	Waste	Operational risk	Risk associated with incurring costs for the disposal and management of hazardous and non-hazardous waste	To mitigate this risk, the Group focuses on: - reducing the amount of waste generated through ongoing analysis and optimization of production processes, - continuously monitoring the amount of waste generated, - systematically soliciting bids for waste management, - identifying opportunities to reuse materials in the production process. The goal of reducing non-recyclable waste has been incorporated into the Group's ESG strategy for 2026-2030.
ESRS E5 - Resource Use and Circular Economy	Waste	Operational and reputational opportunity	Using recycled materials, implementing closed-loop cooling water systems, and reusing materials in the production process. Consequently, reducing product manufacturing costs and lowering the carbon footprint, thereby increasing competitiveness.	Actively pursuing initiatives aimed at increasing the use of recycled materials and closed-loop systems.
ESRS S1 - Own workforce	Working conditions	Operational risk	Risks associated with a potential increase in labor costs resulting from a decline in productivity and work quality, as well as high staff turnover. This includes costs related to recruiting and hiring new employees, training processes, the need for overtime, the temporary reassignment of employees to new duties, and expenses related staff retraining.	Initiatives aimed at increasing business resilience in the area of workforce availability, including, among others, process automation and initiatives to improve operational efficiency. The 2026-2030 ESG strategy includes an indicator regarding the reduction in the number of workplace accidents as part of efforts to improve safety and working conditions, as well as an indicator related to gender equality. These measures, aimed at increasing employee satisfaction, are designed to reduce turnover.
ESRS S1 - Own workforce	Other labor-related rights	Operational and reputational risk	The risk of a breach of employee personal data confidentiality (e.g., as a result of a data breach) may result in legal consequences, such as financial penalties imposed by regulatory authorities, loss of trust among employees and stakeholders, as well as damage to the company's reputation. Additionally, it may generate costs associated implementing corrective measures and increase the risk of compensation claims from affected employees.	Information security risk management is carried out within the framework of an Information Security Management System compliant with TISAX. It involves the systematic identification and assessment of risks, the implementation of security policies with technical and organizational safeguards, as well as continuous monitoring through internal audits and an incident log.
ESRS S1 - Own workforce	Equal treatment and equal opportunities for all	Operational opportunity	Opportunity to increase operational efficiency by enhancing the competencies of the Group's employees. Initiatives focused on developing employees' competencies and skills ensure the availability of appropriate human resources and their continuous improvement, which addresses the organization's rapidly changing needs. This opportunity contributes to increased operational efficiency and facilitates adaptation to new challenges, such as the development of new processes and products, establishing partnerships with new clients, and the implementation of innovative solutions.	The implementation of a competency model, a culture of competency development and mutual feedback.

ESRS S2 - Workers in the value chain	Working conditions	Risk	Risk of disruptions in the supply chain and increases in the purchase prices of materials and services.	Risk managed through production and logistics planning to ensure the smooth flow of raw materials, products, and the collection of waste generated during the production stage. Ongoing collaboration with suppliers in the process of adapting to sustainability requirements.
ESRS S2 - Workers in the value chain	Working conditions	Opportunity	An opportunity related to meeting the Group's customers' requirements regarding the situation of employees in the supply chain, which contributes to a positive company image and facilitates the acquisition of new business.	This opportunity is leveraged through the implementation of the Sanok Rubber Group Code of Ethical Conduct and the Sanok Rubber Group Suppliers' Code of Ethical Conduct for Products and Services, which define the Group's fundamental requirements regarding environmental, social, and business matters.
ESRS S3 - Affected Communities	Economic, social and cultural rights of communities	Risk	Risks associated with the costs of maintaining the current level of supervision and monitoring, impact assessments, expert analyses, and the implementation and maintenance of mitigation, elimination, and prevention measures related to the Group's impact on its immediate surroundings, as well as the costs of potential complaints and incidents.	This risk is managed through continuous monitoring of the impact on the surrounding environment, the implementation of solutions to limit that impact, and ongoing communication and cooperation with local communities regarding their expectations and needs.
ESRS S3 - Affected Communities	Economic, social and cultural rights of communities	Opportunity	The Group's positive image resulting from its involvement in the life of the local community increases employees' identification with the company and attracts new employees. An opportunity related having a highly qualified workforce.	An opportunity managed through a policy of responsible engagement and supporting local communities, as well as communicating the actions taken in this regard. This objective is included in the ESG strategy for 2026–2030.
ESRS S4 - Consumers and End-Users	Personal safety Access to products and services	Risk	Cost risks associated with potential product safety incidents. Changes in legal regulations and customer expectations in the market—e.g., recycling, price pressure, sustainable products—may cause consumers and users to shift their focus more toward products that meet sustainability criteria, which could have a significant impact on production costs and maintaining competitiveness.	This risk is effectively monitored and mitigated through a rigorous system of testing and approval procedures for materials and products, including at accredited external laboratories and in collaboration with customers who create or co-create product specifications to ensure they account for conditions of use. The risk is covered by product liability insurance. Risk is managed through medium- and long-term marketing activities that take consumer trends into account, as well as efforts to develop products and production technologies, so that they meet current market expectations.
ESRS G1 - Business Conduct	Corporate culture	Legal risk	Failure to comply with legal requirements, which may result in financial penalties, can occur in various areas of business, particularly in the event of failure to identify regulatory changes or their misinterpretation.	Risk management through ongoing monitoring of regulatory changes, participation in training sessions, and training employees to ensure the company's ongoing compliance with applicable regulations.
	Corporate culture	Operational and reputational opportunity	Opportunity to strengthen reputation, increase trust among employees and partners, and improving market competitiveness in connection with adherence to ethical standards.	Managing this opportunity through the implementation of the Sanok Rubber Group Code of Ethical Conduct and the Code of Ethical Conduct for Suppliers of Products and Services to the Sanok Rubber Group, as well as the introduction of regulations regarding whistleblower protection. The Group's strategy for 2026–2030 sets the goal of ensuring full

				verification of all reports regarding potential violations.
	Management of relationships with suppliers, including payment practices	Operational opportunity	An opportunity arising from active supply chain risk management through a partnership-based approach with suppliers based on transparent terms.	This opportunity is leveraged by standardizing the supplier selection and verification process and the implementation of ongoing cooperation based on best business practices, dialogue, and shaping cooperation terms on a partnership basis, taking into account the requirements of the Sanok Rubber Group's Code of Ethical Conduct for Product and Service Suppliers. The Group's strategic goal for 2026–2030 is to ensure that suppliers act in accordance the principles set forth in this code.

To mitigate negative impacts and risks and to capitalize on opportunities, a new Sanok Rubber Group ESG Strategy has been developed, defining strategic goals, as well as the Sanok Rubber Group Climate Policy, which includes CO₂ emission reduction targets.

In 2025, the Group expanded its climate risk scenario analysis based on high-emission scenarios developed by the Intergovernmental Panel on Climate Change (IPCC) and other publicly available analytical tools, including Hydroportal and the Water Risk Atlas. The analysis aimed to verify the potential long-term impacts of climate change on the Group's operations.

No financial risks or opportunities were identified that could necessitate a material balance sheet adjustment during the next reporting period. However, due to the volatility and uncertainty associated with future events, such a possibility cannot be ruled out. The Group will monitor the situation in this regard on an ongoing basis.

The source of data for the assessment of impacts, risks, and opportunities was the Group's historical data and comparative data.

For this report, the Group does not provide additional disclosures beyond the requirements of IFRS. Should such disclosures be identified in the future, they will be included in subsequent reports.

Impacts, risks, and opportunities versus the Group's strategy and business model

Financial risk management within the Group is focused on building the resilience of the strategy and business model. To this end, both the strategy and the business model are subject to regular review and modification depending on prevailing conditions.

The strategy and business model are based on long-term cooperation with business partners, optimal use of resources, and continuous process improvement. To ensure resilience to changing market conditions, key risks such as fluctuations in raw material prices, changing legal regulations, and customer expectations are analyzed.

In response to these challenges, the Group diversifies its supplier base, optimizes production costs, and invests in automation and new technologies. In collaboration with customers, solutions are tailored to their growing requirements regarding product durability and sustainability, which aligns with the Group's approach to creating value for shareholders and other stakeholders.

To ensure resilience to changing market and regulatory conditions, the Group actively manages key risks and impacts and capitalizes on emerging opportunities.

In the environmental sphere, the Group focuses on reducing the impact of its operations on the climate and on waste management. It implements measures aimed at reducing its carbon footprint and increasing the share of renewable energy sources, and future plans include the implementation of its own photovoltaic installations and a facility enabling the utilization of its own waste.

In the social sphere, the Group focuses on building lasting relationships with employees and the local community. It invests in developing the team's competencies, modernizing workstations to promote occupational safety and health, supporting diversity, and implementing social and cultural initiatives in the region. These efforts strengthen the Group's position as a responsible employer and business partner.

In the area of corporate governance, the Group ensures transparency and provides education on sustainable development by organizing training sessions on topics such as ESG, the code of ethical conduct, data protection, workplace bullying, and corruption. The Group conducts a systematic analysis of reports regarding potential violations and sets ethical standards for suppliers. This helps build awareness and an organizational culture based on responsibility and regulatory compliance.

1.4 Management of Impacts, Risks, and Opportunities – Materiality Assessment

[IRO-1] Description of the process for identifying and assessing material impacts, risks, and opportunities

The double materiality assessment conducted in 2024 covered the Group and its value chain, taking into account the geographic profile of its operations. It was carried out based on the requirements set forth in the CSRD and the ESRS Regulation.

In 2025, a review of the double materiality analysis was conducted to confirm whether the results of the 2024 assessment remain relevant and complete. The review included an assessment of changes in the regulatory environment, operational activities, organizational structure, supply chain, and stakeholder expectations, as well as potential new ESG risks and opportunities.

Based on the analysis, no significant changes were identified that would justify updating the from 2024. The results of the analysis were deemed current and a suitable basis for further reporting on sustainability issues.

In accordance with the developed Guide to the Materiality Assessment of Sustainability Issues in the Group, the next materiality assessment will be conducted in 2027.

The purpose of the assessment was to identify material impacts, risks, and financial opportunities related to environmental, social, and business conduct issues, and to determine which of the identified issues are of greatest significance to the Group and its stakeholders.

The study addressed the three time horizons recommended by the European Sustainability Reporting Standards. It was conducted in accordance with the principle of double materiality, meaning that materiality criteria were defined from both an impact perspective and a financial perspective, and material issues were identified from one or both of these perspectives.

The study was conducted using a tool and methodology developed internally within the Group.

Individual sustainability issues were assessed in a standardized manner across the entire Group.

Representatives of key functional areas of the Parent Company and Subsidiaries participated in the internal study, including, among others, human resources, environmental protection, occupational health and safety, controlling, development, customer service, procurement, internal audit, and other individuals with relevant expertise, as well as management representatives.

The study was conducted in the following stages:

Stage I – Understanding the organizational context – analysis of the Group's current business model, identification of key processes and interactions occurring within the value chain, and identification of key stakeholders.

Stage II – Identification of topics for analysis – based on a list of sustainability-related issues covered by the thematic scope according to Table AR16 of the ESRS 1. The study also took into account other relevant issues identified based on the industry knowledge and experience of the study participants.

Stage III – Identification of significant impacts that the Group has or may have on people and/or the environment within the analyzed topic. These impacts were assessed using the criterion of severity, taking into account scale, scope, and irreversibility, and, in the case of potential impacts, the criterion of likelihood of occurrence. Measurable assessment parameters were defined for each criterion.

Criteria applied:

SCALE – determines how strongly the effects of a given impact are felt and to what extent they affect the ability of stakeholders to pursue their interests. The assessment was conducted based on the described four-point scale.

SCOPE – determines which territorial area and/or how many people are affected by a given impact. The assessment was conducted based on a three-point scale.

IRREVERSIBILITY – determines whether, to what extent, within what timeframe, and with what resources it is possible to restore the original state or achieve the desired state after the impact has occurred. The assessment was conducted based on the described three-point scale.

LIKELIHOOD – determines the likelihood of a given impact occurring as low, medium, or high, based on the best available knowledge and historical data.

In the case of identified potential adverse impacts, the severity of the impact takes precedence over the likelihood.

For human rights issues, particularly given the complexity of the Group's value chain, the approach adopted is that these issues are material regardless of the identified impact.

For the impacts defined by the Group, action priorities were established as described in Table [SBM3].

Stage IV – Identification of financial risks and opportunities that exist or may arise in connection with significant impacts, as well as other risks and opportunities within the analyzed ESRS topics.

The identified risks and opportunities were assessed using a scale criterion and the probability of their occurrence. For each criterion, measurable evaluation parameters were defined.

Criteria applied:

SCALE – impact (decrease or increase) on EBITDA expressed as a percentage of the previous fiscal year’s EBITDA, and impact on cash flow expressed as a percentage of the previous fiscal year’s EBITDA.

PROBABILITY – determines the likelihood of a given risk or opportunity occurring as low, medium, or high, based on the best available knowledge and historical data.

Stage V – Consolidation of the results of the double materiality assessment at the Group level – the materiality criterion for Companies was the given Company’s share in the Group’s sales in the year preceding the reporting year, average headcount, business profile, and share in the Parent Company’s value chain.

Stage VI – Incorporating the views of key stakeholders through feedback from selected material stakeholder groups.

First, relevant stakeholders were selected by assessing the extent to which a given party is connected to the topics subject to materiality assessment and can thus provide information on existing impacts on itself or on sustainability issues, including in relation to the value chain.

To deepen the analysis, particularly for issues related to the value chain where access to information was limited, relevant industry and expert sources were considered, along with the results of representative benchmarking analyses, which confirmed the adopted assumptions.

Stage VII – Selection of material topics – a list of 55 material issues covering environmental, social, and governance areas.

Material issues were selected primarily based on the adopted scoring system. For issues that scored at the threshold level, the Group conducted a more in-depth assessment based on qualitative analysis and, where appropriate, deemed them material regardless of the score obtained.

Stage VIII – Report and Management Board Approval

The results of the Group’s double materiality assessment, in the form of a report containing a list of material topics and a list of identified impacts, risks, and opportunities, were approved by the Parent Company’s Management Board via a resolution.

The list of impacts, risks, and opportunities, as well as material issues, served as the basis for the disclosures presented in this report.

The methodology for conducting the double materiality assessment was developed by the ESG Team and approved by the Vice President of the Management Board responsible for strategic sustainability management and oversight of the IRO. It was then formally implemented as the Group’s Guide to the Double Materiality Assessment of Sustainability Issues, which is part of the integrated management system at the Group level. Internal control procedures are described in Chapter GOV-5.

The Materiality Assessment was subject to an internal review conducted as part of the internal audit of the Integrated Management System performed in the Environmental Protection Department of the Parent Company.

The identified risks and opportunities were incorporated into the Parent Company’s risk and opportunity management system.

Based on the identified material impacts, risks, and opportunities, the Parent Company updated the Group’s strategic directions and defined objectives and performance metrics.

Below, the Group presents a description of the processes for identifying and assessing material impacts, risks, and opportunities related to the specific topics covered by the report.

[E1.IRO-1] Description of the processes for identifying and assessing material impacts, risks, and opportunities related to climate

Material impacts, risks, and opportunities, as well as their interrelationships with the strategy and business model, are listed in section [SBM3]. Actual and potential impacts, risks, and opportunities related to climate change have been identified and analyzed as part of the double materiality assessment.

In the climate-related section of the materiality study, a list of potential climate-related risks that could occur in the region where the Group conducts its business operations was analyzed. In 2024, risks related to temperature, wind, precipitation, and drought. In 2025, the climate risk analysis was expanded to include high-emission climate

scenarios published by the IPCC (Intergovernmental Panel on Climate Change) – the Intergovernmental Panel on Climate Change – and other publicly available tools (Hydroportal, Water Risk Atlas). The scope of the analysis included: temperature variability, heat stress, heat waves, cold waves, droughts, snowfall, heavy precipitation, precipitation variability, water-related risks, and floods. The SSP1-2.6, SSP2-4.5, and SSP5-8.5 scenarios were analyzed. Risks were assessed taking into account material flows and operational processes. Due to significant climatic and environmental differences between locations, a separate analysis was conducted for the Mexico facility to assess local physical risks and their impact on operations.

The identified climate trends confirm the need to focus the Group's efforts on increasing resilience to high temperatures, strengthening energy stability and closed-loop water systems, as well as modernizing infrastructure to ensure operational safety amid increasing rainfall variability and drought.

Risks associated with low temperatures are on a downward trend and are losing their operational significance. The increasing intensity of heat events and the high level of water-related risk require the company to focus its efforts on increasing infrastructure resilience, strengthening cooling systems, reducing water consumption, and implementing solutions to ensure operational continuity in the face of intensifying climate change. The Group is taking actions in this regard (described in section [E1-3]).

An analysis conducted for the Mexico site indicates that the most significant physical risks in this area are: extreme temperatures, heat stress, intense and prolonged heat waves, a worsening water deficit, and increasing rainfall variability.

Measures in this regard are described in section [E1-2].

The Group analyzes climate change trends. Emerging changes may disrupt production and logistics processes and worsen working conditions. The measures currently being taken are sufficient. In the long term, the Group will take actions appropriate to emerging climate changes.

[E2.IRO-1] Description of processes for identifying and assessing significant impacts, risks, and opportunities related to pollution

The Group manages pollution issues as part of its ongoing production activities, which is a key aspect of its operations in the industrial sector. As part of the double materiality assessment conducted for this report, both actual and potential impacts, risks, and opportunities related to pollution issues were taken into account.

Pollution-related issues were consulted with suppliers, banks, insurance companies, investors, and local authorities as part of the materiality assessment. The Group's customers' expectations regarding pollution management were also taken into account.

The main sources of pollution are production processes that generate dust and gas emissions, as well as the use of potentially hazardous substances in production. Consequently, the Group must consider both the risks and opportunities arising from current legal regulations regarding the use of these substances, as well as possible future changes in this area. In addition, the companies generate wastewater, and the Parent Company and Stomet discharge stormwater into the San River.

In the largest manufacturing companies, pollution-related risks are managed systematically in accordance with internal methodologies. Regular reviews of the effectiveness of measures are conducted, preventive measures are implemented, and response plans have been developed.

Although no detailed analysis of the materiality of pollution issues across the Group's entire value chain has been conducted, based on knowledge of the processing and technological processes used in the production of materials and components, the Group considers pollution to be a material aspect. Consequently, pollution-related aspects are addressed in the supplier code, and we additionally recommend holding ISO 14001 certification, which allows us to assume that basic standards in this area are met.

[E3 IRO-1] Description of processes for identifying and assessing significant impacts, risks, and opportunities related to water and marine resources

Actual and potential impacts, risks, and opportunities related to water and marine resources were analyzed as part of a double materiality assessment. The results of the study were further refined through consultations with suppliers, banks, insurance companies, investors, the local community, and government authorities. Additionally, the Group's customers' expectations regarding the efficient management of water resources were taken into account.

The analysis showed that water withdrawal and consumption are key issues for the Group's sustainable development. However, issues related to water discharges, including into the oceans, and the use of marine resources were not considered material from the perspective of the Group's impact, as well as potential financial risks and opportunities.

The Group uses water both in its operations and in its supply chain, which may have an impact on natural water resources. At the same time, from the perspective of the environment's impact on the Group, potential future legal regulations regarding access to water and water management are of key importance, especially in the context of the growing risk of water scarcity, including as a result of climate change.

In the largest manufacturing companies, water-related risks are managed systematically, in accordance with internal methodologies. These are subject to regular reviews, and preventive measures and response plans have been developed.

No detailed analysis of the Group's impact on water and marine resources across its entire value chain has been conducted.

[E4.IRO-1] Description of processes for identifying and assessing significant impacts, risks, and opportunities related to biodiversity and ecosystems

Actual and potential impacts, risks, and opportunities related to biodiversity and ecosystems were assessed as part of a double materiality analysis in accordance with the methodology described in IRO-1. The results of the study were further refined through consultations with suppliers, banks, insurance companies, investors, the local community, and government authorities. The Group takes biodiversity-related issues into account in light of stakeholder expectations in this area.

The Group analyzed the locations of its operations and did not identify any sites in areas sensitive in terms of biodiversity.

The topic of biodiversity was assessed as material in the upper part of the value chain in the double materiality assessment. During the assessment, a potential impact resulting from the Group's use of natural rubber was identified. The sourcing of this raw material may lead to changes in land use and falls within the scope of the Regulation on the placing on the EU market and export from the EU of certain goods and products related to deforestation and forest degradation (EUDR). Natural rubber is sourced through importers (the Netherlands, Germany, Poland), and the countries from which it is supplied are Vietnam, Malaysia, Indonesia, and Côte d'Ivoire. The rubber comes from certified plantations that meet the requirements of the EUDR. Therefore, it is assumed that its sourcing does not negatively impact the affected communities. No consultations with affected communities were conducted at this stage. The double materiality assessment also identified systemic risks arising from changes in legislation and the need to comply with them. The Group is in the process of implementing procedures required by this regulation to meet due diligence requirements regarding responsible rubber sourcing. The Group will ensure compliance with applicable legal regulations once they have definitively entered into force.

The Group has not analyzed transition and physical risks and opportunities related to biodiversity.

A detailed analysis of the Group's impact on biodiversity and ecosystems in the value chain has not been conducted.

No need to implement measures to mitigate biodiversity loss was identified.

[E5.IRO-1] Description of processes for identifying and assessing significant impacts, risks, and opportunities related to resource use and the circular economy

In the double materiality assessment, the Group identified issues related to the circular economy as material. The identified material impacts and risks are associated with the need to bear the costs of disposal and management of hazardous and non-hazardous waste. The identified opportunities include reducing environmental impact and operating costs through the use of recycled raw materials, operating closed-loop cooling water systems, and the opportunity associated with the ongoing project to return waste for reprocessing at the Parent Company.

In the largest manufacturing companies, risks related to the circular economy are managed systematically, in accordance with internal methodologies. The effectiveness of these measures is reviewed on a regular basis, preventive actions are implemented, and response plans have also been developed.

The Group has involved its suppliers, banks, insurance companies, investors, local community representatives, and government officials in the process of identifying impacts in this area. These activities were carried out as part of consultations on issues related to waste management and the efficient use of resources. The goal was to obtain additional information on the actual and potential impacts of the Group and its supply chain in this regard. The findings from an analysis of publicly available knowledge bases and environmental reports were also taken into account, as well as the current and expected requirements of the Group's customers regarding increasing the share of recycled materials and implementing solutions that support resource efficiency.

IRO-2 – ESRS disclosure requirements covered by the undertaking's sustainability statement

The table below presents a list of information covered by the sustainability report, along with an indication of the sections where the relevant disclosures are included.

The Group identified material information requiring disclosure based on the results of a double materiality assessment of sustainability issues, taking into account identified impacts, risks, and opportunities. The methodology used for the assessment is described in detail in Section 1.4 of this report.

ESRS Compliance Table

Disclosure No.	Disclosure Title	Chapter in the report
ESRS 2 General Disclosures		
BP-1	General Basis for Sustainability Statements	1.1
BP-2	Disclosure of Information Regarding Specific Circumstances	1.1
GOV-1	Role of the administrative, management, and supervisory bodies	1.2
GOV-2	Information provided to the entity's administrative, management, and supervisory bodies and matters related to sustainable development addressed by them	1.2
GOV-3	Incorporation of sustainability performance into incentive schemes	1.2
GOV-4	Due Diligence Statement	1.2
GOV-5	Risk Management and Internal Controls over Sustainability Reporting	1.2
SBM-1	Strategy, business model, and value chain	1.3
SBM-2	Stakeholder Interests and Opinions	1.3
SBM-3	Significant impacts, risks, and opportunities, and their interrelationships with the strategy and business model	1.3
IRO-1	Description of the process used to identify and assess material impacts, risks, and opportunities	1.4
IRO-2	Disclosure requirements under the ESRS covered by the undertaking's sustainability statement	1.4
ESRS E1 Climate Change		
E1-1	Climate change mitigation transition plan	2.1
E1-2	Policies related to climate change mitigation and adaptation	2.1
E1-3	Actions and resources related to climate policy	2.1
E1-4	Climate change mitigation and adaptation targets	2.1
E1-5	Energy consumption and energy mix	2.1
E1-6	Gross Scope 1, 2, and 3 greenhouse gas emissions and total greenhouse gas emissions	2.1
E1-7	Greenhouse gas removal and emission reduction projects financed through carbon credits	2.1
E1-8	Setting internal carbon prices	2.1
E1-9	Expected financial impacts resulting from material physical and transition risks and potential climate-related opportunities	The exemption was applied.
ESRS E2 Pollution		
E2-1	Policies related to pollution	2.2
E2-2	Pollution-Related Activities and Resources	2.2
E2-3	Pollution-related objectives	2.2
E2-4	Air, water, and soil pollution	2.2
E2-5	Potentially hazardous substances and substances of very high concern	2.2
E2-6	Anticipated financial impacts resulting from the risks and opportunities associated with pollution	An exemption was applied.
ESRS E3 Water and marine resources		
E3-1	Policies related to water and marine resources	2.3
E3-2	Activities and resources related to water and marine resources	2.3
E3-3	Goals related to water and marine resources	2.3
E3-4	Water consumption	2.3
E3-5	Expected financial impacts resulting from the impacts, risks, and opportunities related to water and marine resources	2.3
ESRS E4 Biodiversity and ecosystems		
E4-1	Biodiversity and Ecosystems Transition Plan and Integration of Biodiversity and ecosystems in the strategy and business model	2.4
E4-2	Policies related to biodiversity and ecosystems	2.4
E4-3	Activities and resources related to biodiversity and ecosystems	2.4

E4-4	Biodiversity and ecosystem objectives	2.4
E4-5	Impact metrics related to changes in biodiversity and ecosystems	2.4
E4-6	Anticipated financial impacts resulting from risks and opportunities related to biodiversity and ecosystems	An exemption was applied.
ESRS E5 Resource use and the circular economy		
E5-1	Policies related to resource use and the circular economy	2.5
E5-2	Activities and resources related to resource use and the circular economy	2.5
E5-3	Goals related to resource use and the circular economy	2.5
E5-4	Inputs	2.5
E5-5	Outgoing resources	2.5
E5-6	Anticipated financial impacts resulting from the impacts, risks, and opportunities associated with resource use and the circular economy	The exemption was applied.
ESRS S1 Own human resources		
S1-1	Policies related to own human resources	3.1
S1-2	Procedures for cooperation with internal workforce and employee representatives on advocacy issues	3.1
S1-3	Processes for addressing the effects of negative impacts and channels for employees to raise concerns	3.1
S1-4	Taking action regarding significant impacts on the organization's workforce and applying approaches to manage significant risks and capitalize on significant opportunities related to the organization's workforce, as well as the effectiveness of these actions	3.1
S1-5	Objectives regarding the management of significant negative impacts, the enhancement of positive impacts, and the management of significant risks and opportunities	3.1
S1-6	Characteristics of the entity's employees	3.1
S1-7	Characteristics of non-employees constituting the entity's own workforce	3.1
S1-8	Scope of collective bargaining and social dialogue	3.1
S1-9	Diversity metrics	3.1
S1-10	Fair wages	3.1
S1-11	Social protection	3.1
S1-12	People with disabilities	3.1
S1-13	Indicators related to training and skills development	3.1
S1-14	Occupational safety and health indicators	3.1
S1-15	Work-life balance indicators	3.1
S1-16	Compensation measures (wage gap and total compensation)	3.1
S1-17	Incidents, complaints, and significant impacts on human rights	3.1
ESRS S2 Workers in the value chain		
S2-1	Policies related to people working in the value chain	3.2
S2-2	Processes for engaging with people working in the value chain regarding impacts	3.2
S2-3	Processes for addressing the adverse impacts of negative impacts and channels for raising concerns by individuals working in the value chain	3.2
S2-4	Taking action regarding significant impacts on people working in the value chain and applying approaches to manage significant risks and capitalize on significant opportunities related to people working in the value chain, as well as the effectiveness of these actions	3.2
S2-5	Objectives regarding the management of significant negative impacts, the enhancement of positive impacts, and the management of significant risks and opportunities	3.2
ESRS S3 Affected communities		
S3-1	Policies related to affected communities	3.3
S3-2	Engagement processes regarding impacts with affected communities	3.3
S3-3	Processes for addressing adverse impacts and channels for affected communities to raise concerns	3.3
S3-4	Taking action regarding significant impacts on affected communities and applying approaches to manage significant risks and capitalize on significant opportunities related to these communities, as well as the effectiveness of these actions	3.3
S3-5	Objectives regarding the management of significant negative impacts, the enhancement of positive impacts, and the management of significant risks and opportunities	3.3

ESRS S4 Consumers and end-users		
S4-1	Policies related to consumers and end users	3.4
S4-2	Cooperation processes regarding interactions with consumers and end users	3.4
S4-3	Processes for addressing the negative impacts and channels for consumers and end users to report concerns	3.4
S4-4	Taking action regarding significant impacts on consumers and end users, and applying approaches to manage significant risks and capitalize on significant opportunities related to consumers and end users, as well as the effectiveness of these actions	3.4
S4-5	Objectives regarding the management of significant negative impacts, the enhancement of positive impacts, and the management of significant risks and opportunities	3.4
ESRS G1 Business Conduct		
G1-1	Business conduct policies and corporate culture	4.1
G1-2	Supplier Relationship Management	4.1
G1-3	Prevention and detection of corruption and bribery	4.1
G1-4	Incidents of corruption or bribery	4.1
G1-5	Political influence and lobbying activities	4.1
G1-6	Payment practices	4.1

List of data points contained in cross-cutting and thematic standards that result from other EU legislation

Disclosure requirement and related data point	Reference to the Regulation on sustainability-related disclosures in the financial services sector (chapter number)
ESRS 2 GOV-1 Gender diversity among board members, point 21(d)	1.2
ESRS 2 GOV-1 Percentage of board members who are independent, point 21(e)	1.2
ESRS 2 GOV-4 Statement on due diligence, paragraph 30	1.2
ESRS 2 SBM-1 Participation in activities related to fossil fuels, paragraph 40(d)(i)	not applicable
ESRS 2 SBM-1 Participation in activities related to chemical production, point 40(d)(ii)	Not applicable
ESRS 2 SBM-1 Involvement in activities related to controversial weapons, point 40(d)(iii)	not applicable
ESRS 2 SBM-1 Involvement in activities related to the cultivation and production of tobacco, point 40(d)(iv)	Not applicable
ESRS E1-1 Transition plan to achieve climate neutrality by 2050, point 14	2.1
ESRS E1-1 Entities excluded from the scope of the Paris Agreement-aligned benchmarks, point 16(g)	N/A
ESRS E1-4 Greenhouse gas emission reduction targets, point 34	2.1
ESRS E1-5 Fossil energy consumption disaggregated by source (applies only to sectors with significant climate impact) point 38	2.1

Disclosure requirement and related data point	Reference to the Regulation on sustainability-related disclosures in the financial services sector (chapter number)
ESRS E1-5 Energy consumption and energy mix, item 37	2.1
ESRS E1-5 Energy intensity associated with activities in sectors with significant climate impact, points 40–43	2.1
ESRS E1-6 Scope 1, 2, and 3 greenhouse gas emissions and total greenhouse gas emissions, paragraph 44	2.1
ESRS E1-6 Gross greenhouse gas emissions intensity, paragraphs 53–55	2.1
ESRS E1-7 Greenhouse gas removals and carbon dioxide emission units, paragraph 56	2.1
ESRS E1-9 Exposure of the reference portfolio to physical climate-related risks, paragraph 66	not applicable
ESRS E1-9 Disaggregation of monetary amounts by acute and long-term physical risks, paragraph 66(a)	Not applicable
ESRS E1-9 Location of significant assets subject to material physical risk, paragraph 66(c)	not applicable
ESRS E1-9 Breakdown of the carrying amount of real estate by energy efficiency class Paragraph 67(c)	not applicable
ESRS E1-9 Degree of portfolio exposure to climate-related opportunities, paragraph 69	not applicable
ESRS E2-4 Quantity of each pollutant listed in Annex II to the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water, and soil, item 28	2.2
ESRS E3-1 Water and marine resources, item 9	2.3
ESRS E3-1 Special policies, point 13	2.3
ESRS E3-1 Sustainable practices in the field of seas and oceans, point 14	2.3
ESRS E3-4 Total volume of water recycled and reused, item 28(c)	2.3
ESRS E3-4 Total water consumption in m ³ per net revenue from own operations, item 29	2.3
ESRS 2 SBM 3-E4 item 16(a)(i)	not applicable
ESRS 2 SBM 3-E4 point 16(b)	not applicable
ESRS 2 SBM 3-E4 Section 16(c)	not applicable

Disclosure requirement and related data point	Reference to the Regulation on sustainability-related disclosures in the financial services sector (chapter number)
ESRS E4-2 Sustainable land/agricultural practices or policies, point 24(b)	not applicable
ESRS E4-2 Sustainable ocean/marine practices or policies, point 24(c)	Not applicable
ESRS E4-2 Policies to combat deforestation, point 24(d)	Not applicable
ESRS E5-5 Non-recycled waste, point 37(d)	2.5
ESRS E5-5 Hazardous waste and radioactive waste, item 39	2.5
ESRS 2 SBM-3-S1 Risk of forced labor, point 14(f)	3.1
ESRS 2 SBM-3-S1 Risk of child labor, Section 14(g)	3.1
ESRS S1-1 Commitments regarding the policy on respect for human rights, point 20	3.1
ESRS S1-1 Due diligence strategies regarding issues covered by the International Labour Organization's core Conventions Nos. 1–8, paragraph 21	4.1
ESRS S1-1 Procedures and measures to prevent human trafficking, paragraph 22	4.1
ESRS S1-1 Policy or management system for the prevention of workplace accidents, clause 23	3.1
ESRS S1-3 Complaint-handling mechanisms, point 32(c)	4.1
ESRS S1-14 Number of work-related deaths and number and rate of work-related accidents, point 88(b) and (c)	3.1
ESRS S1-14 Number of days lost due to injuries, accidents, fatalities, or illnesses Paragraph 88(e)	3.1
ESRS S1-16 Unadjusted gender pay gap point 97(a)	3.1
ESRS S1-16 Excessive remuneration of the CEO, point 97(b)	3.1
ESRS S1-17 Cases of discrimination, point 103(a)	3.1
ESRS S1-17 Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, point 104(a)	3.1
ESRS 2 SBM-3-S2 Significant risk of child labor or forced labor in the value chain, paragraph 11(b)	3.2
ESRS S2-1 Commitments regarding the policy on respect for human rights, point 17	3.2

Disclosure requirement and related data point	Reference to the Regulation on sustainability-related disclosures in the financial services sector (chapter number)
ESRS S2-1 Policies related to people working in the value chain, section 18	3.2
ESRS S2-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, item 19	4.1
ESRS S2-1 Due diligence strategies regarding issues covered by the International Labor Organization's core conventions Nos. 1–8, paragraph 19	3.2
ESRS S2-4 Human rights issues and incidents related to the upstream and downstream value chain, paragraph 36	3.2
ESRS S3-1 Commitments regarding the policy on respect for human rights, paragraph 16	3.3
ESRS S3-1 Non-compliance with the UN Guiding Principles on Business and Human Rights, ILO standards, or OECD guidelines, point 17	4.1
ESRS S3-4 Issues and incidents related to respect for human rights, paragraph 36	3.3
ESRS S4-1 Policy regarding consumers and end users, item 16	not applicable
ESRS S4-1 Non-compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines, item 17	4.1
ESRS S4-4 Issues and incidents related to respect for human rights, paragraph 35	4.1
ESRS G1-1 United Nations Convention against Corruption, paragraph 10(b)	4.1
ESRS G1-1 Protection of Whistleblowers, para. 10(d)	4.1

2. Environment

2.1 Climate Change

Climate change is one of the greatest challenges facing the modern world. In the face of increasingly frequent extreme weather events, climate protection measures, including the reduction of greenhouse gas emissions, are becoming crucial. This is also a significant challenge for the Group.

[E1.SBM-3] Description of processes for identifying and assessing climate-related material impacts, risks, and opportunities

Climate change is a significant issue for the Group's sustainable development and is therefore monitored. At the Parent Company, risks related to this issue are included in the risk and opportunity matrix. They are subject to regular reviews, and preventive measures and response plans have been developed.

The identified material climate risks and opportunities, along with a description of how they are managed, are summarized below. The identified impacts are described in SBM-3.

RISK/OPPORTUNITY	TIME HORIZON	MANAGEMENT
PHYSICAL RISKS AND OPPORTUNITIES		
Risk associated with the possibility of flooding resulting from increased precipitation.	All time horizons with moderate probability of occurrence	Ongoing monitoring of water levels, tracking of weather reports, and established procedures for responding to floods.
Risks associated with high air temperatures—difficulties for employees in performing their work (reduced work efficiency), potential overheating of machinery and equipment.	All time horizons with a moderate probability of occurrence for the short term and a high probability for the medium and long term	Use air conditioning units in production halls and warehouses, ensuring employees have access to cold beverages.
Risks associated with the possibility of drought—production disruptions resulting from limited water intake capacity.	all time horizons with a low (for the short- and medium-term perspectives) and medium (for long-term perspectives) probability of occurrence	Ongoing water monitoring, designing production processes with a focus on minimizing water consumption, monitoring the volume of water abstracted and consumed. Use of water in a closed-loop system for cooling processes.
Opportunity related to mild winters—reducing heating costs, fuel consumption, and emissions; lowering emission fees; reducing business operating costs; meeting customer requirements.	all time horizons with a high probability of occurrence	Implementing thermal modernization measures and measures to reduce emissions.
TRANSITION RISKS		
Risks related to customer preferences, creating a potential risk of losing them due to failure to meet zero-emission requirements.	all time horizons with a low (for the short- and medium-term) and high (for the long-term) probability of occurrence	The Group's Climate Policy, actions taken to reduce emissions, and monitoring of the carbon footprint.
Risk of increased CO ₂ emission fees associated with changes in legal regulations.	all time horizons with low (for the short-term outlook) and high (for the medium and long-term perspectives)	The Group's Climate Policy, actions taken to reduce emissions, modernization of the boiler room at the Parent Company, and monitoring of the carbon footprint.
Risk of increased capital expenditures related to the acquisition of renewable energy sources.	all time horizons, ranging from low (for the short- and medium-term) and medium (for the long-term) probability of occurrence	Seeking cost-effective solutions for the construction of photovoltaic farms.
Risk of changes in legal regulations regarding restrictive pollution emission limits and the associated investments in air protection systems.	all time horizons with high (for the short-term outlook), low (for the medium-term outlook), and medium (for the long-term outlook) probability of occurrence	Regular review of legal acts, monitoring of draft regulations, and the ability to prepare for announced changes.
Opportunity related to the Parent Company's potential purchase of thermal energy from the planned hydrogen valley.	all time horizons with low (for the short-term perspective), medium (for the medium-term perspective), and high (for the long-term perspective) probability of occurrence	Monitoring the project's progress.
Opportunity related to the use of recycled materials, including packaging, in production.	all time horizons with medium (for the short-term perspective), high (for the medium- and long-term) probability of occurrence	Obtaining information from suppliers regarding the content of recycled materials. Introducing returnable packaging where possible.
Opportunity related to the launch of a rubber waste devulcanization project at the Parent Company. Expected increase in the competitiveness of offers, reduction of the carbon footprint, acquisition of new customers, and strengthening of the company's image as an innovative and sustainable company.	all time horizons with medium (for the short-term perspective), high (for the medium- and long-term perspectives)	Continuation of the rubber waste devulcanization project, which will enable the implementation of a closed-loop system for rubber waste generated during the production process.

Actions regarding risks and opportunities related to climate transition in the Group's own operations are described in the chapter on climate policy.

The Group has no information regarding climate transition-related activities in the value chain.

No assets or business activities have been identified that may be exposed to physical risks or climate-related transition risks.

[E1-1] Transition plan for climate change mitigation

In 2025, the Group analyzed the feasibility of developing a transition plan for climate change mitigation. It was decided that a separate document would not be developed at this stage. At the same time, the Group is already taking actions described in the Group's Climate Policy, which contribute to the transition toward climate neutrality. These are described in sections E1-2 and E1-3 of this report.

[E1-2] [E1.MDR-P] Policies related to climate change mitigation and adaptation

Issues related to climate change mitigation are addressed in:

- Sanok Rubber Group Climate Policy,
- Sanok RC SA Climate Policy,
- Sanok Rubber Group Code of Ethical Conduct
- Code of Ethical Conduct for Suppliers of Products and Services to the Sanok Rubber Group,
- Sanok RC SA Environmental and Occupational Health and Safety Policy
- Draftex Automotive GmbH Environmental Policy
- The Environmental Policy of the Teknikum Group.

In line with the adopted policies, processes at the operational level are conducted in accordance with established procedures. The manufacturing companies Sanok Rubber Company S.A., Draftex Automotive GmbH, and the Teknikum Group have implemented an environmental management system compliant with ISO 14001, which is subject to certification. Draftex Automotive GmbH also has a certified Energy Management System compliant with ISO 50001.

The Group's Climate Policy and Sanok RC SA's Climate Policy set out carbon dioxide emission reduction targets and the most significant actions to achieve them. The Environmental and Occupational Health and Safety Policies of Sanok RC SA and Draftex constitute a commitment, among other things, to preventing environmental pollution and the efficient use of raw materials, materials, and energy resources. The Teknikum Group's Environmental Policy aims to increase the share of renewable energy in total energy consumption. The aforementioned Codes of Ethical Conduct include commitments to the prudent use of the environment and the efficient use of natural resources. They also demonstrate a commitment to achieving the goals of the Paris Agreement, which aims to limit global warming to below 1.5°C compared to pre-industrial levels and commits to achieving climate neutrality by 2050 both within the Group and in the upstream portion of the value chain.

The Group emphasizes the importance of this issue to its business partners by providing them with the Code of Ethical Conduct for Product and Service Suppliers and requiring its acceptance. The objectives set forth in the Climate Policy are presented in section E1-4.

The most significant actions resulting from the Climate Policy aimed at reducing greenhouse gas emissions in relation to specific scopes:

1. Scope 1 – direct emissions resulting from the combustion of coal and natural gas in buildings and facilities, as well as the combustion of fuels in vehicles owned by the Parent Company. The Parent Company plans to reduce greenhouse gas emissions in this scope by:

- thermal retrofitting of buildings,
- upgrading the company's boiler room,
- ultimately, changing the types of fuel used in the plant's boiler room,
- purchasing electric or hybrid vehicles when replacing company cars,
- purchasing LPG- or electric-powered vehicles when replenishing or replacing the internal transport fleet.

2. Scope 2 – indirect emissions associated with the generation of purchased electricity. The Parent Company plans to reduce greenhouse gas emissions in this area by:

- considering the share of electricity from renewable sources as one of the criteria when selecting an energy supplier,
- generating electricity from renewable energy sources,
- improving energy efficiency by implementing energy-saving measures identified during energy audits, including, among others:
 - eliminating compressed air losses,
 - thermal retrofitting of buildings,
 - using only energy-efficient lighting,
 - selection of equipment and machinery based on energy efficiency criteria,
 - striving to continuously raise employees' climate awareness through campaigns promoting energy efficiency.

The Sanok Rubber Group Climate Policy, the Sanok RC SA Climate Policy, the Sanok RC SA Environmental and Occupational Health and Safety Policy, and the Sanok Rubber Group Codes of Ethical Conduct are approved by the President of the Management Board and CEO of the parent company, . The policies of subsidiaries are approved by the companies' senior management. Operational procedures are approved by the owners of the relevant processes.

In developing the above documents, consideration was given to compliance with legal requirements, environmental stewardship, and the expectations of both customers and local communities. The Climate Policy takes into account expectations regarding the reduction of greenhouse gas emissions expressed by key stakeholders: the environment (based on scientific studies and environmental reports), customers (through conversations, meetings, and surveys), the local community (in impact analyses), and institutions.

Companies make their Code of Ethical Conduct available on their websites. Additionally, companies with an ISO 14001-based management system in place also publish their environmental policies.

Operational documents are published on internal communication channels and made available at workstations.

[E1-3] [MDR-A] Activities and resources related to climate policy

The actions taken by the Group's manufacturing companies are of the greatest significance; other companies have a negligible impact on the climate. Actions undertaken in line with climate change mitigation goals include: optimizing energy consumption, installing PV systems, thermally retrofitting facilities, and modernizing the boiler room at the Parent Company.

The Group does not identify key actions among its activities; all issues affecting the climate are given equal priority. Expenditures incurred for these actions are presented in the section on the EU Taxonomy.

In 2025, at the Parent Company:

- the modernized boiler room was fully completed and put into operation, increasing its efficiency (boilers and dust removal systems, flue gas desulfurization systems),
- a compressor was purchased to reduce energy consumption,
- thermal retrofitting of the water intake building was completed,
- the modernization of street lighting was continued,
- an energy efficiency audit of the boiler room systems was initiated, which will contribute to obtaining energy efficiency certificates,
- thermal insulation of one of the production halls was improved by installing plastic curtains on the entrance doors,
- a recycled mixture is used in the production of certain products,
- advanced research and development work continued on the development of rubber waste processing technology using the thermomechanical devulcanization process. The project will contribute to reducing CO₂ emissions by reusing rubber production waste. This will also reduce the demand for raw materials.

In other companies:

- Świerkowy Zdrój Medical SPA Sp. z o.o. - two gas boilers were replaced with more efficient ones,
- Stomil Sanok Dystrybucja Sp. z o.o. – coal-fired boilers were replaced with gas-fired boilers,
- Draftex Automotive GmbH – the cooling system was modernized,
- GrupaTeknikum – continued to fulfill its commitments under the Science Based Targets initiative (SBTi) through targeted measures aimed at reducing emissions:
 - energy efficiency was improved by modernizing production equipment, enhancing insulation, and expanding the use of energy-efficient lighting at its facilities,
 - work continued on a potential investment project related to photovoltaics,
 - recycled raw materials were used (approximately 94,000 kg of TEKNICROSS® recycled rubber), which contributed to Scope 3 emission reduction efforts

As a result of the measures listed above, in 2025 the Group recorded a decrease in gross Scope 1 and 2 greenhouse gas emissions, in total according to the market-based method, by 4.95% compared to the 2024 baseline year.

The results are summarized in a table presenting changes in greenhouse gas emissions within the Group (Chapter [E1-6]).

Planned actions within the Group:

- implementation of projects utilizing renewable energy sources,
- continuing the replacement of lighting with energy-efficient systems,
- reducing compressed air losses,
- optimization of production processes,
- thermal retrofitting of buildings,

- improving insulation of hot water piping,
- use of recycled raw materials.

As a result of these planned actions, the Group intends to achieve the greenhouse gas emission reduction target by 2030 set out in the Group's Climate Policy.

The implementation of the measures described in this report is not dependent on the availability of external financing. The planned measures and investments are financed primarily from the Company's own funds, as part of its investment plans. The exception is the de-vulcanization project, for which partial financing from external sources is anticipated.

[E1-4] Goals related to climate change mitigation and adaptation

Through its activities, the Group is committed to achieving the Paris Agreement's goal of limiting global warming to below 1.5°C compared to pre-industrial levels.

The Sanok Rubber Group's Climate Policy includes general greenhouse gas emission reduction targets for Scopes 1 and 2 combined relative to the 2024 baseline of 77,411.725 t_{eCO₂}:

- by 2030 – a 21% reduction compared to 2024, to 61,072 t_{eCO₂},
- by 2040 – a 56% reduction compared to 2024, to 34,226 t_{eCO₂},
- by 2050 – achieving climate neutrality.

The targets in the Climate Policy have been defined in a measurable manner, expressed in CO₂ equivalents and as a percentage change in emissions relative to the 2024 baseline year. Scope 2 was calculated using a market-based method.

The base year is the first year for which the carbon footprint was comprehensively calculated for the entire Group. The adopted baseline value covers the full scope of activities and is representative at the time the target was set.

The goal of achieving climate neutrality by 2050 is consistent with the assumptions of scenarios limiting global warming to 1.5°C. At the same time, the emission reduction targets adopted for the intermediate years (2030 and 2040) have not been aligned with such scenarios.

In setting the above targets, the Group's carbon footprint calculations in accordance with the GHG Protocol guidelines were taken into account, along with data on emissions, planned actions regarding the energy efficiency of infrastructure and processes (described in more detail in subsection [E1-3]), the use of renewable energy sources, emission reductions in transportation, and climate awareness building. The targets were set based on an internal analysis. The targets have not been subject to external verification.

When setting greenhouse gas emission reduction targets, it was assumed that the scale of the Group's operations would not undergo significant changes. The share of green energy, including that from own production, and the de-vulcanization project were also taken into account.

In the event of significant changes in the scale of the Group's operations resulting in a difference in total emissions exceeding 5% compared to the baseline, the adopted baseline and targets will be updated.

[E1-5] Energy consumption and energy mix

All processes within the Group are conducted with a focus on the efficient use of energy resources, with ongoing monitoring of their current consumption.

In 2025, the residual mix from the sources of origin of purchased electricity was taken into account in the calculations. Data was obtained from the Association of Issuing Bodies (AIB), Carbon Data Intelligence (CaDi), and The International Tracking Standard Foundation. The year 2024 was calculated analogously.

Information regarding the energy intensity per net revenue ratio, obtained from operations in sectors with a significant climate impact, was determined in accordance with Annex I to Regulation (EC) No. 1893/2006. These include activities in sectors C (manufacturing), F (construction), and G (wholesale and retail trade). Since Świerkowy Zdrój Medical SPA Sp. z o.o. does not operate in sectors considered to have a significant climate impact, its revenues were not included in the table presenting the Group companies' net revenues. The year 2024 was also recalculated in this regard.

Energy consumption and energy mix		unit	2024	2025	y/y
1.	Consumption of coal and coal products	MWh	50,768.58	42,722.08	-16%
2.	Consumption of crude oil and petroleum products	MWh	3,092.53	3,029.71	-2%
3.	Natural gas consumption	MWh	28,421.82	21,349.11	-25%
4.	Fuel consumption from other fossil sources	MWh	3,042.67	3,645.00	+20%
5.	Consumption of purchased or generated electricity, heat, steam, and cooling from fossil fuel sources	MWh	59,984.87	58,866.52	-2%
6.	Total energy consumption from fossil fuels (calculated as the sum of rows 1–5)	MWh	145,310.47	129,612.42	-11%
Share of fossil fuels in total energy consumption		%	87.82	85.74	-2 percentage points
7.	Energy consumption from nuclear sources	MWh	5,035.70	7,244.99	+44%
Share of nuclear energy consumption in total energy consumption		%	3.04	4.79	+2 percentage points
8.	Fuel consumption for renewable sources, including biomass (also covering industrial and municipal waste of biological origin, biogas, renewable hydrogen, etc.)	MWh	0	0	-
9.	Consumption of purchased or self-generated electricity, heat, steam, and cooling from renewable sources	MWh	15,114.20	14,254.31	-6%
10.	Consumption of self-generated renewable energy without the use of fuel	MWh	5.38	55.02	+922%
Total consumption of renewable and low-emission energy (calculated as the sum of rows 8–10)		MWh	15,119.58	14,309.33	-5%
Share of renewable sources in total energy consumption		%	9.14	9.47	+0 p.p.
Total energy consumption (calculated as the sum of rows 6, 7, and 11)		MWh	165,465.74	151,166.73	-9%
Net revenue from operations in sectors with significant climate impact used to calculate energy intensity		PLN million	1,423.43	1,445.18	+2%
Energy intensity per net revenue					
Total energy consumption from operations in sectors with significant climate impact per net revenue		MWh/1 million PLN	116.24	104.60	-10%

[E1-6] Gross Scope 1, 2, and 3 greenhouse gas emissions and total greenhouse gas emissions

There were no significant changes in the definition of the reporting entity during the reporting period.

The base year was recalculated to ensure data consistency and comparability, due to a change in the assumptions regarding the electricity emission factor, which is part of the Scope 2 value chain, and in connection with the clarification of the type of transportation carried out within the Group in Categories 4 and 9.

In connection with the recalculation, a decision was made to exclude the emissions of Stomil EAST, which was liquidated in 2025.

For the year 2025, the Group's carbon footprint was calculated across three scopes for all companies, taking into account significant Scope 3 emission categories.

Emissions were calculated in accordance with the international GHG Protocol Corporate Accounting and Reporting Standard.

For indirect emissions from electricity, heat, and steam, the GHG Protocol Scope 2 Guidance was applied, while emissions in the value chain (Scope 3) were estimated in accordance with the GHG Protocol Corporate Value Chain (Scope 3) Standard.

To standardize the method for calculating the Group's carbon footprint, the Parent Company has adopted a carbon footprint calculation guide. This document establishes uniform rules for identifying emission sources, reporting scopes, applicable emission factors, and procedures for data collection and verification.

Basic assumptions:

- For Scope 1 emissions calculations, emission intensity factors for individual fuels were applied, based on data from the Government conversion factors for company reporting of greenhouse gas emissions (2025).
- Scope 2 emissions were calculated using the location-based and market-based methods:

- calculations based on the location-based method were performed using average emission intensity factors published by the National Center for Emissions Balancing and Management (ion intensity factor for 2024). For European subsidiaries, the indicator from the European Environment Agency (EEA) was used,
- calculations based on the market-based method for electricity consumption in European Union countries were performed using the national Residual Mix emission factor published by the Association of Issuing Bodies (AIB), as per GHG Protocol guidelines, as the data source in the absence of factors from individual energy suppliers.
- Emissions under Scope 3 were estimated using emission factors from publicly available databases, in particular the Ecoinvent database (ecoquery, version 3.11). Additionally, factors published as part of the Government conversion factors for company reporting of greenhouse gas emissions (UK) were used, as well as data from the ADEME, EPA, and EXIOBASE databases. Where possible, specific carbon footprint factors for materials and products, provided directly by suppliers, were also applied.

Calculations for Scope 3 were preceded by a materiality analysis of each category.

A detailed materiality assessment was conducted for the Group's two largest entities, i.e., the Parent Company and the Teknikum Group, as well as for two companies with significantly different scopes of operations, namely Świerkowy Zdrój Medical SPA Sp. z o.o. and Stomil Sanok Dystrybucja Sp. z o.o.

As a result of the analysis, material Scope 3 categories were identified for the aforementioned companies, which, together with Scopes 1 and 2, account for the following shares of the total carbon footprint:

- in the Parent Company—98.6% of the total carbon footprint,
- in the Teknikum Group – 97.5% of the total carbon footprint,
- in Świerkowy Zdrój Medical SPA Sp. z o.o. – 98.5% of the total carbon footprint,
- in SSD Sp. z o.o. – 99.8% of the total carbon footprint.

For the remaining manufacturing companies, materiality levels were determined based on an audit conducted at the Parent Company, and for trading companies, based on an audit conducted at SSD Sp. z o.o.

With materiality defined in this manner, the carbon footprint groups selected as material account for 97.7% of the Group's total carbon footprint.

The Group accounts for emissions from activities over which it exercises operational control in accordance with the operational control approach. Due to the lack of operational control, QMRP, in which Darftex Automotive GmbH holds a 14.5% stake, was not included in the calculations held by Darftex Automotive GmbH.

The materiality analysis showed that, within the scope of the three most important categories for individual companies, they are:

Company	Significant Scope 3 Categories
Parent Company	1, 2, 3, 4, 7, 9
Teknikum Group	1, 2, 3, 5, 7, 10, 12
Świerkowy Zdrój Medical SPA, LLC	1, 2, 3, 7
Trading and distribution companies: - Stomil Sanok Distribution - Stomil Sanok Ukraine	4, 9
Manufacturing companies: - Stomet Sp. z o.o., - Stomil Sanok BR - Colmant Cuvelier RPS S.A.S, - Draftex Automotive GmbH, - BSP Bracket System Polska	1, 3, 4, 9

Categories that were determined to be insignificant in the carbon footprint materiality assessment were excluded from Scope 3. Categories whose contribution to emissions was less than 5% were considered as such.

The Group's greenhouse gas emissions are presented in the table below.

		HISTORICAL INFORMATION			INTERIM TARGETS AND TARGET YEARS		
GHG Emissions	unit	Base year 2024	Year 2025	year-over-year change (%)	Year 2030	Year 2040	Annual target in %/ base year
Scope 1 greenhouse gas emissions							
Scope 1 greenhouse gas emissions gross emissions	t CO ₂ e	31,064.57	20,917.32	-32.67%	-	-	-
Percentage of Scope 1 greenhouse gas emissions from regulated emissions trading systems	%	58	0	-100.00%	-	-	-
Scope 2 greenhouse gas emissions							
Scope 2 based on the location-based method	t CO ₂ e	34,540.01	32,728.50	-5.24%	-	-	-
Greenhouse gas emissions in the 2 based on the market-based method	t CO ₂ e	45,287.85	51,656.20	14.06%	-	-	-
Greenhouse gas emissions in the 1 and 2 combined, calculated using the location-based method	t CO ₂ e	65,604.58	53,645.82	-18.23%	-	-	-
Greenhouse gas emissions in the 1 and 2, total gross, according to the market-based method	t CO ₂ e	76,352.42	72,573.52	-4.95%	61,069.10	34,225.00	-
Significant Scope 3 greenhouse gas emissions							
Total indirect greenhouse gas emissions (Scope 3)	t CO ₂ e	159,420.84	130,884.73	-17.90%	128,618.80	72,457.00	-
1 Purchased goods and services	t CO ₂ e	113,839.27	96,394.79	-15.32%	-	-	-
2 Fixed assets	t CO ₂ e	7,825.32	3,528.44	-54.91%	-	-	-
3 Fuel and energy activities (not included in scope 1 or 2)	t CO ₂ e	17,537.85	14,329.47	-18.29%	-	-	-
4 Higher-level transport and distribution	t CO ₂ e	9,212.66	8,368.62	-9.16%	-	-	-
5 Waste generated during the operation	t CO ₂ e	247.50	890.00	259.60%	-	-	-

6 Business travel	t CO ₂ e	considered immaterial	considered immaterial	-	-	-	-
7 Commuting to work	t CO ₂ e	1,969.52	1,984.66	0.77%	-	-	-
8 Higher-level assets subject to lease	t CO ₂ e	deemed immaterial	deemed immaterial	-	-	-	-
9 Lower-level transport	t CO ₂ e	7,358.46	3,003.75	-59.18%	-	-	-
10 Processing of sold products	t CO ₂ e	878.25	1,306.00	48.70%	-	-	-
11 Use of sold products	t CO ₂ e	considered immaterial	considered immaterial	-	-	-	-
12 Processing of sold products at the end of their useful life	t CO ₂ e	552.00	1,079.00	95.47%	-	-	-
13 Leased assets	t CO ₂ e	deemed immaterial	deemed immaterial	-	-	-	-
14 Franchises	t CO ₂ e	deemed immaterial	deemed immaterial	-	-	-	-
15 Investments	t CO ₂ e	deemed immaterial	deemed immaterial	-	-	-	-
Total greenhouse gas emissions							
Total greenhouse gas emissions (location-based method)	t CO ₂ e	225,025.42	184,530.55	-18.00%	-	-	-
Total greenhouse gas emissions (market-based method)	t CO ₂ e	235,773.26	203,458.25	-13.71%	-	-	-

Biogenic emissions outside the scope amounted to: 42.66 t CO₂e (in 2024 – 40.624 t CO₂e). These result from the combustion of fuels

in company vehicles.

Due to a lack of data, biogenic emissions in scopes 2 and 3 were not included in the calculation.

There were no biogenic emissions from the combustion or biodegradation of biomass within the Group.

Scope 3, calculated based on primary data (obtained from suppliers), accounts for 11% of the Group's total Scope 3 carbon footprint. In 2024, this share was 6%.

In the reporting year, the share of contractual instruments used to purchase energy was 0%.

Greenhouse gas emissions intensity per net revenue for the Group	unit	2024	2025
Total greenhouse gas emissions (based on the location-based method) per net revenue (t CO ₂ equivalent/monetary unit)	t CO ₂ -eq/1 million PLN	155.58	125.53
Total greenhouse gas emissions (using the market-based method) per net revenue (t CO ₂ equivalent/unit of revenue)	t CO ₂ e/PLN 1 million	163.01	138.41

Net revenue used to calculate greenhouse gas emissions intensity	unit	2024	2025
Net sales revenue from core operating activities disclosed in the consolidated financial statements	PLN million	1,446.37	1,469.96
Net revenue used to calculate greenhouse gas emission intensity	PLN million	1,446.37	1,469.96
Net revenue other than that used to calculate greenhouse gas emission intensity	PLN million	0	0

Greenhouse gas emission intensity per net revenue by geographic location Total greenhouse gas emissions (using a market-based method) per net revenue (in CO2 equivalents per unit of revenue)	2024		2025	
	GHG emissions t CO2e	t CO2e/ 1 million PLN	GHG emissions t CO2e	t CO2e/ 1 million PLN
Poland	194,652.95	169.09	163,005.25	149.63
European Union (other countries)	36,596.60	87.91	35,609.23	72.66
Eastern Europe	920.86	36.91	400.21	27.36
Mexico	3,602.83	126.21	4,443.55	137.48

[E1-7] Greenhouse gas removal and emission reduction projects financed through carbon credits

The Group does not engage in greenhouse gas capture and storage activities.

In 2025, the Group purchased carbon offsets totaling 1,060 tons of CO₂ to offset greenhouse gas emissions generated in 2024. The purchased offsets come from a project certified in accordance with the Verra VCS standard, supporting wind energy production and carbon dioxide emission reduction. The purchased offsets do not affect the indicators reported in [E1-6], as they were not included in the calculations.

2.2 Pollution

[E2-1] [E2.MDR-P] Policies related to pollution

The Group has not developed a separate policy regarding pollution; its approach in this area is expressed in the Sanok Rubber Group Code of Ethical Conduct, the Code of Ethical Conduct for the Group's Product and Service Suppliers, and in the Parent Company's adopted Environmental and Occupational Health and Safety Policy, as well as in the policies of Draftex Automotive GmbH and the Teknikum Group.

The above documents do not specify pollutants or substances. These documents define a general approach to these issues.

At the operational level, procedures consistent with the policy have been developed.

The manufacturing companies, Draftex Automotive GmbH, the Teknikum Group, and the Parent Company, have implemented a certified environmental management system compliant with ISO 14001, which includes monitoring, oversight, and the reduction of pollutant emissions. These companies have environmental policies that address the prevention of environmental pollution.

For the remaining companies, the principles regarding pollution prevention stem directly from the Code. The provisions of the Code emphasize minimizing environmental impact by identifying environmental aspects, assessing their environmental impact, and monitoring noise levels as well as the levels and quality of air emissions.

When hazardous substances and their mixtures are used in the production process, they are monitored, and where possible, replaced with less hazardous alternatives. Protective measures are implemented, and actions are taken to prevent the release of chemicals into the environment.

Since the Group has not developed a separate pollution policy, it has not conducted a detailed analysis of the alignment of its pollution management policy with the EU Action Plan for the Elimination of Water, Air and soil.

The Parent Company's Environmental and Occupational Health and Safety Policy and Codes of Ethical Conduct are approved by the President of the Management Board and CEO. The policies of subsidiaries are approved by the companies' senior management.

Operational procedures are approved by the owners of the relevant processes.

The Group's approach in this area takes into account legal compliance, environmental concerns, and the expectations of customers and local communities. The Codes and the aforementioned policies are publicly available on the Group companies' websites. Operational documents are published on internal communication channels and made available at workstations.

[E2-2] [E2.MDR-A] Activities and resources related to pollution

The Group's manufacturing companies have the greatest environmental impact in terms of pollutant emissions. The Group consistently reduces the negative environmental impact of its operations by employing state-of-the-art technological solutions. To this end, protective equipment such as dust collectors, filters, scrubbers, afterburners, flue gas desulfurization and dust removal systems, and volatile organic compound (VOC) reduction systems—including those based on zeolite wheels—are utilized. Preventive measures also include the proper storage of hazardous materials, including waste, and regular employee training in this area.

Companies maintaining a management system based on ISO 14001 have developed environmental action plans. The tasks include measures aimed at preventing and reducing pollution. As part of the activities currently being implemented, the following are planned, among others: at the Parent Company:

- continuation of the revitalization of sections of the sanitary sewer system—scheduled for 2026,
- regular replacement of filter cartridges in exhaust systems – ongoing activity,
- equipping the tape application line with cutting cassettes to reduce the consumption of extraction gasoline—scheduled for 2026,
- replacement of two oil-filled transformers with dry-type transformers—scheduled for 2026,
- periodic inspection of hydraulic lines for leaks and their possible replacement – ongoing,

In the subsidiaries, plans include the replacement of heating systems (SSD) and the thermal modernization of the hotel building of Świerkowy Zdrój Medical Spa Sp. z o.o., located in Iwonicz Zdrój. Both projects will contribute to reducing natural gas consumption. At the Teknikum Group, the facility located in Kiikka completed a project related to the management of firefighting wastewater in the event of a fire.

Pollution prevention also covers the management of chemicals to avoid incidents and accidents. The Group's companies manage chemical handling in accordance with applicable legal requirements. In addition, the Group's suppliers are required to confirm compliance with legal requirements and to submit declarations regarding the presence of Substances of Very High Concern (SVHC) in the materials they supply.

The Group requires its suppliers to reduce pollution in accordance with the Group's Code of Ethical Conduct for Suppliers of Products and Services. Furthermore, suppliers are required to submit declarations regarding the responsible sourcing of raw materials and compliance with legal regulations concerning the use of chemicals. These expectations are also reflected in the requirements of the Group's customers.

[E2-3] [E2.MDR-T] Pollution-related targets

The Group has not set its own pollution-related targets; however, Group companies monitor and meet the targets resulting from legal limits. Continuous monitoring of emission levels, the use of protective equipment, and adherence to procedures minimize the risk of pollution. Regular employee training supports the effective implementation of these measures.

Emissions are monitored in accordance with applicable legal requirements through periodic testing by authorized external laboratories. Methodologies are provided by specialized laboratories that perform measurements in accordance with their accreditation.

Permissible emission limits are specified in the permits of individual companies or are directly derived from legal regulations. Within the Group, depending on legal requirements, companies monitor:

- the amount of volatile organic compounds,
- concentrations of particulate matter, carbon monoxide and carbon dioxide, nitrogen oxides, and sulfur dioxide,
- the content of hydrocarbons in stormwater,
- the quantity and quality of discharged industrial wastewater,
- measurements of noise emitted into the environment,
- soil and groundwater quality,
- dust levels and emissions of post-vulcanization gases at workstations.

Industrial and domestic wastewater is directed to a treatment plant, where it undergoes treatment processes.

Where required by legal regulations, compliance with limits is reported to the relevant environmental authorities.

[E2-4] Air, Water, and Soil Pollution

In 2025, none of the companies, except for Sanok RC SA, were subject to the provisions of Regulation (EC) No. 166/2006 on the establishment of the European Pollutant Release and Transfer Register.

In all Group companies in 2025, emission levels did not exceed the threshold values listed in Annex II to Regulation (EC) No. 166/2006.

Companies prepare environmental reports to the extent required by law. Additionally, the Parent Company prepares the following reports:

- a report to the national database on greenhouse gas emissions and other substances (KOBiZE),
- a list containing a summary of information on the extent of environmental use and the amount of fees due,
- a PRTR report submitted to the National Pollutant Release and Transfer Register,
- reports on completed measurements of emissions, water withdrawal volumes, and the quality and volume of discharged wastewater, stormwater, and other effluents in accordance with the requirements of the Integrated Permit.

For reporting purposes, emission test reports and other necessary data are archived. The data is collected internally from process supervisors, which ensures its reliability. Based on this data, reports are prepared and submitted to the relevant authorities in accordance with legal requirements.

[E2-5] Potentially hazardous substances and substances of very high concern

The table below presents the types and quantities of potentially hazardous substances used, with particular emphasis on substances of very high concern. In 2025, it was decided to present the data broken down by main hazard classes. Consequently, the data for 2024 is presented in the same manner. The data presented for 2024 and 2025 covers all of the Group's manufacturing companies (Sanok RC SA, Stomet Sp. z o.o., BSP Bracket System Polska, Draftex Automotive GmbH, Colmant Cuvelier RPS S.A.S., and the Teknikum Group).

Potentially hazardous substances	unit	2024	2025	y/y
Carcinogenicity categories 1 and 2	kg	0	49	+100%
Germ cell mutagenicity, categories 1 and 2	kg	0	1,750	+100%
Reproductive toxicity, categories 1 and 2	kg	94,646	96,626	+2%
Endocrine disruptors in relation to human health	kg	0	0	-
Endocrine disruption in relation to the environment	kg	0	0	-
Properties of persistent, mobile, and toxic or very persistent, very mobile substances	kg	0	0	-
Properties of persistent, bioaccumulative, and toxic substances or very persistent and very bioaccumulative substances	kg	0	0	-
Category 1 respiratory sensitizer	kg	26,401	19,308	-27%
Category 1 skin sensitizer	kg	163,771	155,967	-5%
Long-term hazard to the aquatic environment, Category 1-4	kg	842,075	875,310	+4%
Ozone depletion	kg	0	0	-
Target organ toxicity, repeated exposure categories 1 and 2	kg	55,643	98,522	+77%
Target organ toxicity, single exposure, categories 1 and 2	kg	0	341	+100%
Negatively affects the reuse and recycling of materials in the product	kg	109,064	98,428	-10%
Total amount of potentially hazardous substances	kg	908,671	1,003,548	+10%
including substances of very high concern (SVHC)				
Carcinogenicity categories 1 and 2	kg	0	0	-
Germ cell mutagenicity, categories 1 and 2	kg	0	0	-
Reproductive toxicity, categories 1 and 2	kg	1,560	1,470	-6%
Endocrine disruption in relation to human health	kg	0	0	-
Endocrine disruption in relation to the environment	kg	0	0	-

Properties of persistent, mobile, and toxic or very persistent, very mobile substances	kg	0	0	-
Properties of persistent, bioaccumulative, and toxic substances or very persistent and very bioaccumulative substances	kg	0	0	-
Category 1 respiratory sensitizer	kg	26,401	19,308	-27%
Category 1 skin sensitizer	kg	0	0	-
Long-term hazard to the aquatic environment, Category 1–4	kg	0	30	+100%
Threat to the ozone layer	kg	0	0	-
Target organ toxicity, repeated exposure categories 1 and 2	kg	0	0	-
Target organ toxicity, single exposure, categories 1 and 2	kg	0	0	-
Adversely affects the reuse and recycling of materials in the product	kg	1,560	1,470	-6%
Total amount of substances of very high concern (SVHC)	kg	27,991	20,809	-26%

2.3 Water and Marine Resources

Water is a critical natural resource for the Group's operations. The Group both influences water management and is influenced by it, particularly in terms of resource availability and legal regulations regarding water withdrawal, consumption and wastewater management. This relationship stems from the specific nature of the Group's industrial production and the locations of its individual companies.

The Group's production activities have the greatest impact on water resources, due to the high scale of water consumption. In contrast, the Group's trading and service companies have only a minor impact on water management—water is used there primarily for social purposes.

The Parent Company's production facility in Mexico is located in an area at risk of water scarcity, which places a particular need for rational and economical management of this resource.

[E3-1] [E3.MDR-P] Policies related to water and marine resources

The Group has not developed separate, detailed policies regarding water resource management. Its approach in this area is expressed in the Code of Ethical Conduct, the Code of Ethical Conduct for Product and Service Suppliers, and the Parent Company's Environmental and Occupational Health and Safety Policy, as well as in the policies of Draftex Automotive GmbH and the Teknikum Group.

These documents contain information on monitoring water consumption, reducing water pollution, and the efficient use of resources.

Due to the particular importance of water scarcity at the facility located in Mexico, a Water Resource Management Policy has been developed there.

The policy addresses water resource management in accordance with applicable legal requirements. It establishes principles, objectives, implementation measures, and methods for monitoring their implementation. It applies to all processes conducted within the company, and also serves as a commitment to promote awareness among employees, suppliers, and local communities.

The actions resulting from this document are described in section E3-2.

The manufacturing companies, Draftex Automotive GmbH, the Teknikum Group, and the Parent Company, have implemented a certified environmental management system compliant with ISO 14001, which includes monitoring, oversight, and the efficient management of water resources.

As part of the requirements for adopting the Code of Ethical Conduct for Product and Service Suppliers, the Group declares and expects its business partners to use water resources in a sustainable manner, in accordance applicable laws and with respect for the rights and needs of local communities.

At the operational level, processes are conducted in a manner that ensures compliance with adopted policies and the Code of Ethical Conduct.

The Parent Company's Environmental and Occupational Health and Safety Policy and Codes of Ethical Conduct are approved by the President of the Management Board and CEO. The policies of subsidiaries are approved by the companies' senior management.

Operational procedures are approved by the owners of the processes to which these procedures apply. The policies are published on the companies' websites.

The Group does not plan to adopt a policy regarding marine and ocean water resources, as its operations do not have a significant impact on them nor do they involve operational risks related to them.

[E3-2] [E3.MDR-A] Water-related activities and resources

The Group's manufacturing companies have the greatest environmental impact in terms of water resource use due to the scale of their water consumption.

Companies maintaining a management system based on ISO 14001 have developed environmental action plans. Measures aimed at reducing water consumption are part of these plans. The volume of water withdrawn and wastewater discharged is compared with the limits specified in permits and reported to the relevant environmental authorities. This data is derived from meters subject to metrological control.

Water management activities are systematic in nature and constitute a standard part of the Group's operations. No key actions have been identified—all issues related to water management and pollution prevention are given equal priority.

In 2025, Draftex Automotive GmbH achieved an 88% reduction in water consumption compared to 2024 by decommissioning the wet scrubber and dismantling the cooling system.

In 2025, Sanok RC SA achieved water savings of over 2.6 million m³ through the use of a closed-loop cooling water system.

Particular attention is paid to water conservation at the facility located in Mexico. By installing filters in the closed-loop cooling water system, water savings of nearly 2.000 m³ were achieved in 2025, representing approximately 39% compared to 2024.

As part of its Water Resource Management Policy, the ZMX plant in Mexico has planned the following actions by 2027:

- monitoring total water consumption on a monthly basis, including meter readings and documentation,
- identifying wastewater discharge points to improve control and data accuracy,
- maintaining hydraulic infrastructure (pumps, valves, pipelines, tanks) in good working order to prevent leaks and losses,
- providing annual training for operations and maintenance personnel on efficient water use and regulatory compliance,
- maintaining permits and licenses,
- conducting internal environmental audits to verify data accuracy and compliance with established targets,
- collaborating with accredited laboratories for wastewater testing as required.

[E3-3] [E3.MDR-T] Water-related objectives

The Group has not set specific water-related targets; however, the Group's operating companies monitor and meet the targets resulting from legal limits specified in the permits of individual companies or directly from legal regulations. Water consumption, as well as the quantity and quality of discharged wastewater, are monitored. Where required, the results are reported to the relevant authorities.

As part of its Water Resource Management Policy, the ZMX plant has set the following goals:

Objective	Indicator	Baseline Value 2024	Target for 2027	Monitoring method
Maintain compliance with NOM-001-SEMARNAT-2021	Compliance status	Compliant	100% annual compliance	Laboratory testing in accordance with regulatory requirements
Reduction in total water consumption	m ³ /month	250	≤235 (-6%)	Monthly meter readings and annual analysis
Staff training on responsible water use	% of employees trained	0%	100% of operations and maintenance staff	EHS training records

[E3-4] Water consumption

The table below summarizes water consumption figures for the Group. In 2025, the approach to determining water consumption was changed, with water consumption now defined as the difference between the amount of water withdrawn and the amount of wastewater discharged. The figures for 2024 were recalculated accordingly.

The data below is based on meter readings or information from invoices. Where information from invoices was available, the amount of water withdrawn was used to calculate wastewater volume—for these companies, water consumption was estimated to be close to zero.

Only in the case of the Parent Company do the readings come from both water consumption meters and wastewater discharge meters.

With regard to data on the total volume of water recycled and reused, as well as the volume of water stored, estimates based on the capacity of the facilities were used.

Water consumption	unit	2024	2025	y/y
Total water consumption	m ³	84,469.00	64,757.00	-23%
Total water consumption in areas at risk of water-related hazards, including areas with significant water scarcity	m ³	0.00	0.00	-
Total water withdrawal in areas at risk of water-related issues water-related risks, including areas with significant water scarcity (applies to the ZMX plant in Mexico)	m ³	4,886.80	3,000.00	-39%
Total volume of water recycled and reused	m ³	1,300.00	1,300.00	0%
Total volume of water stored and changes in storage	m ³	1,350.00	1,350.00	0%
Total water consumption per 1 million in revenue	m ³ / 1 million EUR	251.37	186.66	-26%

The data for 2024 in the table above has been updated following the identification of additional water storage capacity and the recalculation of total water consumption per 1 million in revenue in euros.

The decrease in water consumption within the Group and the decrease in water withdrawal at the facility located in Mexico compared to the previous year result from the measures described in section [E3-2].

2.4 Biodiversity and Ecosystems

Biodiversity conservation is crucial for maintaining ecological balance, and its degradation can lead to environmental changes in the environment that threaten both nature and people. The entity identifies potential impacts on biodiversity upstream in the value chain, associated with the sourcing of natural rubber in particular, the production of which may involve land-use change.

[E4-1] Transition plan for biodiversity and ecosystems and integration of biodiversity and ecosystems into the strategy and business model

Since the Group has not identified any material biodiversity issues, no transition plan has been developed, nor has biodiversity been incorporated into its strategy or business model. Regarding the sourcing of natural rubber and rubber compounds containing natural rubber from outside the EU, the Group has adopted a plan to implement the obligations arising from the Regulation on the placing on the EU market and export from the EU of certain goods and products related to deforestation and forest degradation (EUDR).

[E4-2] [E4.MDR-P] Policies related to biodiversity and ecosystems

The Group has not developed separate, detailed policies regarding biodiversity and ecosystem management. The approach in this area is set forth in the Group's Code of Ethical Conduct for Suppliers of Products and Services, the Parent Company's Environmental and Occupational Health and Safety Policy, and the policies of Draftex Automotive GmbH and the Teknikum Group.

In the Codes, we emphasize the protection of ecosystems, while in the companies' policies we focus on the efficient use of raw materials and the prevention of pollution.

The Group declares and expects its business partners to protect natural ecosystems and not to contribute to their degradation, including illegal deforestation or destruction in any other way.

The Parent Company's Environmental and Occupational Health and Safety Policy and the Codes of Ethical Conduct are approved by the President of the Management Board and CEO. The policies of subsidiaries are approved by the companies' senior management.

The Group does not plan to adopt a separate policy on biodiversity and ecosystems, as its operations do not have a significant impact on them at the top of the value chain nor do they involve operational risks, and the potential need to develop such a policy will be analyzed should these conditions change.

[E4-3] [E4.MDR-A] Activities and resources related to biodiversity and ecosystems

The Group does not directly contribute to drivers of change in land use, freshwater, or marine ecosystems; therefore, it does not undertake activities that impact biodiversity conservation.

Given that this issue requires a broader understanding of impacts throughout the value chain, including the identification of suppliers with a potential impact on biodiversity, the Group will consider taking such actions. The Group has not engaged with local or indigenous knowledge or nature-based solutions.

[E4-4] [E3.MDR-T] Biodiversity and Ecosystem Targets

Currently, no targets have been defined. Given that information from suppliers will be collected, it is being considered that there may be a need to develop such targets.

[E4-5] Impact indicators related to changes in biodiversity and ecosystems

Since the Group has not established targets for biodiversity and ecosystems, no metrics have been set either.

2.5 Resource Use and Circular Economy

The circular economy is an important element of sustainable development, focusing on reducing waste and making full use of resources. The Group actively implements solutions aimed at reducing its environmental impact through the optimization of production processes and resource management. The measures taken, which yield measurable benefits, are continued with a focus on innovation and recycling solutions.

[E5-1] [MDR-P] Policies related to resource use and circular economy

The Group has not developed separate policies regarding circular economy management. Its approach in this area is expressed in the Code of Ethical Conduct, the Code of Ethical Conduct for the Group's Product and Service Suppliers, and the Parent Company's Environmental and Occupational Health and Safety Policy, which cover the efficient use of raw materials, materials, and energy resources.

At the operational level, processes are conducted in accordance with established procedures that are consistent with the adopted policy. The manufacturing companies Sanok Rubber Company S.A., Draftex Automotive GmbH, and the Teknikum Group have implemented an environmental management system compliant with ISO 14001, which is subject to certification.

For the remaining companies, the principles of the circular economy stem directly from the Code.

The Parent Company’s Environmental and Occupational Health and Safety Policy and the Codes of Ethical Conduct are approved by the President of the Management Board and CEO. The policies of subsidiaries are approved by the companies’ senior management.

Operational procedures are approved by the owners of the relevant processes.

The Codes and the aforementioned policies are publicly available on the Group companies’ websites. Operational documents are published on internal communication channels and made available at workstations.

When establishing standards of conduct in this area, the Group takes into account legal requirements as well as the opinions and expectations of stakeholders, including in particular:

- the environment—through analysis of environmental reports, market trends related to this issue, and legal regulations,
- customers—through the analysis of their inquiries, surveys, and requirement specifications.

In the Code of Ethical Conduct, the Group has formulated a policy regarding the prudent use of the environment, the identification of resources used, and the reporting of their consumption. The Group declares that:

- it actively seeks and implements methods that improve the efficiency of their use,
- manages natural resources rationally,
- cares about water quality and consumption levels,
- takes measures to improve energy efficiency and makes the necessary capital investments for this purpose,
- uses electricity efficiently
- promotes the increased use of recycled materials.

The Group manages waste in accordance with the waste management hierarchy set forth in applicable laws.

The Company is a manufacturer of components that are integrated into final products. Due to the nature of the products and the Company’s position in the value chain, the Company has no direct influence on how waste generated during the use and end-of-life stages of final products is managed. The Company minimizes its indirect impact, among other things, by designing products with durability and an extended life cycle in mind and by using materials that comply with legal requirements.

[E5-2] [E5.MDR-A] Activities and resources related to resource use and circular economy

The Group’s activities focus primarily on reducing the amount of waste generated, ensuring recyclability, and conducting processes in a manner that minimizes the consumption of primary resources.

The waste management system we have developed includes the selective collection of waste to enable its further processing or safe disposal if reuse is no longer possible. The system also involves the regular recording of waste quantities and types, which allows for ongoing monitoring of waste generation rates and the identification of areas requiring optimization.

Furthermore, when seeking waste recipients, the possibility of recycling the waste is taken into account, which supports the achievement of circular economy goals and reduces the amount of waste sent to other processes.

Each waste recipient is verified for compliance with legal requirements, which ensures that waste is managed in accordance with applicable law.

The Group’s initiatives promoting a gradual transition to a circular economy are presented in the table below.

ACTIONS	SCOPE OF ACTIONS	TIME FRAME
Devulcanization Project	The ongoing project to launch a devulcanization system is a continuation of the advanced research and development work conducted in previous periods on the development of a technology for processing vulcanized rubber waste using a thermomechanical devulcanization process. In the reporting year, the project entered the implementation phase—an infrastructure design was developed, and the permits and approvals required at this stage were obtained. Concurrently, the first stage of research and development work was completed in collaboration with the Lodz University of Technology, focused on developing new rubber materials and compounds incorporating devulcanized rubber. The project will contribute to increasing the recovery rate of rubber waste and its reuse in the Group’s production processes.	medium-term outlook

Transfer of rubber waste to recipients ensuring recycling	Selective collection of rubber waste, verification of the waste recipient market. Within the Group, 63.71% of rubber waste is sent for recycling.	ongoing action
Increasing the share of recycled materials instead of virgin materials	Where possible, use of recycled materials or materials containing recycled materials. Obtaining information from suppliers regarding the content of recycled materials. The Teknikum Group used recycled raw materials (approximately 94,000 kg of TEKNICROSS® recycled rubber). The Parent Company uses a recycled compound in the production of certain products.	ongoing activity
Use of reusable packaging	Introducing returnable packaging wherever possible.	ongoing action
Use of closed-loop cooling water systems	In production processes, where possible, use closed-loop cooling water systems.	ongoing action
Reducing waste	Use of reusable cleaning cloths.	Ongoing action
Waste Segregation	Production and municipal waste are collected in a manner that separates recyclable fractions.	ongoing action

[E5-3] [E5.MDR-T] Goals related to resource use and circular economy

In the area of circular resource management, the main 2025 targets focused on waste volume, packaging volume, and water consumption.

The waste reduction target was included in the ESG Strategy published in 2026. This target concerns the reduction of production waste and an increase in the recycling rate of such waste and does not involve a loss of biodiversity.

The Group commits to reducing non-recycled waste by 2030 to 42% compared to the 2024 baseline year, when this figure stood at 47%. The Group plans to achieve this target, among other measures, through the implementation of the de-fibering project described in section [E5-2].

[E5-4] Inputs

The Group's inputs include purchased products, materials, and raw materials used in the production of goods, as well as packaging and consumables required for business operations. Additionally, Świerkowy Zdrój Medical Spa Sp. z o.o. procures food products, hygiene items, and medications.

The types of resources acquired depend on the business profile of individual Group companies. The following types are specified:

- technical materials, including production materials, such as: rubbers, carbon black, plasticizers, plastics, steel, aluminum, adhesives, varnishes,
- packaging materials, including cardboard boxes, films, wooden and plastic pallets,
- indirect production materials, including, among others, IT equipment, furniture, machinery, and warehouse equipment.

The Group did not introduce any significant biological materials.

Data on the tonnage of technical materials introduced is collected in ERP systems. For other materials introduced, due to their diversity, no estimates regarding tonnage are provided.

Resources introduced into the organization	unit	2024	2025	y/y
Total weight of products introduced into the organization	t	The Group does not maintain weight records	1,854.44	+100%
Total weight of technical materials brought into the organization	t	40,251.46	38,914.20	-3%
Of which, the total weight of reused or used components, reused semi-finished products, and recycled materials used in the production of the company's products and services	t	100.00	731.39	+631%
Total mass of biological materials introduced into the organization	t	0	0	-
of which from sustainable sources	t	0	0	-
Total mass of technical and biological materials introduced into the organization	t	40,251.46	38,914.20	-3%
Total mass of products, technical materials, and biological materials	t	40,251.46	40,768.64	+1%

Percentage of biological materials from sustainable sources	%	0	0	-
Percentage of recycled materials	%	4%	2%	-2 percentage points

The 2024 data regarding the total weight of reused or used components, reused semi-finished products, and secondary raw materials used in the production of the company's products and services has been updated due to an incorrect assignment of values to this category.

The table above uses data on the mass of materials introduced into the organization during the reporting period. This data was also used to calculate the organization's carbon footprint. To ensure methodological consistency between environmental reporting and carbon footprint calculation, the same material database was used. At this stage, the accounting systems do not allow for a full determination of actual material consumption; therefore, data on materials introduced were used as an approximation of their usage level during the reporting period. The quantitative difference in the 2025 data regarding the mass of reused or used components, reused semi-finished products, and secondary raw materials used to manufacture the company's products and services stems from the process of collecting this data from suppliers, which began in 2025.

[E5-5] Outputs

Resources discharged from the organization include packaged products and waste.

PRODUCTS

The Group's products consist predominantly of various types of elastomeric components (rubber or plastics) and their combinations with other materials (aluminum, steel, plastics, and others) for the automotive, construction, agricultural, industrial, pharmaceutical, and household appliance sectors. In addition, the Group also sells rubber compounds.

A significantly smaller portion consists of products in the portfolio of BSP Bracket System Polska Sp. z o.o., a manufacturer of aluminum substructures for ventilated facades, and Stomet Sp. z o.o., which produces injection molds and special tools, as well as machinery and equipment related to rubber and plastic processing and metal parts.

The Group makes every effort to manufacture products of the highest durability by using materials and raw materials from reputable suppliers and adhering to quality, health and safety, and environmental protection standards at every stage of design and production. The durability of the Group's products varies depending on the product range.

Durability benchmarking tests were conducted on V-belts. The results place these products above the industry average and are comparable to those achieved by products from leading V-belt manufacturers. In a comparative study conducted in 2023 in an in-house laboratory on 22 units of the most popular V-belts, Sanok Rubber Company S.A. products achieved mileage that was, on average, 72% better than the average mileage of the competition. Tests repeated in 2025, with a smaller number of products tested, showed that SRC-manufactured belts achieved results 68% higher than those of the competition.

For automotive products, the design process takes into account the service life expected by customers, as well as operating parameters and loads. This is validated through durability testing using product aging simulations in accordance with automotive manufacturers' requirements. Achieving results that meet these requirements is a prerequisite for approval for mass production.

Due to the specific nature of the Group's products, most of them are non-repairable. Only in certain cases, depending on the defect, is it possible to repair them or, in individual cases, restore them to their original condition through appropriate modification. Stomet Sp. z o.o. products are subject to regeneration and modernization. The company provides services in this area.

The content of recyclable materials varies depending on the product type and is estimated to range from 3.5% to 85%. Due to the lack of detailed and verified data, the Group does not currently report this indicator. According to our current knowledge, a significant portion of the Group's products is recyclable. At the same time, some of them contain materials that, despite their potential recyclability, are not currently processed due to the lack of appropriate technologies.

In 2025, work began on obtaining information from packaging suppliers regarding the content of recyclable materials in packaging; based on the information obtained so far, the percentage of recyclable material ranges from 90% to 100%. Further work in this area is planned.

Resources discharged from the organization	unit	2024	2025	y/y
Total product weight	t	39,980.66	37,779.20	-5.51%
Total weight of recyclable materials in products	t	The Group does not maintain records	The Group has incomplete data	-
Total weight of packaging	t	3,171.50	3,419.15	+7.81%
Total weight of recyclable materials in packaging	t	The Group does not maintain records	The Group has incomplete data	-
Percentage of recyclable materials in products	%	The Group does not report this ratio for 2024	The Group has incomplete data	-
Ratio of recyclable materials in packaging	%	The Group does not report the indicator for 2024	The Group has incomplete data	-

GENERATED WASTE

The waste streams generated in connection with the Group's operations include:

- non-hazardous industrial waste,
- hazardous industrial waste,
- municipal waste.

Waste streams depend on the business profile of individual companies. For manufacturing companies, these are primarily rubber waste and waste associated with their processes. The materials found in the waste are mainly: rubber, plastics, steel, and aluminum. Waste streams do not contain critical raw materials or rare earth elements. The Group collects data on the volume of waste generated. The method of data collection varies and is based on weighing the waste after its selective collection, followed by recording it in an internally established manner. The collected data is used for settlements with waste collection companies and environmental authorities. In companies located in Poland, the legal requirement in this regard is met through the BDO system, while in companies outside Poland, these obligations are fulfilled in accordance with the laws in force in the respective country.

The total amount of waste generated by the Group is summarized in the table below:

RESOURCES DISPOSED OF BY THE ORGANIZATION - WASTE	unit	2024	2025	y/y
WASTE FOR WHICH DISPOSAL WAS AVOIDED				
HAZARDOUS				
Prepared for reuse	Mg	64	0	-100%
Recycling	Mg	10.95	155.05	+1316%
Other recovery processes	Mg	87.83	33.99	-61%
NON-HAZARDOUS				
Preparation for reuse	Mg	18.97	0	-100%
Recycling	Mg	5,114.53	4,763.727	-7%
Other recovery processes	Mg	1,514.87	1,720.923	+14%
WASTE SENT FOR DISPOSAL				
HAZARDOUS				
Burning	Mg	330.64	160.1721	-52%
Storage	Mg	0	35,468	+100%
Other disposal processes	Mg	404.84	386,3053	-5%
OTHER THAN HAZARDOUS				
Combustion	Mg	1,881.20	1,990.5627	+6%
Storage	Mg	616.24	437,579	-29%
Other disposal processes	Mg	6.04	82,313	+1,263%
TOTAL AMOUNT OF WASTE GENERATED	Mg	10,050.11	9,766.09	-3%

TOTAL AMOUNT OF NON-RECYCLED WASTE	Mg	4,924.63	4,847.31	-2%
TOTAL AMOUNT OF HAZARDOUS WASTE	Mg	898.26	770.99	-14%
PERCENTAGE OF WASTE NOT RECYCLED	%	49.00	49.63	+1 p.p.
TOTAL AMOUNT OF RADIOACTIVE WASTE	Mg	0	0	-

The data for 2024 in the table above has been updated due to a revision in waste classification.

The differences between the data presented for 2024 and 2025 are mainly due to changes in how waste is managed by recipients.

2.6 EU Taxonomy

Compliance with the Taxonomy

The legal basis for the disclosure obligations under the Taxonomy is Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020, on the establishment of a framework to facilitate sustainable investment. This Regulation translates the European Union's climate and environmental objectives into technical criteria for assessing whether a given activity can be considered sustainable with respect to six environmental objectives:

1. Climate change mitigation, 2. Climate change adaptation, 3. Sustainable use and protection of water and marine resources, 4. Transition to a circular economy, 5. Pollution prevention and control, 6. Protection and restoration of biodiversity and ecosystems.

Technical Qualification Criteria (hereinafter: TQC) are used to determine whether a given activity makes a significant contribution to one of the environmental objectives and does not cause serious harm to the other environmental objectives.

Legal acts containing the TKK:

1. Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021, containing criteria for a significant contribution to two environmental objectives: climate change mitigation and climate change adaptation, as well as criteria for not causing significant harm to other environmental objectives. Amendments to this regulation were introduced by:
 - Commission Delegated Regulation (EU) 2022/1214 of March 9, 2022 (introduced requirements for activities related to energy production using gaseous fuels and nuclear energy),
 - Commission Delegated Regulation (EU) 2023/2485 of June 27, 2023 (introduced new types of activities and amendments to certain technical eligibility criteria).
2. Commission Delegated Regulation (EU) 2023/2486 of June 27, 2023 establishing TCCs for significant contribution and no significant harm in relation to the remaining four environmental objectives: sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, and protection and restoration of biodiversity and ecosystems.

For an activity to be considered environmentally sustainable, minimum safeguards must also be met. These are the procedures set forth in Article 18 of Regulation 2020/852, which are to be followed by the business undertaking to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set forth in the eight core conventions identified in the International Labour Organization's Declaration on Fundamental Principles and Rights at Work, as well as the principles and rights set forth in the International Bill of Human Rights.

Description of the Taxonomy Compliance Assessment Process

In 2025, the Sanok Rubber Group Taxonomy Reporting Guide was developed. In accordance with the guide, the process of assessing compliance with the Taxonomy proceeded in the following stages:

1. Determining which of the Group companies' activities qualify for the Taxonomy. Revenues, capital expenditures, and operating expenses were reviewed. The conducted activities were compared to the descriptions contained in the annexes to Commission Delegated Regulations (EU): 2021/2139 and 2023/2486.
2. Allocation of turnover, capital expenditures, and operating expenses to the activities identified in the first stage. To calculate the percentage of revenue, capital expenditures (CapEx), and operating expenses (OpEx) eligible for and consistent with the classification system, the accounting principles described in EU Regulation 2021/2178 of July 6, 2021, as amended by 2023/2486, were applied:
 - Revenue: the denominator includes the Group's sales revenue, presented in the Consolidated Financial Statements of the Sanok Rubber Company Capital Group in the income statement under the item: sales revenue. The numerator includes revenue from activities eligible for the framework.

- The primary NACE codes for the Group companies' activities are not included in the delegated regulations describing the technical eligibility criteria. Therefore, it is assumed that all of the Group's revenue derives from activities not eligible under the classification.
- Capital Expenditures (CapEx): The denominator includes increases in the value of property, plant, and equipment and intangible assets, as presented in the Group's Consolidated Financial Statements under the line items: property, plant, and equipment, and intangible assets. The numerator includes that portion of capital expenditures recognized in the denominator that relates to assets or processes associated with activities eligible for the classification.
- Operating expenses (OpEx): The denominator includes direct, non-capitalized costs related to research and development, building renovation activities, short-term leasing, maintenance, and repairs, as well as all other direct expenses related to the ongoing management of tangible fixed assets by the enterprise or a third party to whom activities necessary to ensure the continuous and effective operation of these assets have been outsourced. The numerator includes costs by type incurred for activities eligible under the classification system.

For the operating expenses (OpEx) indicator, due to its specific definition in the Taxonomy, it was not possible to refer directly to the financial statements.

No activities were identified during the analysis that made a significant contribution to more than one environmental objective. Consequently, there was no need to apply special procedures to avoid double counting.

Verification of compliance with the technical eligibility criteria was conducted for all activities eligible for the Taxonomy and consisted of an analysis of the specific criteria of significant contribution and no significant harm.

The analysis showed that there was no need for a detailed disaggregation of key performance indicators among the Group's individual operating units in accordance with Section 1.2.2.3 of Annex I to Commission Delegated Regulation (EU) 2021/2178.

The conversion rate for costs/revenue is consistent with the financial statements; these are data from the financial and accounting system. The following conversion rate was used in the calculations:

- 1 EUR = 4.2372 PLN,
- 1 USD = 3.7504 PLN,
- 1 UAH = 0.09 PLN.

3. Conducting an analysis of compliance with the criteria of significant contribution and no serious harm using the technical eligibility criteria set out in the annexes to Commission Delegated Regulation (EU) 2021/2139 and Commission Delegated Regulation (EU) 2023/2486.

The result of the analysis of compliance with the criteria is the assignment of the activity to one of the following categories:

- environmentally sustainable activity – an activity eligible for the classification system for which it has been determined that the technical eligibility criteria and minimum safeguards are met,
- environmentally unsustainable activities – activities eligible for classification for which it has been determined that at least one of the TKK criteria is not met, or for which an assessment of the technical eligibility criteria has not been conducted,
- activities not eligible for classification for which no technical eligibility criteria exist.

4. Conducting an analysis of compliance with minimum safeguards (Article 18 of Regulation 2020/852).

The process of analyzing compliance with the minimum safeguards criteria was based on reference to the recommendations of the EU Sustainable Finance Platform - Final Report on Minimum Safeguards:

(https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf).

Analysis of the grounds for non-compliance with minimum safeguards:

GROUND	ANALYSIS CONDUCTED	WERE THE MINIMUM SAFEGUARDS MET
Inadequate or non-existent due diligence processes regarding human rights, including labor rights, corruption, taxation, and fair competition.	The analysis of due diligence processes was conducted based on an internal review focused on determining compliance with the requirements of the documents listed in the definition of minimum safeguards. A specification of requirements prepared by an independent law firm was used. Following the analysis, it was concluded that the business is conducted in accordance with the minimum safeguards and ensures compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.	YES
The company has ultimately been held liable or found to have violated labor or human rights in certain types of labor or human rights-related court cases.	Group companies have not been held liable or found to have violated labor or human rights laws.	YES
No cooperation with the National Contact Point of the OECD (hereinafter "OECD NCP") regarding a complaint accepted by the OECD NCP.	A check was conducted in the OECD NCP's notification database [http://mneguidelines.oecd.org/database/] No reports regarding Group companies were identified.	YES
The Business and Human Rights Resource Centre (BHRRC) raised an allegation against the company, and the company did not respond to it within 3 months.	A check was conducted in the Business and Human Rights Resource Centre (BHRRC) submission database [https://www.business-humanrights.org/en/companies] No complaints regarding the Group's companies were identified.	YES

Taking the above into account, it is assumed that the Group's operations are conducted in accordance with minimum safeguards.

5. Preparation of information—reference to activities related to nuclear energy and natural gas.
Activities related to nuclear energy and natural gas

Activities related to nuclear energy		
1.	The company conducts research, development, demonstration, and deployment of innovative power generation facilities that generate electricity through nuclear processes with minimal waste from the fuel cycle, finances such activities, or has exposure to them.	NO
2.	The company engages in the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating systems or industrial processes such as hydrogen production, as well as their safety-related modernization using the best available technologies, finances such activities, or has exposure to them.	NO
3.	The company engages in the safe operation of existing nuclear facilities generating electricity or process heat, including for district heating systems or industrial processes such as hydrogen production from nuclear energy, as well as their safety-related modernization, finances such activities, or has exposure to them.	NO
Natural gas activities		
4.	The company constructs or operates facilities for the generation of electricity using gaseous fossil fuels, finances such activities, or has exposure to them.	NO
5.	The company is engaged in the construction, modernization, and operation of facilities for the combined generation of heat/cooling and electricity using gaseous fossil fuels, finances such activities, or has exposure to them.	NO
6.	The company engages in the construction, modernization, and operation of heat generation facilities producing heat/cooling using gaseous fossil fuels, finances such activities, or has exposure to them.	NO

Since the Group does not engage in activities related to the types of activities listed in the table above, the report does not include tables accompanying the disclosures of key performance indicators for activities 4.26–4.31, as required by Article 8(6)–(8) of EU Regulation 2021/2178.

6. Activities eligible for the Taxonomy in 2025

During the assessment of the activities' compliance with the Taxonomy, it was determined that the turnover does not qualify for the Taxonomy (as described above).

For capital expenditures and costs, activities were identified from Annexes I and II, supplementary to Commission Delegated Regulation (EU) 2021/2139 of June 4, 2021:

CapEx – environmentally sustainable activities:

- 4.1. Electricity generation using photovoltaic technology
This applies to the purchase and installation of photovoltaic systems.
- 5.9. Recovery of materials from non-hazardous waste
This concerns the purchase of machinery and equipment and the modernization of infrastructure related to the rubber waste devulcanization project. According to the project, the following criterion is met: at least 50% of the mass of processed waste will be suitable for replacing primary raw materials in the production process.
- 7.3. Installation, maintenance, and repair of energy-efficiency-enhancing equipment
This applies to the installation of air conditioning in the production hall, for which the criterion of using highly efficient technology (EER = 13.9) has been met.

CapEx – activities eligible for the Taxonomy but not environmentally sustainable:

- 5.2. Modernization of water abstraction, treatment, and supply systems
This concerns the purchase of equipment related to the water supply system. Not environmentally sustainable due to failure to meet the criterion of a significant contribution—the projects carried out did not lead to improved energy efficiency.
- 6.5. Transport by motorcycles, passenger cars, and light commercial vehicles
This concerns the purchase of company passenger cars. One of the vehicles does not meet the criterion of significant contribution (CO₂ emissions above 50 g/km). For the second vehicle, it was not possible to verify the criterion of not causing serious harm in relation to the objective of preventing and controlling pollution.
- 6.13. Infrastructure for personal mobility, bicycle logistics
This concerns the construction of a sidewalk and a bicycle shelter. For this activity, it was not possible to verify the criterion of not causing significant harm in relation to the objective of transitioning to a circular economy.
- 7.2. Renovation of existing buildings
This concerns renovation work carried out in the production and storage hall. The work was not intended to improve energy efficiency; therefore, no audit was conducted to verify compliance with the criterion:
"The renovation of the building complies with the applicable requirements for major renovations. Alternatively, it leads to a reduction in primary energy demand (PED) of at least 30%."
- 7.3. Installation, maintenance, and repair of energy-efficiency-enhancing equipment
This concerns the installation of air conditioning in production halls. The installed equipment does not meet the criteria for highly energy-efficient equipment.
- 8.1. Data processing; website management (hosting) and similar activities
This concerns the development, modernization, and security of IT infrastructure and information systems. The criterion of a significant contribution was not met due to the lack of confirmation of compliance with the European Code of Conduct on Energy Efficiency in Data Centers.

OpEx – environmentally sustainable activities:

- 5.1. Construction, expansion, and operation of water intake, treatment, and supply systems
This concerns the operation of the water intake system. The criterion for average net energy consumption for intake and treatment has been met. The indicator is less than 0.5 kWh/m³ of water supplied.
- 7.3. Installation, maintenance, and repair of energy-efficiency-enhancing equipment
Applies to the replacement of light sources with energy-efficient ones.

OpEx – activities eligible for the Taxonomy but not environmentally sustainable:

- 4.25. Generation of heating/cooling energy from waste heat
This concerns the operation of a system utilizing waste heat from compressors to produce domestic hot water. For this activity, it was not possible to verify the criterion of not causing significant harm in relation to the objective of pollution prevention and control.
- 5.2. Modernization of water intake, treatment, and distribution systems
This concerns renovation work on water intake infrastructure (clarifiers and flushing tanks). The criterion of improving energy efficiency was not met.
- 5.4. Modernization of wastewater collection and treatment systems

This concerns the rehabilitation of a section of the sanitary sewer system. The criterion for improving energy efficiency was not met.

6.5. Transport by motorcycles, passenger cars, and light commercial vehicles

This concerns the ongoing operation of an electric company car. It was not possible to verify compliance with the criterion of not causing significant harm in relation to the objective of pollution prevention and control.

6.15. Infrastructure supporting low-emission road transport and public transport

This concerns the installation of electric vehicle charging stations. It was not possible to verify whether the criterion of not causing serious harm was met in relation to the objective of transitioning to a circular economy.

7.2. Renovation of existing buildings

This concerns ongoing renovations of buildings. The renovations carried out did not improve energy efficiency (the criterion of a significant contribution to climate change mitigation was not met).

7.3. Installation, maintenance, and repair of energy-efficiency equipment

This concerns the replacement of exterior doors (does not meet the criterion of a significant contribution; the U-value of the installed doors is 1.3 W/m²·K) and the operation of the district heating network (does not meet the criterion of a significant contribution, as the technology used is not highly efficient).

8.1. Data processing; website management (hosting) and similar activities

This concerns maintaining the validity of licenses and providing maintenance and support services for the software suite. The criterion of significant contribution was not met due to the lack of confirmation of compliance with the European Code of Conduct on Energy Efficiency in Data Centers.

7. Presentation of the information obtained.

During this stage, tables and supplementary information were prepared based on the data obtained, in accordance with the requirements of Annexes I and II to Commission Delegated Regulation (EU) 2021/2178, as amended by EU 2023/2486.

The tables use abbreviations in accordance with the aforementioned legal acts:

- T – Yes, an activity eligible for the framework and compliant with the framework for the relevant environmental objective,
- N – No, an activity eligible for the framework but not compliant with the framework for the relevant environmental objective,
- EL – Activity eligible for the framework in the case of the relevant objective,
- N/EL – Not eligible, an activity not eligible for the framework in the case of the relevant environmental objective.

The code is an abbreviation of the relevant objective for which the economic activity qualifies to make a significant contribution to its achievement, as well as the section number dedicated to that activity in the relevant annex concerning the objective:

- climate change mitigation: CCM,
- climate change adaptation: CCA,
- water and marine resources: WTR,
- circular economy: CE,
- pollution prevention and control: PPC,
- biodiversity and ecosystems: BIO.

During the verification of data reported in accordance with the requirements of Regulation (EU) 2020/852 – EU Taxonomy, the denominator of the CapEx and OpEx indicators for 2024 was adjusted. The data provided in the denominators were strictly aligned with the definitions of these indicators.

Percentage share of capital expenditures for products or services related to business activities in accordance with the classification system – disclosure applies to the year 2025

Fiscal year / Year 2025				Criteria for a significant contribution						Criteria regarding the DNSH principle ("do no significant harm")						Participation of in line with the classification (A.1) or qualifying for the classification (A.2) Investment , year 2024	Category: Support activities	Transition activities	
Business activities	Code or codes	Capital expenditures	Percentage of investment expenditure, 2025	Climate change mitigation	Climate adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity				Minimum guarantees
		THOUSANDS OF PLN	%	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T/N	T/N	T/N	T/N	Y/N	Y/N	Y/N	%	E	T
A. ACTIVITIES ELIGIBLE FOR THE CLASSIFICATION																			
A.1. Types of environmentally sustainable activities (in accordance with the classification)																			
Electricity generation using photovoltaic technology	CCM 4.1.	786,703	1.61%	T	N	N/EL	N/EL	N/EL	N/EL		T	T	T	T	T	T	0.10%		
Recovery of materials from non-hazardous waste	CCM 5.9	9,466,026	19.41%	T	N	N/EL	N	N/EL	N/EL		T	T	T	T	T	T	0.00%		
Installation, maintenance, and repair of energy-efficiency equipment	CCM 7.3.	103,091	0.21%	T	N	N/EL	N/EL	N/EL	N/EL		T	T	T	T	T	T	0.00%	E	
Capital expenditures for environmentally sustainable activities (in accordance with the classification) (A.1)		10,355,820	21.23%	21.23%	0.00%	0.00%	0.00%	0.00%	0.00%								0.10%		
Including subsidized		103,091	0.21%	0.21%	0.00%	0.00%	0.00%	0.00%	0.00%								0.000	E	
Including for the transition		0.000	0.00%	0.00%													0.000		T
A.2 Activities eligible for the scheme but not environmentally sustainable (activities not compliant with the scheme)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Modernization of water collection, treatment, and distribution systems	CCM 5.2.	241,879	0.50%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.01%		
Transport by motorcycles, passenger cars, and light commercial vehicles	CCM 6.5.	423,873	0.87%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.00%		
Infrastructure for personal mobility, bicycle logistics	CCM 6.13.	119,600	0.25%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.09%		

Percentage of operating expenses attributable to products or services related to business activities in accordance with the classification system – disclosure applies to the year 2025

Fiscal year / Year 2025				Criteria for a significant contribution						Criteria regarding the DNSH principle ("do no significant harm")						Share of activities consistent with the classification (A.1.) or eligible for the classification (A.2.) Operating expenditures, 2024	Supporting activities category	Transition activities category	
Economic activities	Code or codes	Operating expenses	Percentage of operating expenses, 2025	Climate change mitigation	Climate adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity	Climate change mitigation	Climate change adaptation	Water and marine resources	Pollution	Circular economy	Biodiversity				Minimum guarantees
		THOUSAND PLN	%	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T; N; N/EL	T/N	T/N	T/N	T/N	Y/N	Y/N	Y/N	%	E	T
A. ACTIVITIES ELIGIBLE FOR THE CLASSIFICATION																			
A.1. Types of environmentally sustainable activities (in accordance with the classification)																			
Construction, expansion, and operation of water abstraction, treatment, and supply systems	CCM 5.1.	1,728.600	5.60%	T	N	N/EL	N/EL	N/EL	N/EL		T	T	T	T	T	T	5.49%		
Installation, maintenance, and repair of energy-efficiency equipment	CCM 7.3.	1.695	0.01%	T	N	N/EL	N/EL	N/EL	N/EL		T	T	T	T	T	T	0.00%	E	
Operating expenses related to environmentally sustainable activities (in accordance with the classification) (A.1)		1,730.295	5.60%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%								5.49%		
Including subsidized		1.695	0.01%	0.01%	0.00%	0.00%	0.00%	0.00%	0.00%								0.00%	E	
Of which for the transition		0.000	0.00%	0.00%															T
A.2 Activities eligible for the scheme but not environmentally sustainable (activities not compliant with the scheme)																			
				EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Generation of heat/cooling from waste heat	CCM 4.25.	176,000	0.57%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.70%		
Modernization of water collection, treatment, and distribution systems	CCM 5.2.	39,940	0.13%	EL	EL	N/EL	N/EL	N/EL	N/EL								0.01%		

Presentation of data by objective:

Objectives	Share of turnover / total turnover				Share of capital expenditures / total capital expenditures				Share of operating expenses / total operating expenses			
	Compliance with the classification		Eligibility for the classification		Compliance with the classification		Eligibility for the classification		Compliance with the taxonomy		Eligibility for the classification	
	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024	2025
CCM	0%	0%	0%	0%	0.10%	21.23%	14.56%	32.25%	5.49%	5.60%	17.46%	19.09%
CCA	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
WTR	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
CE	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
PPC	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Organic	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Description of the most significant changes in the reported indicators. The following table includes changes exceeding 5%:

Indicator	2024	2025	Description of changes
CapEx – environmentally sustainable operations:			
5.9. Material recovery from non-hazardous waste	0.00%	19.41%	New indicator related to project launch.
CapEx – activities eligible for the Taxonomy but not environmentally sustainable:			
7.3. Installation, maintenance, and repair of energy efficiency equipment	14.01%	2.45%	In 2024, the main expenditures were related to the modernization of the boiler room. In 2025, expenditures were related to the installation of air conditioning in production halls.

3. Society

3.1 Human Resources

[S1.SBM-3] Material impacts, risks, and opportunities, and their interrelationships with the strategy and business model

As part of the double materiality assessment regarding employee-related issues, actual or potential negative impacts were identified that typically arise from the Group's scope of operations and specifically relate to:

- occupational safety and health in connection with the risk of accidents, injuries, or occupational diseases,
- job security in the event of deteriorating business indicators,
- work-life balance, in occasional instances of increased demand for overtime work,
- training and skills development, particularly their availability and effectiveness.

The identified positive impacts primarily concern:

- flexible solutions regarding work schedule organization,
- ensuring adequate pay levels,
- measures aimed at respecting workers' rights, including those related to freedom of association and collective bargaining,
- ensuring high standards of occupational safety and health.

In the area of risks and opportunities, the key issues identified concern access to qualified workforce, the risk of excessive employee turnover and fluctuation—especially in regions of geopolitical instability—and the associated costs. Risks related to the confidentiality of personal data have also been identified.

Opportunities are linked to all activities that increase employee engagement and satisfaction, as well as their level of competence and training.

In this regard, the issue of a culture of cooperation and mutual feedback is of particular importance.

Further details regarding the factors, risks, and opportunities, as well as the actions taken in this regard, can also be found in Section [SBM-3] – Material Impacts, Risks, and Opportunities and Their Interrelationships with the Strategy and Business Model of this report.

[S1-1] Policies related to the Company's workforce

The Parent Company is an employer with over 90 years of experience, drawing its management knowledge and skills not only from current market trends but also from the long-standing experience and generational diversity of its employees, striving to combine tradition with modernity. Along with the Group's global expansion, standards and practices related to human resources are adopted as Group policy.

The Group's own workforce includes both long-tenured employees and members of the so-called younger generation. The Group takes steps to manage diversity and create a stable and friendly work environment for everyone, regardless of employment status, ensuring the best possible conditions for work and development, thereby strengthening the brand of the Group and its companies in the labor market. In its activities, the Group takes into account respect for human rights, including the rights of employees and those belonging to its workforce, and provides remedial measures and tools in the event of negative impacts. As part of cooperation with employees and the protection of their rights, dedicated communication channels have been implemented, enabling them to effectively access mutual information.

The Group's policy was adopted to fulfill commitments regarding the observance and enforcement of human rights and labor rights, and to manage the significant impacts, risks, and opportunities associated with its own workforce. It is articulated in the Group's Code of Ethical Conduct, which specifically addresses issues related to:

- a broadly defined human resources strategy,
- the prohibition of forced labor and human trafficking,
- non-discrimination and harassment, including sexual harassment,
- the right to freedom of association,
- the prohibition of child labor,
- occupational safety and health,
- work-life balance,
- conduct regarding Group assets,
- conduct outside the workplace,
- interaction with public institutions.

The established procedures for identification, recording, and verification enable the implementation of effective corrective measures, which, through the analysis of each case, allow for an objective assessment of the situation and the extent of the impact on the aforementioned human and employee rights.

The principles described in the Code are consistent with national and international laws, conventions, and guidelines, such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the International Labour Organization's conventions on fundamental principles and rights at work, and the International Bill of Human Rights. The document is public and distributed to all employees using the communication channels and methods in place at each Group entity.

The Group bases its activities on formalized and documented principles for shaping working conditions, compensation, and building an organizational culture based on the development of professional competencies and skills, as well as fostering positive relationships between employees and the company. The measures taken are aligned with the Group's strategic development directions and have a significant impact on strengthening the Group's market image and brand, both as a responsible employer and as a business partner.

The Group's entities have implemented appropriate internal standards and regulations regarding human resources management, including in particular:

- a company collective bargaining agreement or compensation policy, depending on legal obligations ,
- work regulations,
- regulations regarding social benefit systems, including the Regulations of the Company Social Benefits Fund ,
- competency model,

and internal procedures relating to a standardized and monitored process for recruitment, training, employee onboarding, and career development, as well as to the prevention of conflicts of interest and the handling of internal reports in the event of violations as part of the whistleblower protection process and reports to the Ethics Officer.

Separate organizational units reporting directly to the Company's Management Board are responsible for implementing the above standards and regulations and overseeing their enforcement, acting in accordance with the authorities assigned to them in a given area.

The Group places great importance on ensuring that none of the internal documents governing employee relations contradict the policy set forth in the Code of Ethical Conduct or contain provisions that could restrict or favor any employee group in this regard, and that all decisions related to employment or cooperation are based solely on objective criteria. The Group adopts the provisions of the Code of Ethical Conduct as its fundamental and primary policy regarding its workforce and has no other policies or specific measures in this regard. Nevertheless, these provisions are further elaborated upon in legal acts, internal procedures, and instructions. At every stage of the human resources management process (recruitment, employment and professional development, and termination of employment) the Group makes every effort, taking into account best market practices, to ensure respect for human rights, including labor rights, and to oppose all forms of discrimination, harassment, bullying, violence, victimization, and abuse.

In accordance with the policy adopted under the Code, the Group strives to ensure that all employees are treated equally regardless of gender, gender identity, age, skin color, physical appearance, disability, ethnic origin, nationality, religion, creed, sexual orientation, parenthood, pregnancy, marital status, financial status, political beliefs, union membership, position held, length of service, fixed-term or indefinite employment, full-time or part-time employment, or any other grounds on which discrimination is based. Disclosure of this scope of data to the employer is voluntary—no data other than that required by law is requested or recorded. In managing diversity, the Group strives to ensure that every individual is treated equally based on their competencies, skills, and professional qualifications, and that no one is unduly burdened with responsibilities within a given employee group.

The Group does not permit any form of forced labor nor does it benefit from such practices. The employment relationship is voluntary and based on mutual consent, without the threat of punishment (this applies to both the conclusion and termination of contracts). No one is forced to work or provide services under threat of punishment; only voluntary work and services are recognized, in accordance with national laws and international standards. No employment fees, deposits, or advance payments toward wages are collected. The Group also does not benefit from forced labor by prisoners, slavery, or human trafficking. No form of modern slavery is tolerated.

Regarding occupational health and safety, the Group's Code of Ethical Conduct prioritizes the health and lives of employees and individuals on the premises of Group entities and makes every effort to prevent accidents and occupational diseases by ensuring proper work organization and the safety of machinery and tools. These elements do not constitute a policy separately expressed in a single document; however, given the importance of the issue, the Group maintains numerous formalized process, quality, and occupational health and safety documents.

These elements do not constitute a separate policy in this regard; nevertheless, this area is critical for the Group and is reflected in the provisions of other process, quality, and occupational health and safety documents. In accordance with these provisions, the Group implements measures aimed at optimizing workloads at workstations through the implementation of improvement initiatives, streamlining and automation of the work environment, ergonomics, and a work culture that may influence the physical and mental well-being of employees while performing their work. Significant manufacturing companies within the Group have additionally adopted separate environmental and occupational health and safety policies, and the Parent Company and the Teknikum Group have implemented a certified occupational health and safety management system compliant with the ISO 45001 standard.

The Group does not employ children. The policies adopted at and described in the Code, as well as internal work regulations at , govern issues related to juvenile workers and mandate compliance with the minimum age requirement, as well as fundamental labor principles and rights regarding the employment of this group of workers in accordance with International Labor Organization conventions.

The Group does not identify specific obligations regarding the social inclusion of individuals from particularly vulnerable groups within its own workforce.

The policies described in the Code of Ethical Conduct are implemented by disseminating the provisions and making them public in a manner adopted by the company, using available communication channels and through systematic and periodic employee training in this area. These activities are initiated and implemented by an independent Ethics Ombudsman. Any individual may report a violation by contacting the Ombudsman via phone, email, or in person, or through a dedicated application for handling whistleblower reports.

[S1-2] Procedures for cooperation with internal staff and employee representatives on matters of influence

The Group incorporates employee feedback into the policy and strategy management process regarding their needs, motivation, and awareness through the annual employee satisfaction survey . The results of the satisfaction survey are communicated to employees along with a plan for potential improvement actions in the areas surveyed. Cooperation with the Group's own workforce and ensuring that such cooperation takes place and influences the Group's operations is achieved through actions taken by those directly managing organizational units, in collaboration with HR personnel. The Management Boards of individual companies are also involved in this cooperation.

In addition to direct personal contacts and consultations, various communication channels and formats utilizing modern technological and visualization solutions are employed. Within the Group, this cooperation is carried out by individual HR and environmental departments, as well as the Ethics Officer, as part of the services provided within the companies.

Dialogue with employees through existing communication channels takes place on an ongoing basis, for example, in response to needs arising directly from reports, or the need to convey important information affecting both the employee and the employer. It may take place at any management level, depending on the importance of the issue and the need to involve higher management. In contrast, all material management, operational, or employee-related information is communicated in a formalized manner through internal directives or announcements addressed directly to employees, in compliance with applicable notification deadlines, provided such a requirement arises from legal regulations. Publicly available channels of communication with employees, both traditional and electronic, are used for collective communication, and each such directive is recorded in an internal application. Issues concerning an individual are considered on a case-by-case basis, and registration takes place, for example, with the Ethics Officer or the whistleblower application.

The Group also maintains an open dialogue with employee representatives, including labor unions, which is conducted as needed by each party and initiated by both the employee side and the employer. At the Parent Company during the reporting year, these contacts took place regularly, with a frequency appropriate to the needs of the initiating party. This frequency varies depending on the period and the timing of the discussions and negotiations. Each union initiates and establishes contact, both individually and in consultation with the others, pursuing an active policy of cooperation with the Parent Company, and management engages in dialogue as often as the situation requires.

In addition, meetings of the Health and Safety Committee are held at least once a quarter and on an ongoing basis as needed.

[S1-3] Processes for addressing the negative impacts and channels for employees to raise concerns

Cooperation with employees and employee representatives regarding the remediation of negative impacts takes place through a dialogue led by management at every level of the organization. Depending on their role, assigned responsibilities, authority, and decision-making level, managers foster relationships and cultivate a culture of good cooperation while respecting the roles and interests of all parties involved in the dialogue. Employees have direct access to their supervisors and to individuals representing their social, environmental, and business interests, i.e., trade union representatives, representatives of interdepartmental committees, and internal labor inspectors. Companies within the Group also fulfill obligations arising from general legal provisions regarding informing, consulting, or agreeing with social partners on matters required by these provisions.

By involving employee representatives in the process of assessing the dual materiality of issues related to its own workforce, the Group has identified and evaluated its significant impacts, both positive and negative, in this regard, taking into account the employees' views. In addition, the Parent Company conducts an annual employee satisfaction survey, which serves as a basis for planning strategic and operational activities. Based on the information obtained, steps were taken to redesign the existing training process regarding the planning and fulfillment of training needs, as well as the methodology for conducting them.

Bearing in mind that, in specific cases limited in time and scope—resulting from a sudden increase in demand for products—there may be a greater need for overtime work at the employer's request, and that this may make it difficult for employees to take their planned vacation time, or an imbalance between private and professional life. The Group continued its efforts to improve work scheduling processes, reduce the amount of overtime, and automate processes.

Group entities have established procedures and communication channels, in particular channels for reporting feedback and violations, including while maintaining impartiality and anonymity. Employees are provided access to their representatives and direct contact with the Ethics Officer, to whom they may report any complaints or violations regarding employee matters via email, telephone, mail, or in-person meetings. Regardless of whether a report is anonymous or identified, the Ethics Ombudsman ensures confidentiality for all individuals reporting violations, protecting the identity and reputation of the person to whom the report pertains. Investigations into a given report are initiated immediately, and the matter is analyzed independently by the Ombudsman or by other individuals he or she engages, who, in his or her independent assessment, provide support during the process of clarifying the issue and taking appropriate corrective actions. Every person appointed to investigate a potential or actual violation is bound by confidentiality. Furthermore, every employee is informed about the rules and procedures for using the reporting system during initial training, onboarding training, and refresher training during employment. The training sessions aim not only to update employees' knowledge of their rights but also serve an informational purpose regarding the tools and channels available to them. The training methodology facilitates active employee participation in the sessions and allows the trainer to assess whether participants are aware of the tools and channels in use. The substantive scope also involves verifying whether employees have knowledge of these processes and whether they trust them as an effective means of reporting

their concerns and needs, as well as ensuring that these issues are resolved correctly. Additionally, the training concludes with a verification test.

Furthermore, employees also have direct access to the Code's content at the organizational unit's information points, from their supervisor, or via the internal Intranet. All reports, regardless of the channel through which they are submitted, are recorded in an electronic register by the Ombudsman and thoroughly reviewed.

The Group also has a separate and formalized policy regarding the protection of whistleblowers, known as the Sanok Rubber Group Internal Reporting Procedure, which enables the reporting of legal violations in accordance with the Act of June 14, 2024, on the protection of whistleblowers, explains what constitutes a violation, how to file a report, how whistleblowers are protected, and how reports are reviewed.

The implemented whistleblower protection measures are designed to ensure that employees are exempt from any consequences as a result of reporting a potential violation in good faith, and to ensure the protection and confidentiality of their identity and reports. Furthermore, they are intended to detect violations and effectively counteract their effects. Any person may report a violation to the Ombudsman and Coordinator via a publicly accessible dedicated IT Platform or by requesting a face-to-face meeting, contacting the Ombudsman and Coordinator through the Platform. These individuals will arrange a meeting (in person or online) within 14 days of receiving such a request on the Platform. The system ensures the secure and confidential transmission of reports, to which only duly authorized persons have access. Each report is thoroughly investigated by impartial individuals.

Information on received reports is included in section S1-17.

[S1-4, MDR-A] Taking action regarding material impacts on its own workforce and applying approaches to manage material risks and capitalize on material opportunities related to its own workforce, as well as the effectiveness of such actions.

The Parent Company and other Group entities implement and develop mechanisms and tools that align with the Group's strategy and the Group's HR policy and support the creation of a safe and effective work environment, building the Group's reputation as a reliable and reliable employer.

Year after year, measures are taken to mitigate or eliminate negative impacts associated with the operations of individual entities. These are also measures that minimize identified risks and contribute both to leveraging opportunities and the organization's potential, as well as to strengthening positive impacts on the environment, employees, and the community. These measures have been carried out continuously for several years and will continue in the coming periods.

Within the Group, risks related to its own workforce are an integral part of business risk management. To this end, a "Risk Analysis and Preventive Measures" procedure has been adopted, and a Risk and Opportunity Matrix has been developed, which specifies, among other things, methods for identifying risks and defines preventive and corrective actions. The adopted arrangements are subject to annual reviews. In addition, process audits are conducted to determine the level of compliance and to define corrective and remedial actions.

Employees also have a direct and real opportunity to take action regarding the identification of significant impacts and capitalizing on opportunities in the organization's operations, including through the use of a formalized Kaizen system. At the Parent Company, an application has been made available to employees for reporting issues and ideas, managing tasks, conducting audits, and estimating the costs of initiatives to improve the work environment.

As a result of analyzing feedback from the employee satisfaction survey, conducting a dual-significance analysis of employee issues, and analyzing the risk and opportunity matrix, initiatives are planned and implemented that include, among other things, the development and improvement and safety of the work environment, the development of competencies and skills, the promotion of sports activities and a healthy lifestyle, and support for social assistance projects. These activities also contribute to increasing employee satisfaction and reducing turnover.

In addition, measures are being taken to enhance business resilience regarding the availability of workforce resources, including process automation, initiatives to improve operational efficiency, and the development of multi-disciplinary skills.

Employees are encouraged and supported to participate in volunteer initiatives aimed at helping those in need, protecting the environment, or developing local communities. We co-organize social and cultural events and campaigns, as well as meetings with children from the Orphanage, and we support the organization of local summer programs for children.

Promoting a safe and healthy lifestyle for employees and their families also plays a significant role. Sports events encouraging physical activity and campaigns promoting a healthy lifestyle are organized regularly, and opportunities are provided for employees to access ongoing and preventive medical care through dedicated medical packages.

We ensure that our actions are consistent with our development strategy and are carried out in a systematic and flexible manner, tailored to the needs of our employees and the community. The measures taken are aimed at improving workplace ergonomics, enhancing working conditions and the environment, and reducing the burdens of work, including by increasing the level of automation at workstations and establishing 24/7, publicly accessible communication channels for employees to submit ideas for improving operational areas.

In response to the need for employee assessment and development, the Sanok Rubber Group Competency Model has been in operation at the Parent Company since 2023. This model is based on competencies identified and tailored to the specific nature of the company's operations, as well as the needs arising from the scope of tasks performed at the managerial, specialist, and production levels. These competencies are also intended to support the implementation of the adopted strategy and its effective development. Individual entities within the Group have the opportunity to utilize and adapt the competency model to their individual needs arising directly from the nature of their operations.

The Group therefore sees its opportunities in building an organizational culture based on competencies aligned with the adopted business model, enhancing the skills and knowledge of its employees, and continuing to support professional development through cross-functional roles, promotions, and internal recruitment.

The Group promotes a culture of sharing knowledge and experience, supported by a training system designed to help employees acquire the qualifications, certifications, and knowledge necessary for their roles. Highly qualified employees mentor and train new hires. Inexperienced employees who are just starting their professional careers or changing career paths receive support that gives them opportunities for employment in various functional areas of the entity. The Parent Company also funds the acquisition of licenses necessary to perform work in a given profession. The activities carried out are subject to internal reviews, and their effectiveness is evaluated. These reviews are conducted at least once a year by a team responsible for developing and updating the risk and opportunity analysis matrix. This team includes representatives from various levels of management, including members of the Management Board and specialists in the relevant field. During the review, when assessing the effectiveness of assigned and implemented measures, the team draws on past experience, collected observations, and analytical tools used for risk management. With regard to employees, the Group conducts, among other things, an analysis of the effectiveness of training, competency levels, and monitoring of improvements in the work environment and employment conditions.

Taking into account risks related to personal data protection, the Group also implements measures to ensure proper and effective protection against data loss. Appropriate technical and technological solutions have been implemented, and measures are being taken to raise the awareness and skills of employees whose job responsibilities are most at risk of data security breaches. Training and regulations regarding access management to the Group's resources are implemented as standard. Ensuring security in this area is a priority for the Group.

In 2025, the Group continued activities aimed at maintaining and improving information security systems, including the continuous improvement of IT infrastructure and IT security measures across all companies. Ensuring a high level of protection for personal data and information assets remained a priority.

The Parent Company and Draftex Automotive GmbH operate an Information Security Management System certified for compliance with the requirements of the TISAX automotive industry standard. In addition, the Parent Company has also initiated activities aimed at aligning the information security system with the requirements of the NIS 2 Directive, which are being carried out by a dedicated team established by order of the CEO. The team's task is to prepare, coordinate, and implement measures aimed at ensuring the Company's compliance with the requirements of the NIS 2 Directive and national regulations regarding information security, physical security, and cybersecurity. The team's work is subject to monthly progress reports on the project's implementation and ongoing communication regarding significant risks or the need for organizational changes.

[S1-5] Objectives regarding the management of material adverse impacts, the enhancement of positive impacts, and the management of material risks and opportunities

Actions addressing significant impacts on issues related to the Group's own workforce have been addressed within the Group's strategic directions and include support for local social projects, cooperation with public benefit organizations and foundations, particularly in the areas of cultural life, healthcare, assistance to the disabled and the poor, and sports initiatives. Employees and their representatives do not participate directly in the process of setting strategic goals. This process takes place at the management level.

The Group prioritizes creating the best possible working and development conditions for employees, thereby strengthening the Group's brand and that of its companies in the labor market. Key areas identified include the development of competencies, particularly so-called "competencies of the future," innovation, and entrepreneurship. The Group's ambitions include, among others:

- ensuring a safe work environment,
- protecting health and life, including promoting a healthy lifestyle

- developing employees' competencies and skills
- supporting cultural and recreational initiatives.

Prioritization takes into account the knowledge of the relevant organizational unit regarding the identified interests of individual companies as well as employees represented by labor and management representatives. Employees have the opportunity to directly influence how objectives are achieved by undertaking actions, initiatives, or submitting their own ideas, e.g., to improve working conditions.

As part of the ongoing monitoring of employee-related areas, the Group also establishes measurable indicators and objectives for this area, which it develops based on the previous year's performance, taking into account the principles of continuous improvement. These targets are monitored as performance metrics within the integrated management system on a monthly, quarterly, and annual basis; trends and year-over-year dynamics are tracked, and any deviations are analyzed, followed by the establishment of corrective actions.

In 2025, the following indicators, among others, were monitored:

- sick leave,
- turnover,
- competency levels among white-collar and blue-collar workers,
- employee satisfaction with working conditions and work organization,
- total accident rate.

These indicators correlate with the Group's adopted strategy and the risks that have been identified and classified as material to its operations, as well as with the actual measures taken to minimize risks and strive for their elimination, and above all, to strengthen the positive impact on employees.

[S1-6] Characteristics of the entity's employees

The Parent Company is the Group's largest employer. As of the last day of the reporting period, December 31, 2025, the Group employed 3,099 people. The number of employees presented here differs from the figures reported in the financial statements due to the format of data presentation and the reference period. Employment data compiled for this report are presented as figures as of the last day of the year, whereas the financial statements use the average figure for the reporting year. Due to the diversity of its operations—including manufacturing, trading, and services—the Group has various employee groups within its structure. For the purposes of this report, production and non-production employees are defined, respectively, as manual and white-collar workers. Men constitute the dominant group within the Group's workforce. In accordance with the adopted employment policy, employees are primarily hired under employment contracts, as defined by applicable labor laws. Approx. 92% of employees are employed under open-ended contracts, i.e., for an indefinite period; the remainder are employees hired under fixed-term contracts (included in the table below as employees hired for a fixed term based on probationary employment contracts and fixed-term contracts). The rules for entering into contracts are transparent and communicated to employees as early as the recruitment stage.

Accordingly, the geographic breakdown of employment in the reporting year was as follows:

COUNTRY	As of December 31, 2024	As of December 31, 2025
Poland	2,415	2,306
Finland	280	265
Hungary	203	208
Germany	257	231
France	43	39
Belarus	46	38
Ukraine	16	12
Total employees	3,260	3,099

The location in Hungary refers to a unit belonging to the Finnish Teknikum Group.

Headcount, by gender, as of the end of the reporting period.

Gender	As of December 31, 2024		As of December 31, 2025	
	Number of employees Parent Company	Number of employees (Group)	Number of employees Parent Company	Number of employees Group
Women	885	1,233	821	1,215
Men	1,205	2,087	1,111	1,884
Other	0	0	0	0
Not disclosed	0	0	0	0
Total employees	2,090	3,320	1,932	3,099

Gender	As of December 31, 2024 Parent Company					As of December 31, 2025 Parent Company				
	Female	Male	Other	Not disclosed	Total	Female	Male	Other	Not disclosed	Total
Number of employees (total in persons)	885	1,205	0	0	2,090	821	1,111	0	0	1,932
Number of employees with permanent contracts	828	1,088	0	0	1,916	774	1,014	0	0	1,788
Number of employees on fixed-term contracts	57	117	0	0	174	47	97	0	0	144
Number of employees who are not guaranteed working hours	0	0	0	0	0	0	0	0	0	0

Gender	As of December 31, 2024 Group					As of December 31, 2025 Group				
	Female	Male	Other	Not disclosed	Total	Female	Male	Other	Not disclosed	Total
Number of employees (total number of people)	1,233	2,087	0	0	3,320	1,215	1,884	0	0	3,099
Number of employees with permanent contracts	1,164	1,856	0	0	3,020	1,129	1,731	0	0	2,860
Number of employees on fixed-term contracts	73	162	0	0	235	86	153	0	0	239
Number of employees who are not guaranteed working hours	0	1	0	0	1	0	0	0	0	0

	2024		2025	
	Parent Company	Group	Parent Company	Group
Total number of employees who left the entity during the reporting period	160	351	155	299

The Group monitors the reasons for employee departures, analyzes them, and takes measures to address undesirable trends. The geopolitical situation had a significant impact on employee departures, which were also due to natural attrition as employees retired.

	2024		2025	
	Parent Company	Group	Parent Company	Group
Turnover ratio	7.66%	11.18%	7.82%	9.39%

The employee turnover rate is calculated as the number of employees who leave voluntarily or as a result of termination, retirement, or death on the job, divided by the average annual headcount during the reporting period. The average annual headcount is calculated in persons as the average of the first and last day of each month throughout the reporting period.

[S1-7] Characteristics of non-employees constituting the entity's own workforce

The Group collaborates with non-employees, who are defined as individual contractors under civil law contracts (contracts for services, B2B specific-task contracts), student internship agreements, and employees provided by temporary staffing agencies. As of the end of the reporting period, i.e., December 31, 2025, the number of such individuals was 251, including 84 people were employed at the facility located in Mexico.

B2B contracts are concluded at Świerkowy Zdrój Medical Spa Sp. z o.o., primarily due to the nature of its operations and relate to the medical services provided.

Furthermore, as part of its cooperation with high schools and universities, based on existing agreements, the Parent Company implemented internship programs and student work experience programs, which involved a total of 105 people throughout 2025.

[S1-8] Scope of collective bargaining and social dialogue

In accordance with the law, the company collective bargaining agreement, where applicable, covers all employees. Members of the Management Board, Directors, the Chief Accountant, and juvenile employees are excluded from the section regarding remuneration rules. Separate regulations apply to this group of employees, based on the adopted remuneration policy and the right to negotiate individual employment contracts. Collective agreements are in effect at the Parent Company and at companies registered in the European Union and contain provisions consistent with the legal regulations required in each country. In total, 71% of the Group's employees are covered by collective bargaining agreements. The remaining companies operate based on internal compensation policies and work regulations, which also cover 100% of the employees of those companies.

Reporting form regarding the scope of collective bargaining and social dialogue for the reporting year:

	2024			2025		
	Scope of collective bargaining		Social dialogue	Scope of collective bargaining		Social dialogue
	Employees - EEA	Employees - non-EEA	Workplace representation (EEA only)	Employees - EEA	Employees - non-EEA	Workplace representation (EEA only)
Coverage rate	(for countries with >50 employees representing >10% of the total workforce)	(estimate for regions with >50 employees representing >10% of the total number of employees)	(for countries with >50 employees representing >10% of the total number of employees)	(for countries with >50 employees representing >10% of the total workforce)	(estimate for regions with >50 employees constituting >10% of the total number of employees)	(for countries with >50 employees constituting >10% of the total number of employees)
0-19%				Poland, Germany		Poland
20-30%						Germany
40-59%			Poland, Finland	Finland		Poland, Finland
60-79%						
80-100%	Poland, Finland			Poland, France		Poland

The Group respects employees' right to freely join trade unions, does not engage in activities that discourage membership in either a single or multiple trade unions, nor does it take actions to encourage membership per se or to promote a specific trade union. Six Group companies have formal trade union organizations, of which the Parent Company has four at the company and the inter-company union, as well as representative and non-representative unions under applicable regulations. In its operations, the Group respects the right to union membership and the resulting obligations of the employer; it does not exclude parties from consultations,

and takes their positions—for example, regarding the resolution of individual employee matters—into account as much as possible,

balancing the interests of every party involved. The foundation for operating and building relationships with the social partners is the official legal regulations in force in a given country regarding the rights, obligations, and powers of each of the dialogue participants. For the Group's Polish companies, these conditions are shaped by both the provisions of the Labor Code

the provisions of the Act of May 23, 1991, on trade unions. Trade union organizations operating within the Group have the right to develop their own internal rules of operation, freely elect representatives, appoint their own executive boards, operate, and establish an action plan. No entity within the Group interferes with these activities or influences their development.

In the Parent Company, the employee side is also represented by the Employee Labor Inspection, which consists of the Employee Labor Inspector and Interdepartmental Labor Inspectors, elected in elections organized by trade unions. Their role is to protect the rights of employees as defined in labor law and to ensure that working conditions are safe and hygienic.

Furthermore, as part of its efforts to ensure good cooperation with social partners, the Group engages in dialogue with them on other business issues of significance to employees.

[S1-9] Diversity Indicators

The Group has not developed a diversity policy regarding the Company's governing bodies and its key managers, but implements it by evaluating candidates based on their knowledge, competencies, and experience. In accordance with the legal form and organizational structure of a given Group entity, senior management includes positions on the Management Board and managerial positions responsible for a distinct business management area, reporting directly to the Management Board.

Gender distribution in numerical and percentage terms among management:

	2024					2025				
	Female	Male	Other	Not disclosed	Total	Female	Male	Other	Not disclosed	Total
Number of senior executives Parent Company	7	15	0	0	22	7	14	0	0	21
Percentage of women in senior management Parent Company	32%	68%	0%	0%	100%	33%	67%	0%	0%	100%
Number of senior executives Group	15	51	0	0	73	15	49	0	0	64
Percentage of women in senior management Group	23%	77%	0%	0%	100%	23%	77%	0%	0%	100%

To ensure that the data in the table above is comparable year-over-year, a change was made to the calculation of the gender distribution for 2024. The recalculation was performed due to a different definition of senior management in 2025.

Age structure of employees:

Age	2024		2025	
	Total	% of total	Total	% of total
< 30 Parent Company	180	9%	126	7%
< 30 Group	292	8%	225	7%
30–50 years Parent Company	1,250	60%	1,160	60%
30–50 years Group	1,921	58%	1,717	55%
> 50 Parent Company	660	31%	646	33%
> 50 Group	1,107	34%	1,157	37%
Total Parent Company	2,090	100%	1,932	100%
Total Group	3,320	100%	3,099	100%

[S1-10] Adequate wages

During the reporting period, no employee of the Parent Company or the Group received compensation below the minimum wage, regardless of the form or nature of their employment. The minimum wage is defined by law separately for each country in which a Group entity is registered.

[S1-11] Social Protection

All Group employees are covered by social protection in accordance with applicable legal regulations and the solutions adopted by in this regard, separately for each Group entity . None of the companies applies any exemptions in this area.

Social protection applies to loss of income due to:

- illness,
- unemployment,
- work-related accidents and inability to work,
- parental leave,
- retirement or disability.

The Group settles its social security obligations toward all employees in a timely manner and in accordance the relevant legal provisions.

Employees of the Parent Company, as the largest group of employees in the Group, are covered by the Company Social Benefits Fund, the resources of which may be used in accordance with the rules set forth in the Regulations of the Company Social Benefits Fund. During the reporting year, as part of the basic allocation, through the Social Committee, employees of the Parent Company benefited from, among other things:

- one-time financial assistance, including rehabilitation stays for employees at the Świerkowy Zdrój Medical SPA in Rymanów Zdrój,
- housing loans,
- vacation benefits, summer camps for employees' children, as well as tourist trips, vacation stays,
- holiday benefits, St. Nicholas Day gift packages,
- school starter kits for first-graders,
- subsidies for sports and recreational activities at the Training and Recreation Center in Łączki.

In addition to the benefits available as part of the social package, employees of the Parent Company and their families are offered Group Life Insurance programs and an employer-funded healthcare program.

[S1-12] People with disabilities

The workforce includes employees with disabilities; consequently, the Company has implemented a standardized procedure aimed at taking steps to adapt and the work environment to the limitations indicated in their statements.

	2024		2025	
	Entity Parent	Group	Entity Parent	Group
Percentage of employees with disabilities [%]	2.9%	3.2%	3.4%	3.5%

[S1-13] Metrics related to training and skills development

The training system covers training for the Group's own employees, including those performing work (as defined by the ESRS) and employees of external companies providing services to the Group on its premises. In addition to the professional development of employees, training is aimed at ensuring the proper execution of processes in accordance with established procedures and the requirements of quality management, environmental management, and occupational health and safety systems, information security, and the requirements of Authorized Economic Operator (AEO) status (this status pertains to customs controls regarding security and security, as well as the simplifications provided for under customs regulations).

The Group conducts:

- periodic training—in occupational health and safety, fire safety, and other areas requiring renewal or updating of the qualifications necessary to perform work in a given position,
- supplementary training—on changes in legal regulations, changes in processes, and changes related with the improvement and development of the quality management and environmental management systems, new processes and new products, new or changing customer requirements, and technical progress,
- improvement and development training—to increase effectiveness and efficiency in achieving the Company's goals, support professional career development, and foster pro-quality and pro-environmental awareness among employees.

The Group also supports employees in pursuing higher education, expanding their knowledge and skills through postgraduate studies, taking language courses, and participating in specialized conferences and industry training sessions. The Parent Company also shares its expertise by acting as an organizer and co-organizer of scientific and industry conferences.

Average number of training hours per employee and by gender within the Group:	2024	2025
number of training hours per employee	11.3	10.6
average number of training hours per woman	12.1	9.8
Average number of training hours (men)	10.9	11.1
Average number of training hours /Other/	0.0	0.0
average number of training hours /Not reported/	0.0	0.0

The average number of training sessions per employee includes external and internal training sessions that took place and were completed during the reporting period.

Percentage of employees who participated in performance and development reviews, broken down by gender within the Group:

Percentage of employees who participated in performance and development reviews, broken down by gender within the Group:	2024	2025
	Percentage [%]	Percentage [%]
Percentage of female employees who participated in performance and development reviews (evaluations)	N/A	82%
Percentage of male employees who participated in performance and development reviews (evaluations)	N/A	77%
Percentage of employees /Other/ who participated in performance and development reviews (evaluations)	N/A	0%
Percentage of employees /Not reported/ who participated in performance and development reviews (evaluations)	N/A	0%
Group total	N/A	79%

When calculating the percentage of employees who participated in performance and development reviews (evaluations) for 2025, the methodology for calculating the percentage of female employees and the percentage of male employees was changed, using the total number of women and the total number of men, respectively, as the denominator. It is not possible to recalculate data for 2024 for comparative purposes. Not all companies within the Group have a formalized employee evaluation process as is the case with the Parent Company. Only evaluations completed during the 2025 reporting period were included in the calculation.

[S1-14] Occupational Health and Safety Metrics

Occupational health and safety are a priority for the Group and constitute a key element of human resources management.

The Parent Company and its subsidiaries operate occupational health and safety management systems tailored to the specific nature and risk profile of their operations. These systems are subject to internal oversight in accordance with applicable laws.

Internal audits of the occupational health and safety management system are conducted in accordance with established procedures. The system covers 100% of each company's own workforce without exception (including both employees and persons performing work as defined by the ESRS).

For the Parent Company and Teknikum Oy, the OHS system is certified for compliance with ISO 45001. External audits are conducted annually by an authorized certification body and confirm the integrated management system's compliance with the standard's requirements.

Detailed performance indicators regarding occupational health and safety:

	Parent Company			Group		
	2024	2025	Year-over-year change	2024	2025	Year-over-year change
Employees with employment contracts						
Number of fatalities in workplace accidents	0	0	-	0	0	-
Number of people injured in workplace accidents (including fatal accidents)	6	6	-	19	26	+36.84%
Number of man-hours worked	3,417,186	3,215,921	-5.89%	5,594,423	5,240,784	-6.32%
Workplace accident rate	1.75	1.87	+6.86%	3.40	4.96	+45.88%
Number of recognized occupational diseases	0	0	-	3	0	-100%
Number of sick days due to workplace accidents	382	441	+15.45%	593	803	+35.41%
Non-employees constituting the entity's own workforce						
Number of victims of fatal workplace accidents	0	0	-	0	0	-
Number of people injured in workplace accidents (including fatal accidents)	2	0	-100%	3	0	-100%
Number of man-hours worked	309,059	211,408	-31.60%	367,893	288,762	-21.51%
Workplace accident frequency rate	6.47	0	-100%	8.15	0	-100%
Number of recognized occupational diseases	0	0	-	0	0	-
Number of sick days due to work-related accidents	0	0	-	0	0	-
Employees hired under employment contracts and non-employees constituting the entity's own workforce						
Number of people killed in workplace accidents	0	0	-	0	0	-
Number of people injured in workplace accidents (including fatal accidents)	8	6	-25%	22	26	+18.18%
Number of man-hours worked	3,726,245	3,427,329	-8.02%	5,962,316	5,529,546	-7.26%
Workplace accident rate	2.14	1.75	-18.02%	3.69	4.70	+27.37%
Number of recognized occupational diseases	0	0	-	3	0	-100%
Number of sick days due to workplace accidents	382	441	15.45%	593	803	+35.41%

The above information regarding OSH metrics for 2024 was disclosed for the first time during the reporting period for comparative purposes.

Other persons working at locations belonging to the Group, such as those performing work in the value chain, if they work at the entity's production sites	
Contractors who are not employees of the entity	2025
Number of fatalities in workplace accidents	0

Number of people injured in workplace accidents (including fatal accidents)	0
Number of recognized occupational diseases	0

Cases of poor health among individuals who were previously part of the Group's workforce, of which the entity became aware during the reporting period	2025
Number of recognized occupational diseases	1

The above information is being disclosed for the first time in the reporting period for 2025; therefore, no data is presented for 2024.

The frequency rate of workplace accidents, including fatal ones, is calculated using the following formula: Number of injured in workplace accidents, including fatal accidents, multiplied by 1,000,000, then divided by the number of hours worked.

The number of working hours represents the number of hours actually worked, excluding absences due to illness and vacation. It is calculated based on data from HR and payroll systems and the operation of systems for recording actual working time.

For employees working under civil law contracts, working hours are calculated based on the contracts or service acceptance documentation. Internships, on the other hand, are calculated based on contracts and attendance records.

The number of recognized occupational diseases reflects the number of decisions issued by state authorities confirming occupational diseases in employees who work or have worked at Group companies. Occupational diseases are caused by harmful factors present in the workplace or by the manner in which work is performed.

The number of sick days related to workplace accidents represents the number of sick leave days due to injury or illness resulting from workplace accidents.

In 2025, the Parent Company did not record any workplace accidents among non-employees who constitute the entity's own workforce. As a result, there was a decrease in the number of accidents and the accident frequency rate () for both employees under employment contracts and non-employees constituting the entity's own workforce, which stands at 1.75.

In 2025, 26 accidents were recorded across the entire Group. This represents an increase compared to 2024. All accidents involved employees hired under employment contracts.

No accidents were reported among non-employees constituting the entity's own workforce.

Consequently, the workplace accident rate for employees under employment contracts within the Group increased in 2025 to 4.96. The combined rate for employees under employment contracts and non-employees constituting the entity's own workforce also increased and stands at 4.70.

In 2025, no accidents were reported among non-employee collaborators.

In 2025, one case of a recognized occupational disease was recorded among individuals who were previously part of the Group's workforce.

Commuting and work-related accidents are not reported in the data.

[S1-15] Work-Life Balance Metrics

Based on applicable national laws regarding the acquisition of parental leave entitlements, the Group assumes that all employees may be eligible for family leave, regardless of gender. The category of family leave includes maternity, paternity, parental, or family-related leave, as well as caregiver leave. Employees are informed of their rights and benefits in a transparent and formal manner.

	2024					2025				
	Woman	Man	Other	Not reported	Total	Female	Male	Other	Not reported	Total
Percentage of employees eligible for family leave [%]	100	100	0	0	100	100	100	0	0	100
Percentage of employees who took leave for family reasons [%]	15.4	10.8	0	0	26.2	6.4	9.3	0	0	15.7

Caregiving leave is defined as leave for employees to provide personal care or support to a relative or a person living in the same household who requires significant care for serious medical reasons.

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

The compensation system is based on fixed and variable pay components, which are also linked to the performance of the company and/or the entire Group. The Group develops transparent bonus and incentive systems based on the achievement of set business objectives, verifies their effectiveness, and adapts them to changing economic conditions. The remuneration policy is influenced by analyses of market standards and trends, data from independent salary surveys, as well as economic and business information. When reviewing and determining remuneration levels, the Group also takes into account the local labor market and emerging trends.

The Group's employees receive compensation determined based on formalized rules and regulations that primarily take into account their qualifications, competencies, certifications, professional experience, length of service, and commitment. The Group conducted a remuneration analysis during the reporting year. As a result of the analysis, the level of the pay gap was determined, and objective and potential factors influencing the formation of such a level were identified. The management boards of the individual companies of the " " Group will continue to conduct analyses and take actions aimed at preventing the emergence and persistence of disparities, and will continue to implement a compensation policy that ensures equal pay regardless of gender.

To calculate the pay gap, annual gross pay was used, defined as the regular base or minimum hourly wage or monthly salary, plus any other monetary or in-kind benefits received by the employee directly or indirectly (supplementary or variable components) from their employer by virtue of their employment and the corresponding gross hourly wage of the employee. No exclusions were made for employees on maternity leave, long-term sick leave, or other types of absences.

the gender pay gap expressed as the percentage difference between the average pay of men and women relative to the average pay of men		
2024	Parent Company	13.71%
	Group	The average pay gap is 18%. Depending on the Company, the pay gap ranges from 110% to 41% and is closely linked to the gender structure of the total workforce and within specific positions, as well as the total number of employees and the nature of the business.
2025	Parent Company	13.13%
	Group	The pay gap is 25.86%. Depending on the Company, it ranges from -22.61% to 36.50% and is closely linked to the gender structure of the total workforce, varying across different job types, as well as the total number of employees and the nature of operations in a given geographic area.
Total compensation ratio calculated as the ratio of the highest-paid employee's compensation to the median annual compensation of all employees, excluding the highest-paid employee		
2024	Parent Company	18.21 The ratio covers a large group of employees (2,090 people) with a wide range of salaries due to the type of work performed, with a significant proportion of direct production employees
	Group	The range of the ratio across the Group is from 2.5 to 18.21, depending on the number of employees in a given Company. The total compensation ratio was not calculated at the Group level.
2025	Parent Company	15.71
	Group	The total compensation ratio is 11.53. The range of the ratio across the Group varies from 2.41 to 15.71, depending on the number of employees in a given Company.

To calculate the ratio, the annual gross remuneration was used without converting it to PLN for companies located outside Poland.

The range in the wage gap values between individual Group companies results, among other things, from the employment structure, the existence of positions in which women cannot be employed by law, and the geopolitical situation (especially in Eastern Europe).

[S1-17] Incidents, complaints, and significant impacts on human rights

In the reporting year, as in 2024, the Group did not record any significant incidents related to labor or human rights compliance that affected its own workforce and, consequently, was not subject to any sanctions, fines, or compensation claims.

In 2025, the Parent Company recorded four reports to the Ethics Officer regarding employee relations. In 2024, one report was recorded. All reports were reviewed. None of the complaints concerned discrimination, harassment, or other human rights violations. All were closed. In one case, the report was withdrawn by the complainant. After review, one of the reports was deemed valid; measures were taken to prevent such situations from occurring in the future (actions: discussions were held with the parties involved, including area management, and training was provided on compliance with the Code of Ethical Conduct).

Świerkowy Zdrój Medical SPA Sp. z o.o. received a report through its reporting channel, pursuant to the Whistleblower Protection Act, from a third party (on behalf of a patient undergoing treatment covered by the National Health Fund). After the misunderstanding was clarified, the complaint was withdrawn.

Teknikum received 11 anonymous reports regarding employee matters. All were handled in accordance with the company's internal procedures.

No cases of discrimination, including harassment, were reported.

No complaints were filed with the national contact points for the OECD Guidelines, and no serious incidents of non-compliance with the UN Guiding Principles on Business and Human Rights or the International Labour Organization's Declaration on Fundamental Principles and Rights at Work were recorded. No fines, penalties, or compensation for damages resulting from incidents were imposed on any of the Group's companies; therefore, none of them incurred such costs during the reporting year.

3.2 Persons performing work in the value chain

[S2.SBM-3] Significant impacts, risks, and opportunities, and their interrelationships with the strategy and business model

The Group's value chain is complex and multi-stage. It encompasses a variety of entities operating in both global and local markets. The Group assumes that it may indirectly influence individuals working at both higher and lower levels of the value chain. These impacts may potentially relate to human rights and working conditions. Among the workers involved in the value chain are those employed in the mining, agricultural, manufacturing, and processing sectors. Additionally, the logistics, distribution, and other B2B services sectors necessary for industrial, research and development (R&D), and business operations must be taken into account.

A detailed profile of employees, particularly in later stages of the value chain beyond direct business partners, is not possible based on currently available information. The Group will take steps to expand this knowledge, utilizing tools, data sources, and best business practices that the Group believes will evolve in the future. It is estimated that these actions will be implemented within a 3-year timeframe (i.e., by the end of 2027).

The Group has assessed human rights issues with respect to individuals performing work in the value chain as material, taking into account its own professional judgment and:

- analytical sources providing benchmarking data on material ESG issues for various industries, which identify human and labor rights as material for industries related to the Group's operations (e.g., Material ESG Issues Resource Center, MSCI, and others),
- the business standards expected by the Group's customers, which identify human rights as a material issue and require the Group to exercise due diligence in this regard.

The value chain analysis did not identify any areas with a significant risk of child labor, forced labor, or compulsory labor. However, due to its complexity, particularly at higher levels, the Group is unable to unequivocally rule out such occurrences. Therefore, supply chain management is based on the application of a code of ethics that applies both to the Group's own operations and to its relationships with business partners. The Group requires its suppliers to respect human rights and labor standards and obliges them to pass these principles down the supply chain. In this way, the Group strives to have a positive impact on people working at higher levels of the value chain.

As part of the double materiality assessment, the possibility of direct negative impacts on workers in the supply chain was identified, resulting from the need to adapt work systems to sudden events affecting the manner or schedule of order fulfillment. These events are incidental in nature and are not systemic.

The Group exerts a positive influence on issues of employment security and respect for human rights with regard to workers in the value chain. To this end, the Group requires its suppliers to confirm compliance with the principles of the Code of Ethical Conduct for Suppliers of Products and Services, both with regard to the suppliers' own operations and their supply chain. Compliance with this requirement is confirmed by a written declaration and verified during supplier audits at the supplier's premises, particularly regarding occupational health and safety and work schedule organization.

Furthermore, it can be anticipated that climate transition requirements, including the need to achieve environmental impact reduction targets, may negatively affect certain suppliers in the SME sector, especially those for whom the Group is a key customer. The Group monitors the situation of its suppliers and plans appropriate preventive measures. As of the date of this report, no specific risks in this regard have been identified.

The Group has not obtained detailed information regarding increased exposure to the risk of harm to individuals with specific characteristics, working in specific conditions, or performing specific activities. As part of preventive measures, however, requirements regarding the absence of discrimination and harassment, as well as principles of equal treatment regardless of distinguishing characteristics, have been established. These principles are included in the Code of Ethical Conduct for Product and Service Suppliers.

[S2-1] [S2.MDR-P] Policies related to persons working in the value chain

Acting responsibly, the Group has adopted an approach focused on respecting human rights and labor rights both within its own operations and through preventive measures in the value chain. Accordingly, the Group's business partners, in accordance with the requirements of the Code of Ethical Conduct, are obligated not only to comply with these principles in their own operations but also to pass them on down their supply chain.

This approach is reflected in the Code of Ethical Conduct for Product and Service Suppliers, which is publicly available on the website of the Parent Company and its Subsidiaries in Polish and English. This document defines the standards of conduct that form the basis of the Group's relationships with its business partners. These principles are consistent with both national and international legal regulations, conventions, and guidelines, including:

- the OECD Guidelines for Multinational Enterprises,
- the UN Guiding Principles on Business and Human Rights,
- the International Labor Organization's Conventions on Fundamental Principles and Rights at Work,
- the International Bill of Human Rights.

With regard to individuals working within the value chain, the code addresses the following issues:

- respect for human rights,
- ethical recruitment,
- wages and benefits,
- prevention of forced labor and human trafficking,
- work-life balance,
- non-discrimination and freedom from harassment,
- freedom of association,
- no child labor and the rights of young workers,
- safe working conditions,
- guidelines for the use of private and public security forces.

The Code covers the entire upstream value chain, as well as all areas of the Group's own operations without exception.

The Management Board oversees the implementation and enforcement of the policy.

National and international regulations regarding human rights and working conditions serve as the basis for identifying the key interests of stakeholders in this regard.

The Group's business partners are required to establish an effective reporting mechanism that enables all stakeholders to report concerns related to business ethics, human rights, and other material issues confidentially and without fear of retaliation. The Group has not implemented direct measures to ensure or enable the remediation of the impacts on human rights compliance with respect to workers in the value chain.

To the best of the Group companies' knowledge, no instances of non-compliance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration, or the OECD Guidelines were identified during the reporting year with respect to workers in the value chain.

[S2-2] Processes for engaging with workers in the value chain regarding impacts

The Group does not currently engage in active cooperation with individuals working within the value chain or their representatives regarding the identification of actual and potential impacts and the consequences of those impacts. However, the Group's decisions and actions, particularly regarding the selection of business partners, take into account compliance with regulations and laws concerning human rights and working conditions. Confirmation that suppliers meet these requirements is a condition for establishing and continuing cooperation.

[S2-3] Processes for addressing the effects of negative impacts and channels for reporting concerns by individuals working in the value chain

As part of the Code of Ethical Conduct, the Group informs its business partners at higher levels of the value chain about the available channels for reporting violations of ethical conduct, including issues related to human rights and working conditions. Publicly available communication and reporting channels can be found on the websites of the Group's companies, and the implemented procedures for investigating violations guarantee confidentiality, impartiality, and due diligence.

The Group requires its business partners to establish effective internal mechanisms enabling the confidential reporting of violations and concerns related to business ethics, human rights, and other key areas, while ensuring protection against retaliation. In the case of reports regarding potential negative impacts of the Group's activities on workers, the business partner should forward such information to the designated contact person responsible for ethical matters at the relevant Company.

As part of its audit activities, the Group verifies whether business partners fulfill their obligations regarding the provision of reporting channels to workers. The Group does not verify whether workers in the value chain are aware of the existence of reporting channels.

[S2-4] [S2.MDR-A] Taking action regarding significant impacts on persons performing work in the value chain

The Group maintains and continuously develops a supplier selection and evaluation system covering all suppliers of key materials and services. They are required to adopt the Group's Code of Ethical Conduct for Product and Service Suppliers or implement their own code in accordance with international standards and regulations regarding human rights and working conditions. The Group also requires these principles to be cascaded down the supply chain, and compliance is documented through written declarations. The Group's Code of Ethical Conduct for Product and Service Suppliers has been in effect within the Group since October 1, 2024. It is planned to incorporate these issues into the supplier auditing process. This constitutes a preventive measure.

In 2025, the Group developed standard ESG supplier assessment questionnaires, which will allow for the collection of more detailed information regarding the extent to which suppliers meet sustainability requirements, including human rights standards and working conditions.

Measures adopted in response to identified potential or actual negative impacts on workers in the value chain were developed based on the standards and expectations of the Group's customers and best practices applied in this area in business relations.

Currently, the Group's companies have no information regarding any serious issues or incidents related to human rights violations in the value chain, at either the upstream or downstream levels, that would require support or corrective action from the Group. At this stage, no specific financial resources have been allocated for the implementation of such measures.

Activities related to identifying significant impacts on employees in the value chain are partially carried out by the supplier development and management teams and the Environmental Protection Department, located at the Central Unit. No other resources, including specific financial resources, have been allocated for the management of the aforementioned issues. As part of the supplier assessment process and audits, selected aspects related to working conditions and the management of suppliers at lower levels of the supply chain are verified. Additional information in this regard is also described in Section G1-2 of this report.

[S2-5] [S2.MDR-T] Objectives regarding the management of significant negative impacts, the enhancement of positive impacts, and the management of significant risks and opportunities

Specific objectives will be defined in the coming years based on an analysis of data collected through the assessment of the Group's suppliers' sustainability performance.

3.3 Affected communities

[S3.SBM-3] Significant impacts, risks, and opportunities and their interrelationships with the strategy and business model

The Group conducted an analysis of the impact of its operations on affected communities, taking into account, in accordance with the ESRS definition, individuals and groups living or working in areas directly or indirectly adjacent to the Group's own operational sites, as well as throughout the entire value chain, including indigenous peoples.

An analysis of the Group's value chain and business model indicates that its operations have the greatest impact on communities through its own production facilities located near the places where these communities live and work, respectively in Europe and Mexico. With regard to the remaining levels of the value chain, no detailed impact assessment has been conducted; however, given the complexity of the chain—particularly in the upstream sector—the Group assumes that actual or potential impacts on the interests of local communities occur at all levels of the value chain, primarily covering areas in Europe and Asia, and to a lesser extent in North America. The Group is aware of this impact and incorporates it into its business model, particularly in supply chain management. Currently, the Group does not actively monitor ESG impacts in the supply chain; however, it requires suppliers to declare compliance with the Sanok Rubber Group's Code of Ethics for Product and Service Suppliers.

As part of the materiality analysis of local communities as stakeholders, the Group assessed the impact of its operations on these communities, taking into account negative effects, their severity, and the likelihood of their occurrence. The impact of local communities on the Group's reputation, strategy implementation, and financial performance was also assessed. Given the scale of the Group's operations, it was determined that local communities are material stakeholders whose impact on the Group is significant, albeit moderate.

As part of the double materiality assessment process for sustainability issues, the Parent Company conducted a survey aimed at better understanding the local community's perspective. On behalf of the community, responses to the questions were provided by representatives of the local government administration of Sanok County, pointing to significant negative systemic impacts related to the emission of pollutants, noise, and waste as part of normal industrial operations. This impact was assessed as actual but of low severity, as it remains under the Entity's strict control and complies with applicable legal regulations. The Entity monitors these impacts on an ongoing basis as part of its integrated management system. Furthermore, respondents highlighted the Parent Company's significant contribution to the county's development, maintaining an adequate standard of living for residents, and actively supporting social and cultural initiatives. It was also assessed that the Company cooperates with the County in a flexible and complementary manner. The conclusions drawn based on the survey results are representative of the entire Group, as confirmed by the results of individual double-significance studies conducted in key subsidiaries. All Group companies operate under a common policy in this regard, as set forth in the Sanok Rubber Group Code of Ethical Conduct.

With regard to subsidiaries engaged in manufacturing, the Group has also identified risks associated with the possibility of an industrial accident that could affect the local community. The likelihood of such an event occurring was assessed as low. Thanks to implemented technological standards, monitoring, and internal and external oversight—including inspections by the State Fire Service (PSP) and the Provincial Inspectorate for Environmental Protection (WIOŚ) for companies in Poland, and by relevant authorities in other countries—the Group effectively manages this risk, minimizing the likelihood of its occurrence.

Out of concern for the rights of affected communities within the value chain, the Group has implemented standards for cooperation with responsible entities in the supply chain. It prefers and promotes companies holding ISO 14001 certifications and adhering to a code of ethical conduct that includes respect for human rights, the rights of local communities, and indigenous peoples.

A prerequisite for cooperation with the Group as a supplier is the responsible sourcing of raw materials from sources that do not contribute to the financing of armed conflicts, guarantee respect for human rights, and monitor the legality of the origin of raw materials. Only suppliers who ensure compliance with legal regulations such as REACH, RoHS, regarding the responsible sourcing of minerals, and others applicable to the Group's business operations, may supply their products to the Group. Compliance with the above requirements must be confirmed by an authorized representative of the supplier by signing the relevant assurances and declarations.

Each Group subsidiary bears the standard costs associated with supervising and monitoring the impact of its operations on the environment, commissions the required expert assessments and studies, implements preventive measures, and takes steps to minimize potential negative effects.

In the event of a major accident that could significantly impact the environment and, consequently, local communities, there is a risk of temporary suspension of operations, loss of revenue, and the imposition of administrative penalties and costs associated with damage remediation. Thanks to the use of modern production technologies and strict oversight of safety issues, the Group assesses the likelihood of such a scenario as low. Ensuring operational safety and business continuity remains one of its key priorities in the area of risk management.

At the same time, the Group is involved in initiatives supporting local communities, which positively impacts its image as an employer. Such activities increase employee engagement and identification with the company, and also help in recruiting qualified staff, which constitutes a significant competitive advantage in the labor market.

In the Group's assessment, the identified negative impacts do not affect any specific local community in a way that would increase their risk of harm. No detailed studies have been conducted in this regard.

[S3-1] [S3.MDR-P] Policies related to affected communities

The Group defines its approach to managing significant impacts, risks, and opportunities through the Group's Code of Ethical Conduct and the Code of Ethical Conduct for the Group's Product and Service Suppliers. The Code is a document available on the websites of Group Companies in various language versions.

The Code is based on principles consistent with national and international laws, conventions, and guidelines, such as the OECD Guidelines for Multinational Enterprises, the UN Guiding Principles on Business and Human Rights, the International Labour Organization's conventions on fundamental principles and rights at work, and the Universal Declaration of Human Rights.

Operating within a specific community and local environment, the Group strives above all to eliminate or mitigate negative impacts on local communities and adopts environmental and occupational health and safety policies to this end.

The Group does not identify any specific regulations in its value chain regarding negative impacts on indigenous peoples. No detailed analysis has been conducted in this area.

Respect for the rights of indigenous peoples is a requirement the Group imposes on participants in its supply chain and is addressed in the Supplier Code of Ethical Conduct.

Issues regarding respect for human rights in relation to indigenous and native communities have been additionally addressed in the latest edition of the Group's Code of Ethical Conduct, which was implemented in 2025.

The Group does not plan to introduce a separate policy regarding its impact on and cooperation with local communities. Issues related to the rights of local communities will remain an integral part of the Group's Code of Ethical Conduct and the Code of Ethical Conduct for Product and Service Suppliers.

[S3-2] Processes for engaging with affected communities

Due to the nature of the impacts on affected communities, direct cooperation with their representatives is not systematic or organized. It is carried out primarily through individual initiatives undertaken as needed, mainly at the initiative of local institutions and public benefit organizations. No specific cooperation processes have been established in this regard.

The Group takes into account the needs and perspectives of local communities indirectly by carrying out tasks related to eliminating, reducing, or mitigating negative impacts on the environment and safety. Group companies with a significant impact in this area will continue to maintain and certify their environmental management (ISO 14001) and occupational health and safety (ISO 45001) systems, and monitor their supply chains regarding the protection of human rights, including the rights of affected communities.

Furthermore, the Group, and in particular the Parent Company, will remain open to dialogue and support initiatives focused on the needs of local communities in many areas. The latest edition of the Group's strategy for 2026–2030 sets the goal of maintaining social responsibility activities by supporting local communities and responding flexibly to their needs within planned budgets.

Decisions regarding the implementation of activities in this area are made by the Management Board.

The Group does not conduct a detailed assessment of the effectiveness of its cooperation with affected communities.

[S3-3] Processes for addressing adverse impacts and channels for affected communities to raise concerns

The Group's companies have identified and monitor legally required indicators related to potential negative impacts on local communities in terms of environmental impacts, such as pollutant emissions and noise. If deviations in this regard are identified, actions will be taken to immediately mitigate or eliminate the effects of such impacts. The Group has established and publishes information on direct channels for stakeholders, including the local community, to report concerns and needs, and has established an internal process for reviewing reports and communicating the results of this process. The Group also requires its business partners to establish appropriate channels for reporting violations in accordance with the provisions of the Code of Ethical Conduct for Product and Service Suppliers

The Parent Company has made available on its website a form for the anonymous reporting of irregularities and a platform for reporting violations under the Whistleblower Protection Act. Reports may also be submitted through the Ethics Officer by contacting the email address designated for the relevant Group Company, as indicated in the Code of Ethical Conduct.

The company conducts periodic verification of the proper functioning of reporting channels, including the effectiveness of forwarding reports to the appropriate individuals. No specific procedures have been implemented to track and monitor the effectiveness of reporting channels. The Ethics Officer is required to record, process, and communicate the results of reviewed reports to the parties concerned.

The Group does not have data on the awareness of affected communities and their trust in existing structures and processes for reporting concerns and needs, nor on the effectiveness of the actions taken. At the same time, it assesses that the implemented communication channels meet applicable accessibility standards.

The Group guarantees protection against retaliation and the confidentiality of reports submitted through official communication channels, regardless of their source. Information on this topic is available on the Group's website and in the Group's Code of Ethical Conduct and the Code of Ethical Conduct for Product and Service Suppliers.

[S3-4] [S3.MDR-A] Taking action regarding significant impacts on affected communities

The Parent Company actively supports local social, cultural, sports, environmental, and educational initiatives. In 2025, it allocated a total of PLN 816,157.00 for this purpose, a significant portion of which went to public benefit organizations supporting people in need, primarily the local Brother Albert Aid Society. Support was also provided to the local hospital, local sports clubs, schools, and cultural organizations.

Traditionally, the Parent Company provides financial support for the organization of recurring cultural events in Sanok and the region, such as the Adam Didur Festival, Jazz Stars at the Sanok Cultural Center, the International Piano Forum "Bieszczady Without Borders," and the "Classical Music Has Power!" project.

Świerkowy Zdrój Medical Spa sp. z o.o. organizes an annual Family Picnic for the local community (the 12th edition in 2025), whose main purpose is to promote a healthy lifestyle. The event also aims to engage the local and regional business community. In 2025, the Company allocated PLN 20,000 for this purpose.

Each year, the Parent Company urges its business partners to forego traditional holiday gifts in favor of supporting social initiatives. In 2025, it was recommended that funds be allocated to support the St. Joseph Children's Home in Sanok.

The Parent Company also involves its own employees in activities supporting the local Children's Home in Sanok by annually funding Children's Day events in which employees can participate on a volunteer basis.

The Group focuses on activities that address the key needs of the local community, which simultaneously strengthens its image as a responsible and committed company, both among current and potential employees. Due to the nature of these activities, the Company did not implement specific methods to track their effectiveness during the reporting year.

No significant negative impacts on local communities were identified during the reporting year; consequently, no actions were taken nor were any resources allocated to mitigate or eliminate them.

The Group has not identified any serious human rights incidents involving local communities affected by the Group's own operations. There are also no known cases of adverse impacts in the supply chain.

[S3-5] [S3.MDR-T] Targets for managing material adverse impacts, enhancing positive impacts, and managing material risks and opportunities

The Group has not set specific targets for managing impacts on affected communities or the risks and opportunities.

Maintaining close monitoring of environmental and safety aspects, as well as preventing and mitigating existing significant impacts, remain a priority for the Group.

The Group intends to maintain its social responsibility activities by supporting the local community and responding flexibly to its needs within planned budgets. The Group will continue its engagement in the region's cultural and social life by supporting local projects, foundations, and public benefit organizations, particularly in the areas of culture, healthcare, assistance for people with disabilities and the poor, and sports initiatives. This objective has been incorporated into the Group's adopted ESG Strategy for 2026–2030.

3.4 Consumers and End Users

[S4.SBM-3] Significant impacts, risks, and opportunities, and their interrelationships with the strategy and business model

The Group's products consist primarily of elastomer components sold for original equipment manufacturing and, to a lesser extent, as replacement parts for the automotive (motor vehicles), construction (window joinery), industrial (machinery and equipment), and other sectors.

Typical products sold on the consumer market (consumer products) accounted for 8.6% of the Group's revenue in 2025 (9.4% in 2024). This category includes universal self-adhesive gaskets for DIY installation, used to seal gaps and edges, as well as power transmission belts—mainly V-belts used as replacement parts

in agricultural machinery, lawn mowers, and other utility applications. The end users of consumer products are primarily individual consumers who use them occasionally.

In addition, Świerkowy Zdrój Medical Spa Sp. z o.o. provides services aimed at private individuals utilizing its therapeutic, sanatorium, rehabilitation, hotel, and catering offerings—both based on a doctor’s referral or a decision by the Social Insurance Institution (ZUS), as well as privately. Customers represent various age groups, including children. Due to the low share of the Company’s sales in the Group’s revenue in 2024, it was deemed immaterial from the perspective of the dual materiality test regarding end-users in relation to the Group’s consolidated financial statements.

Impact on consumers and end users and its consequences

As part of the process of identifying key stakeholders, an assessment was conducted of the impact of end users of consumer products on the Group and the Group’s impact on end users.

Potential negative impacts on end users were assessed with respect to consumer products and services.

For products, these effects may stem primarily from the potential impact of elastomeric products on health due to their emissions. However, this risk is effectively monitored and mitigated through rigorous testing procedures and the approval of materials and products for use based on technical and legal standards and regulations. This process includes testing in accredited external laboratories and collaboration with customers who develop or co-develop product specifications, taking into account their operating conditions.

With regard to the services offered by the Group, potential significant risks may relate to privacy and personal data protection issues concerning the services provided by Świerkowy Zdrój. The Group has implemented, maintains, and develops advanced IT solutions for data management that ensure effective privacy protection. These efforts will continue to align information security systems with the requirements of the NIS 2 Directive. Świerkowy Zdrój is also covered by these measures.

In both cases, both the severity of potential impacts and the likelihood of their occurrence have been assessed as low. To date, no breaches or damages have been reported in this regard.

The Group takes all necessary measures to minimize risk and effectively prevent any potential negative consequences.

Financial risks to the Group related to consumer and end-user issues

Potential financial risks to the Group arising from possible litigation regarding privacy protection, complaint costs, and potential recall campaigns in the event of product defects have also been identified. To date, no significant events have been reported in this regard. The costs of warranties and complaint proceedings, including recall campaigns, are covered by insurance under the product liability policy.

Involvement of consumers and end users in the double materiality assessment process

Due to the limited recognition of the Group’s products and brand in the consumer market, no materiality assessment of sustainability issues was conducted directly among this stakeholder group. In the Group’s assessment, the fundamental rights and needs of consumers and end-users—particularly regarding access to information and safety—were nevertheless taken into account through the application of professional judgment. To this end, the Group relied on its own expert knowledge and the requirements of its direct customers regarding the use of components as well as the conditions of their operation in final products.

[S4-1] Policies related to consumers and end users

Given the low materiality of issues related to consumers and end users, the Group has not developed a specific policy regarding these matters and does not plan to prepare such a policy in the future, unless the Group’s business profile changes significantly.

The Group’s approach to these issues is set forth in the Group Quality Manual, which is a formalized document describing the integrated management system. The Manual identifies users as a stakeholder group and outlines their expectations regarding high-quality products and product safety.

[S4-2] Engagement processes regarding impacts with consumers and end users

The Group does not engage in direct collaboration with consumers or end users regarding the assessment of impacts and managing them.

No separate impact analysis was conducted for consumers and users with special needs who may be more vulnerable to impacts or marginalized. In the Group’s assessment, the likelihood of such impacts occurring is low.

[S4-3] Processes for addressing the effects of negative impacts and channels for consumers and end users to report concerns

The Parent Company and its Subsidiaries have made several communication channels available to consumers and end users for reporting comments and irregularities. These are described in Section G1 of this report:

[S4-4] [S4.MDR-A] Taking action regarding material impacts on consumers and end users

Due to the low level of significance, the Group does not take direct, systemic actions regarding impacts on consumers and end-users. Indirect actions are presented in disclosure [S4.SBM-3].

[S4-5] [S4.MDR-T] Objectives regarding the management of material adverse impacts, the enhancement of positive impacts, and the management of material risks and opportunities

The Group has not adopted specific objectives for managing significant adverse impacts (SIAs) with respect to consumer and end-user issues.

As part of the approach set out in the Group's Quality Manual regarding consumers and end users, the Parent Company and its subsidiaries have incorporated the following indicators into the integrated management system to indirectly support the monitoring of aspects related to impacts on consumers and end users:

- number of information security incidents,
- number of warranty claims,
- costs of external non-conformities.

Measurable performance indicators for the above parameters are monitored on a monthly, quarterly, or annual basis, in relation to the targets set for the given reporting year.

4. Corporate Governance

4.1 Business Conduct

[G1-1] Business conduct policies and corporate culture

The Group does not have an anti-corruption and anti-bribery policy and does not plan to implement one.

The Group's position on business ethics and corporate culture is reflected in the Sanok Rubber Group Code of Ethical Conduct and the Sanok Rubber Group Suppliers' Code of Ethical Conduct. These documents define the standards for building an ethical organizational culture.

Codes of Ethical Conduct

The Group conducts its business in accordance with the principles of social responsibility and with due diligence. The key values that guide it are respect for human rights, partnership, responsibility, and transparency.

The codes set out the principles for shaping relationships with all of the Group's stakeholders, including employees, customers, suppliers, the local community, and the natural environment. The Group promotes attitudes based on ethical principles and supports responsible decision-making in accordance with international standards of conduct.

The codes apply to all Group companies, regardless of their location or business profile. They take into account the interests of key stakeholders based on an analysis of legal regulations and best business practices.

The Sanok Rubber Group Code of Ethical Conduct represents the Group's commitment to respecting human rights, ensuring appropriate working conditions, conducting business in an ethical manner, and managing natural resources responsibly. It covers key issues such as:

- compliance with the law and internal procedures,
- working conditions, ethical recruitment, dialogue with employees,
- prohibition of forced labor and child labor,
- respect for the right to freedom of association,
- anti-corruption and conflict of interest,
- fair competition and stakeholder relations,
- protection of intellectual property,
- responsibility toward local communities,
- care for the environment and rational resource management.

The Code contains information on the methods and channels for reporting violations. Compliance with the Code is the responsibility of every employee of the Group.

The current edition of the Code was published in January 2025. Compared to the previous edition, the content has been updated and expanded to include elements such as the use of private or public security forces, the local community, climate neutrality, biodiversity, animal welfare, and due diligence. The chapters have also been harmonized with the Code of Ethical Conduct for Product and Service Suppliers.

Details regarding the Sanok Rubber Group's Code of Ethical Conduct for Product and Service Suppliers are presented in Section G1-2 of this report, which describes supplier relationship management.

Both of the aforementioned Codes are consistent with international regulations, including:

- the OECD Guidelines for Multinational Enterprises,
- the UN Guiding Principles on Business and Human Rights,
- the International Labour Organization's conventions on fundamental principles and rights at work,
- the International Bill of Human Rights.

The principles shaping the Group's organizational culture are also enshrined in work regulations and management system policies.

The Codes of Ethical Conduct, like other Group policies, are approved by the CEO of the Parent Company

Availability and Communication of the Codes of Ethical Conduct

The Sanok Rubber Group Code of Ethical Conduct and the Sanok Rubber Group Suppliers' Code of Ethical Conduct are available to stakeholders on the websites of the Parent Company and its subsidiaries.

Additionally, the Sanok Rubber Group Product and Service Supplier Code of Ethical Conduct is provided to suppliers during the qualification process, along with a request to accept its provisions as a prerequisite for establishing a business relationship. Each time the document is updated, suppliers are informed of the changes made.

The Codes are available in the following languages:

- Sanok Rubber Group Code of Ethical Conduct: Polish, English, Finnish, German, French, Hungarian, Spanish, Ukrainian, Russian,
- Sanok Rubber Group Code of Ethical Conduct for Product and Service Suppliers: Polish, English.

The Parent Company and its subsidiaries communicate the principles of the Code of Ethical Conduct internally using both internal and external communication channels, in particular through:

- publication on websites,
- email communication,
- informational posters,
- an internal communication system with employees (Intranet),
- training.

Elements of corporate culture are regularly assessed, including through the annual employee satisfaction survey, and were included in the double materiality analysis of sustainability issues conducted in 2024 and verified in 2025.

Reporting and Investigating Violations of the Code of Ethical Conduct

All Group companies have established mechanisms for reporting and investigating cases that are unlawful or violate the principles of the Sanok Rubber Group Code of Ethical Conduct, including incidents of corruption, bribery, and workplace bullying.

Employees and other Group stakeholders may report violations to the Ethics Officer in person, by phone, or via email sent to the address specified in the Code.

Parent Company	rzeczniketyki@sanokrubber.pl
ZMX Plant (Mexico)	ethicsofficer@sanokrubber.mx
Draftex Automotive GmbH	ethiksprecher@draftex.de
Colmant Cuvelier RPS	ethique@ccrps.fr
Stomil Sanok – Distribution, LLC	rzeczniketyki@stomildystrybucja.pl

Stomil Sanok Ukraine LLC
BSP Bracket System LLC
Teknikum Group:
Other companies

rzeczniketyki@stomilsanok.com.ua
rzeczniketyki@bspssystem.com
<https://technikum.com/whistleblowing-channel/>
rzeczniketyki@sanokrubber.pl

Process for reviewing reports in accordance with the Code of Ethical Conduct

Upon receiving a report, the Ethics Officer:

- immediately initiates an investigation, informs the reporter of the action taken, analyzes the matter independently or involves other individuals to support the investigation, while ensuring objectivity,
- provides a response to the complainant within one week of the conclusion of the investigation,
- guarantees confidentiality—all information regarding the report is protected, and the identities of those involved remain secure.

Employees may also report violations of the Code directly to their supervisor. In situations where they report to the Ethics Officer, they may direct the report to the human resources department or to a member of senior management.

In accordance with the Code of Ethical Conduct, reporters shall not face any consequences for reporting a violation in good faith or requesting clarification.

In accordance with the Code, the reporting person receives a response regarding the handling of the report within one week of the conclusion of the investigation.

Whistleblower Protection and Legal Compliance

The Group does not have a whistleblower protection policy and does not plan to implement one.

In companies covered by Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, on the protection of persons reporting breaches of Union law, reporting procedures have been developed and internal channels for reporting irregularities have been made available.

The companies Sanok RC, Stomil Sanok – Dystrybucja Sp. z o.o., Stomet Sp. z o.o., Świerkowy Zdrój Medical Spa Sp. z o.o., and BSP Bracket System Sp. z o.o. use a common reporting procedure. In contrast, Draftex Automotive GmbH and Teknikum Group have separate procedures in this regard.

The reporting channels in each company are presented in the table below:

Parent Company	sanokrubber.whistlelink.com
Stomil Sanok - Distribution, LLC	stomil.whistlelink.com
Stomet Sp. z o.o.	stomet.whistlelink.com
Świerkowy Zdrój Medical Spa LLC	swierkowyzdroj.whistlelink.com
BSP Bracket System, LLC	bspbracket.whistlelink.com
Draftex Automotive GmbH	draftex-grefrath.hintbox.de
Teknikum Group	technikum.com/whistleblowing-channel

The procedure for reporting violations and their investigation ensures anonymity and protection against retaliation for those making reports. The Group guarantees the protection of the identity of the reporting person, the person subject to the report, as well as other persons identified in the report.

The deadlines for handling reports comply with applicable legal requirements; no additional internal deadlines have been established. All persons involved in handling reports are obligated to maintain confidentiality regarding their participation in the proceedings, any information obtained—including personal data—and the investigative actions taken.

In Group companies where the internal reporting procedure has been implemented, reporting coordinators have been appointed who are responsible for receiving reports and initiating proceedings.

Employees have been informed about the implementation of the internal reporting policy and the tools available for reporting irregularities.

Training on corporate culture principles

The Group does not have a policy regarding internal training on business conduct. The Parent Company initiates training for the Group on corporate culture principles.

The Group conducts training on the application of the Sanok Rubber Group Code of Ethical Conduct as part of:

- the onboarding process for new employees,
- training for all employees—following each update to the Code or the introduction of new rules, e.g., the implementation of a whistleblower reporting procedure,
- periodic training—once every three years, provided no significant changes have been made to the Code.

The training also covers persons designated to receive reports.

In 2025, the Parent Company conducted two training sessions on compliance with the rules described in the Sanok Rubber Group Code of Ethical Conduct:

- covering changes introduced by the 4th edition of the Code, expanded to include issues of workplace bullying and reports under the Whistleblower Protection Act,
- covering issues of sustainable development, anti-corruption, and the prevention of workplace bullying.

Training sessions on these topics were also conducted at subsidiaries, based on presentations from the Parent Company. In several cases, these training sessions are included in the planned training cycles for 2026.

Additionally, notices reminding employees of the options and methods for reporting violations are posted on bulletin boards and on the intranet.

Conflict of Interest Risk Management and Anti-Corruption

All processes related to procurement, sales, and other areas where there is a risk of a conflict of interest between the Group and its counterparties are subject to oversight procedures and internal approvals. This ensures transparency and protection against abuse.

The Group does not tolerate corruption or bribery. Both accepting and offering improper benefits are strictly prohibited.

The Group has identified the functions most at risk of corruption and bribery. These include employees in the procurement, investment, finance, HR, and IT departments, as well as management.

The Code of Ethical Conduct sets forth rules regarding conflicts of interest arising from the relationship between the Group's interests

and the employee's personal interests.

In accordance with the Code's principles, Group employees are required to report any situation that may constitute a conflict of interest to their immediate supervisor. Additionally, the Parent Company has implemented a system for reporting and preventing conflicts of interest. Under this system, employees are required to submit declarations regarding potential or actual conflicts of interest.

If a risk of a conflict of interest is identified, the supervisor analyzes the situation and takes appropriate measures to effectively avoid it. Employees submit declarations annually and whenever circumstances arise that may lead to a conflict of interest.

[G1-2] Management of supplier relationships Supply Chain Management

The Group's approach is based on the premise that meeting the requirements and expectations of stakeholders, particularly customers and shareholders, requires cooperation with proven and reliable suppliers. Since the share of purchased materials and services in the Group's production costs is significant, building long-term, fair, and transparent relationships with suppliers is key to meeting business challenges.

In accordance with the principles set forth in the Sanok Rubber Group Code of Ethical Conduct and the Sanok Rubber Group Code of Ethical Conduct for Product and Service Suppliers, the Group is guided by responsibility, trust, and transparency in its relationships with its business partners. Their interests and rights are respected, and the process of entering into agreements and contracts is based on partnership-based negotiations and transparency, with full compliance with the law.

The Supplier Selection and Evaluation Guide (DiOD) contains principles regarding cooperation with suppliers and the conduct of procurement processes, which apply to the following companies: Sanok RC SA, Draftex Automotive GmbH, and Colmant Cuvelier RPS S.A.S. Meanwhile, the Teknikum Group and Stomet have their own guidelines in this regard. In the remaining companies, the approach is based on the principles described in the aforementioned codes and internal guidelines. This approach stems from the specific nature of their operations and the level of process maturity of these entities.

Preventing Late Payments and Financial Transparency

The Group does not have a policy aimed at preventing payment delays; the Group's standard is to meet its financial obligations on time.

The Parent Company applies Article 4c of the Act of March 8, 2013, on counteracting excessive delays in commercial transactions and holds the status of a large enterprise, which is disclosed when entering into contracts with counterparties.

The Group's companies have internal standards in place for managing liabilities, ensuring timely settlement of amounts due to business partners. Each company ensures that payment deadlines are met in accordance with applicable laws, thereby supporting the stability of commercial relationships across the entire Group

Supply Chain Risk Management

Relationships with suppliers play a key role in the Group's entire value chain and are a significant factor influencing the ability to conduct business. The Group actively manages risk in this area, applying a due diligence approach.

Identified risks include, among others:

- availability, quality, and timeliness of deliveries of materials, products, and services,
- compliance with legal requirements,
- compliance with ESG standards (environment, society, corporate governance), including human rights, labor rights, and business ethics.

To minimize these risks, the Group is developing a base of both global and local suppliers, requires suppliers to comply with the principles of the Sanok Rubber Group's Code of Ethical Conduct for Product and Service Suppliers, the principles described in the Sanok Rubber Group Supplier Requirements (covered by DiOD), and conducts regular audits of suppliers based on a checklist in accordance with the VDA 6.3 manual (quality, environmental, and occupational health and safety aspects) and a checklist for information security audits.

Code of Ethical Conduct for Suppliers of Products and Services to the Sanok Rubber Group

In 2024, the Group developed and implemented the Code of Ethical Conduct for Product and Service Suppliers, which sets out the principles of responsible business conduct. Suppliers are required to comply with it and communicate these principles throughout their supply chain.

The Code regulates, among other things:

human rights and working conditions:

- respect for human rights,
- ethical recruitment,
- remuneration in accordance with the law,
- prohibition of forced labor and child labor,
- equal opportunity, no discrimination or harassment,
- the right to freedom of association,
- safe working conditions.

business ethics standards:

- fair competition,
- prevention of corruption and conflicts of interest,
- compliance with trade laws,
- transparency in the supply chain,
- personal data protection and information security.

sustainability principles:

- striving for climate neutrality,
- reducing the carbon footprint,
- pollution prevention,
- sustainable use of resources,
- protection of biodiversity,
- animal welfare,
- managing the negative impacts of operations on people and the environment.

The Code of Ethical Conduct for Product and Service Suppliers is available on the Companies' websites and is sent to suppliers.

International Standards

Suppliers are required to comply with minimum standards regarding business and human rights, as set forth in:

- the OECD Guidelines for Multinational Enterprises,
- the UN Guiding Principles on Business and Human Rights,
- the Conventions of the International Labour Organization (ILO),
- the International Bill of Human Rights.

Supplier Monitoring and Audits

Group companies that have implemented management systems conduct periodic assessments and audits of suppliers to monitor compliance

with the adopted principles. Detailed information on the protection of human rights and working conditions in the supply chain can be found in Section S2 regarding workers in the value chain.

In 2025, the Parent Company worked to expand the scope of supplier relationship management in the area of sustainable development by addressing ESG issues in:

- the supplier qualification process (supplier self-assessment questionnaire),
- the periodic supplier evaluation process,
- the supplier monitoring and auditing process (ESG questionnaire for supplier auditors).

The Parent Company plans to implement these changes in 2026 and will consider gradually extending them to the Group level.

[G1-3] Prevention and Detection of Corruption and Bribery

The Group unequivocally rejects all forms of corruption and bribery—both with regard to its own workforce and in its relationships with business partners throughout the value chain. This position is clearly defined in the Code of Ethical Conduct and the Code of Ethical Conduct for Suppliers of Products and Services to the Sanok Rubber Group.

Anti-corruption policies and reporting of violations

The Group has implemented comprehensive policies and procedures aimed at preventing, detecting, and responding to instances of corruption or bribery. The key document governing these matters is the Internal Reporting Procedure, which defines:

- channels for reporting irregularities,
- procedures for the fair handling of reports,
- standards of impartiality, independence, confidentiality, and protection against retaliation.

The person responsible for handling reports is the Ethics Officer or the local coordinator designated for the relevant Group company.

The individuals reviewing reports are separate from the management structures involved in the matter.

Business processes particularly vulnerable to the risk of corruption or bribery are subject to a multi-level approval and oversight system by company management, including the Management Board, in accordance with established materiality thresholds.

Mechanisms for identifying, reporting, and investigating concerns regarding unlawful conduct, including cases of corruption, are described in detail in Section G1-1 regarding business conduct policy and corporate culture.

In accordance with the Internal Reporting Procedure:

- The Ethics Officer and the coordinator report annually on the status of the whistleblowing system in each subsidiary to the CEO of the respective company and the CEO of the Parent Company.
- The flow of information containing personal data is kept to a minimum, and all persons receiving information about a report are required to keep it confidential.
- The identity of the whistleblower may not be disclosed without their express consent.

Communication of the Anti-Corruption Policy

The Group's policy on combating corruption and bribery, as set forth in the Codes, is publicly available and communicated to all stakeholders via the Group companies' websites.

Training on Anti-Corruption and Anti-Bribery

Training programs on corruption prevention have been provided to individuals in roles exposed to the risk of corruption and bribery, including employees in the procurement, investment, finance, HR, and IT departments, as well as management.

The percentage of individuals in roles exposed to the risk of corruption and bribery who participated in training programs in 2025 was 100%.

The training covered topics such as the Group's anti-corruption policy, employees' obligations in this regard, and options for reporting violations.

[G1-4] Incidents of corruption or bribery

In 2025, as in the previous year, no incidents of corruption or bribery were identified in any Group company.

No proceedings were conducted against any Group company related to violations of anti-corruption laws or anti-bribery regulations.

No financial penalties or convictions were imposed in this regard.

Due to the absence of such incidents, no additional measures are planned beyond ongoing training on anti-corruption and anti-bribery.

[G1-5] Political influence and lobbying activities

The Group did not engage in any lobbying or political activities in 2025.

The Group's companies are members of or cooperate with various industry associations and organizations.

Parent Company:

- Association of Stock Exchange Issuers (SEG),
- Polish Automotive Group (PGM),
- Podkarpackie Business Club,
- AGROMA Foundation for the Development of the Agricultural Supply Market,
- West Pomeranian Chemical Cluster "Green Chemistry",
- Association of Accountants in Poland.

Subsidiaries:

- Eastern Automotive Alliance,
- International Union of Polish Entrepreneurs in Ukraine,
- Industriegewerkschaft Bergbau, Chemie, Energie (IG BCE) (Trade union representing workers in the chemical, rubber, and mining industries),
- Wirtschaftsverband der deutschen Kautschukindustrie e. V. (German Rubber Industry Association)
- Kemianteollisuus ry (Finnish Chemical Industry Association),
- Kumiteollisuus ry (Finnish Rubber Industry Association).

[G1-6] Payment Practices

The terms for settling liabilities to the Group's suppliers are specified in individual agreements concluded on the basis of mutual arrangements. Group companies do not impose payment terms on their business partners—the agreements concluded are consistent with applicable laws and best business practices.

The Group actively works to prevent payment bottlenecks—as a whole, it settles the vast majority of its liabilities (91%) within 60 days in transactions where the creditors include micro, small, or medium-sized enterprises. The Group settled 65% of invoices within 30 days.

The Parent Company, Sanok RC SA, settles 84% of all liabilities within a maximum of 60 days, and 42% within 30 days (calculated by number of documents).

Group companies other than Sanok RC SA settle 80% of their liabilities within 30 days.

The average payment period for the Group as a whole is 33 days.

The average payment period for liabilities at Sanok RC SA is 44 days.

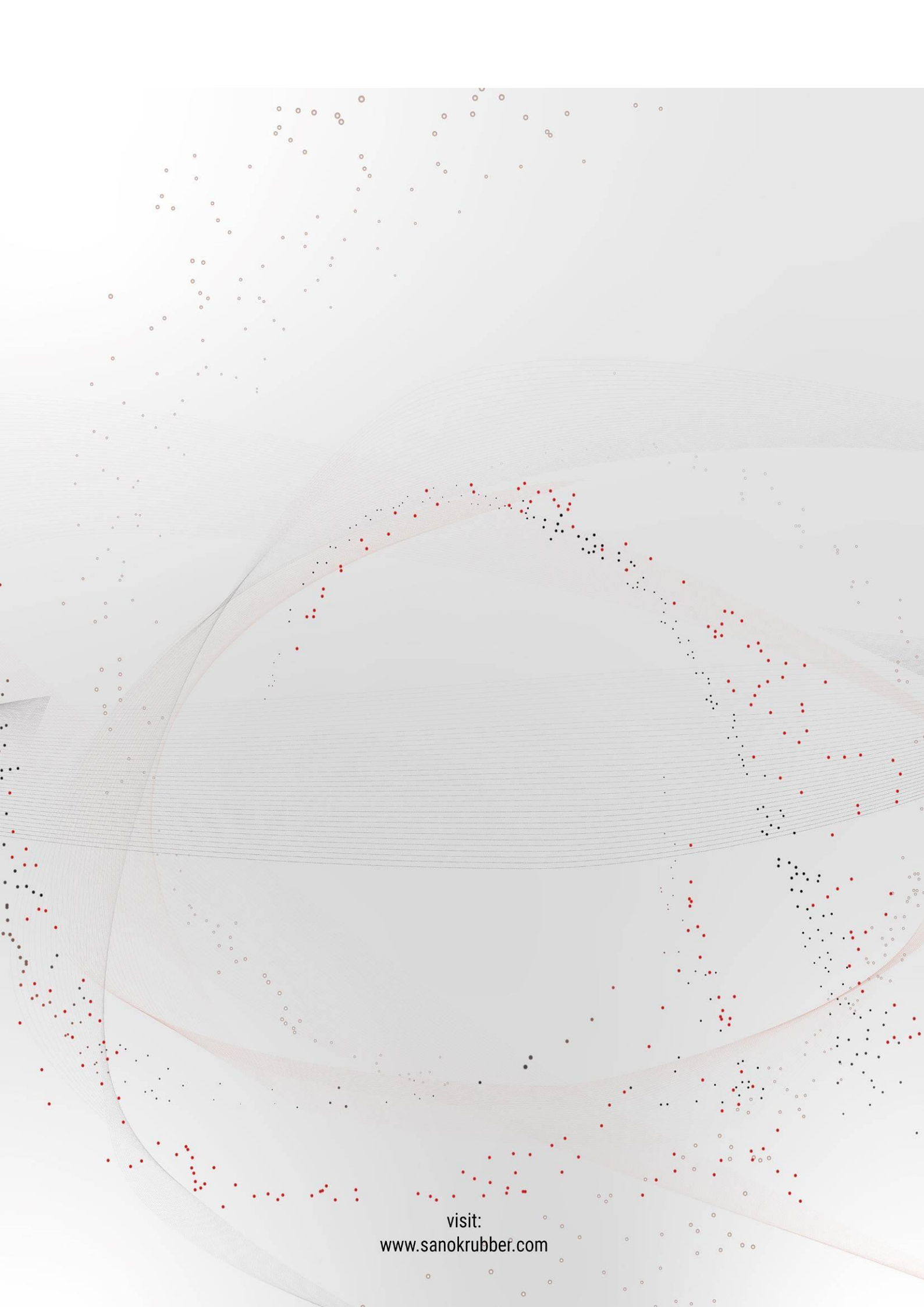
The calculations were performed based on source data from the financial and accounting systems of the consolidated companies. Invoice lists for the reporting period were obtained from the accounting records, which served as the basis for determining the ratios at the level of individual companies. The results were then consolidated at the Group level to determine the aggregated values. Due to a change in the method of calculating payment practice ratios, data for 2024 is not provided.

The Group has no pending legal proceedings regarding payment delays.

Sanok, March 20, 2026

Management Board of Sanok RC SA:

President of the Management Board	- Piotr Szamburski	
Vice President of the Management Board	- Rafał Grzybowski	
Vice President of the Management Board	- Marcin Saramak	
Vice President of the Management Board	- Martijn Merx	
Member of the Management Board	- Piotr Dołęga	



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