



SUSTAINABLE DEVELOPMENT

OF THE SELENA GROUP



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**BUILDING SAFETY
FOR A SUSTAINABLE
WORLD**



Dear All,

It is with great pleasure that I am handing over you the Report of the Selena Capital Group, which sums up all our Sustainable Development activities. Sustainable development is the right direction for companies whose intention is to found their growth and development not only upon financial factors, but also on ultimate values, care for the environment, commitment of employees, clients and stakeholders.

The report, which I am pleased to present you with, is unique. It is the first Report in the history of Selena, which features the drivers of the Sustainable Development Strategy of the Selena Group with two underlying policies: carbon footprint management and Environmental Product Declarations (EPD). In 2022, we celebrate the 30th anniversary of Selena's operations. The reporting period is the time of the pandemic and challenges of green transformation and energy security. This troubled time for us all has proven how great a value social responsibility is.

We spare no effort to be a trustworthy and innovative partner for our clients, as well as a good and safe workplace for our employees - in 32 companies on four continents. We develop our competencies in areas that are essential for all our stakeholders, including local communities neighbouring with our business locations and activities. We feel responsible for the innovations which enable us to face global problems of social, environmental and economic nature.

I greatly encourage you to read this Sustainable Development Report of the Selena Group. Let me thank all those who contributed to its creation. I hope this publication will inspire you and provide you with insight into our Group in terms of its mission, sense of responsibility and our further development.

Jacek Michalak
President of the Management Board



30 Years of the Selena Group

Selena was founded in Wrocław in 1992. Three decades of business operations have brought to life 32 companies of the Selena Group operating in 19 countries on 4 continents.

The first decade of Selena's activity was marked with speed. In only 1.5 years we managed to set up 16 local branches in Poland, distributing construction chemicals. Owing to that, after two years, Selena enjoyed a 35% domestic market share of fitting foam, sealants and adhesives. Whereas from 1996 to 2001, the Carina, Orion and Libra plants started up, and after 10 years, the company reported a PLN 100 million turnover.

Another 10 years witnessed Selena's international expansion. Not only in the neighbourhood - in Romania, Hungary or Ukraine, but also in the United States. Selena at that time made numerous acquisitions among others in Turkey and Spain, where it acquired Quilosa - the country's number one manufacturer of construction chemicals. Thanks to the expansion, Selena's turnover in the second decade increased ten times to reach PLN 1 billion.



In the third decade, we focused on consolidation and streamlining our processes, activities that are necessary for the international scale of our operations.

From Wrocław to the Ends of the World

The headquarters of the Selena Group has always been seated in Wrocław. All the functions that are essential for the company's development - laboratory, R&D, strategic management, merger and acquisition, and marketing teams - are located in Poland. Selena prioritises development, extending its scope of operations into new markets. Our presence on the four continents sets us apart from other Polish companies. In today's world, success is an outcome of a number of factors. Firstly, it is speed, secondly - flexibility. And finally, and most importantly - people. Without our fantastic team, Selena would have never succeeded.



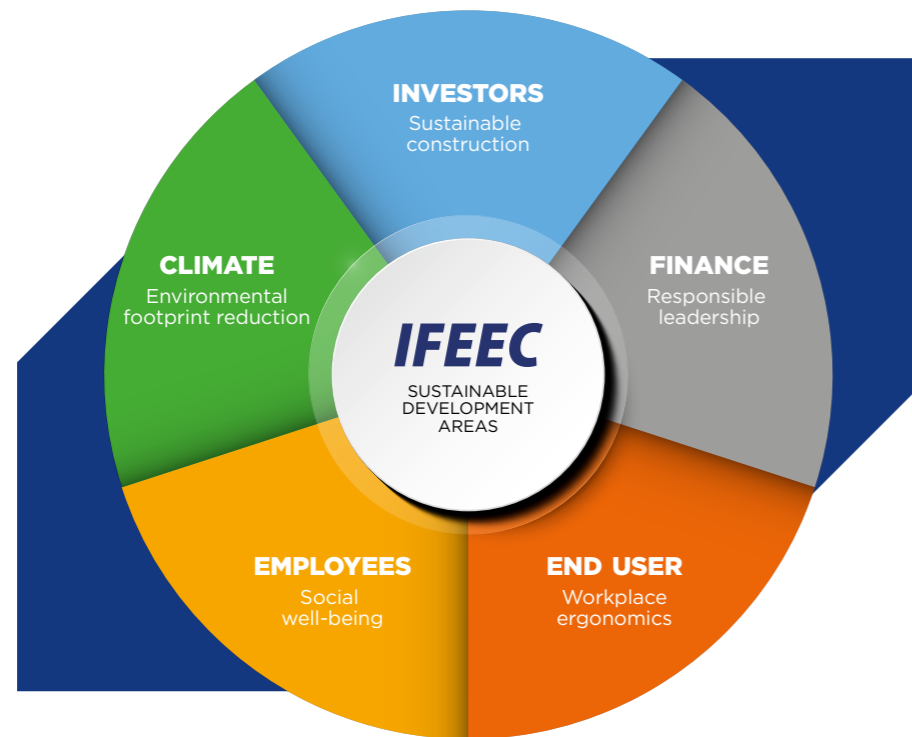
New Decade, New Space

The commemoration of the 30th anniversary of founding of Selena was combined with the official opening of our new headquarters. Selena has moved to the building in the Business Garden complex at Legnicka Street in Wrocław. The building holds the LEED Platinum certification - the top certificate for the so called "green buildings". The situation of the new seat is not accidental - in the Selena Group we have for years prioritised development and working out innovative building solutions which have a sustainable impact on the environment.



Building safety for a sustainable world

Sustainable Development Strategy of the Selena Group



Since 1992, in our Group we have been developing user-friendly products and solutions. We have defined the main components of our sustainable development strategy, which stand behind the success of our products and are fundamental for the development of Selena in the future.

We are socially responsible for the safe future of our stakeholders and communities. All companies of our Group are guided by the commitment to build safety for a sustainable world, which we fulfil together in economic, social and environmental terms.



Our strategic objective is to deliver products for climate-neutral building industry, while meeting the top standards of sustainable corporate governance. We create environmentally- and end-user-friendly products boosting environmental and building energy efficiency. Our product and system solutions meet the needs of investors and users throughout the entire product life cycle. The Selena Group's products contribute to the improved comfort of building occupancy and enable awarding of extra credits as part of environmental certification systems for buildings, such as LEED, BREEAM, DGNB, HQE, and are CAM compliant. The systems and solutions implemented are consistent with the social responsibility of the Selena Group Business.



We set global development directions for the construction industry, motivating action and creating an inspiring vision of the future. Our products are available on nearly one hundred local markets on four continents. As one of the four largest fitting foam manufacturers worldwide, in response to the growing challenges of the modern world, we responsibly manage the sectors of financial, R&D and environmental development, based on top world standards, confirmed with awards and international quality certificates.



We deliver products and solutions to satisfy the needs of the modern, environmentally sustainable building industry, developed for and in cooperation with professional builders. Our activity is centred around the users of our products. We build mutual trust- and loyalty-based lasting relations with building contractors. Our products guarantee not only reliable solutions thanks to high quality, but also ensure contractors' workplace ergonomics. Our lab's involvement, combined with continuous cooperation with the contractors, contribute to lighter, highly efficient and user-safe products. We implement advanced processes for development and testing of solutions in cooperation with professionals, by offering a wide range of practical training opportunities and support in the form of technical advice.



**AREA 4
EMPLOYEES**

It is the people that are our greatest capital. Without their commitment and professional approach, our success on the construction products market on such a big scale would not be possible. The foundation of our organisational culture is based on diversity, which accords with openness – indispensable for cooperation within international, interdisciplinary teams of employees with extremely diversified qualifications and experience.



**AREA 5
CLIMATE**

Environmentally sustainable, efficient, easy-to-use and innovative products, which are at the same time durable and safe, are the focus of continuous R&D work conducted in our labs. We are also working on new solutions reducing the carbon footprint of our products throughout their entire life cycle. Our products are composed of certified raw materials only, and our production processes have no negative environmental footprint. In several plants, waste water is recycled in closed cooling systems for production and green energy is utilised.



BUILDING SAFETY FOR A SUSTAINABLE WORLD

The priorities and values of the Selena Group are reflected in the delivery of products for climate-neutral building industry, while meeting the top standards of sustainable corporate governance. We develop products that are environmentally friendly and enhance energy efficiency of buildings.

We Support the Sustainable Development Goals



Our commitments in the key areas

Sustainable Development Goals are a global call for action for the sake of a better world. Published in 2015, their aim is to stop poverty, protect the planet and ensure social well-being.



Care for healthy work conditions, employees' development and social well-being

We spare no effort to ensure the widely understood workplace safety both for our employees and users of our products. Our technologies ensure the safety of our products use, significantly reduce manual work overload of construction workers and minimise the negative impact of construction work on their health. Our building products, solutions and technologies guarantee high comfort of living in buildings while acknowledging the common good which is a clean environment. It is the people that are our greatest capital. Therefore, we enable professional development, promote talents regardless of their origin, sex, age, and support diversity.



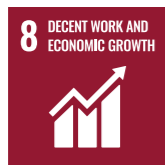
Sharing specialist knowledge and experiences for sustainable construction

We continuously share our specialist knowledge with a large group of stakeholders. We are active in this area both institutionally and in individual relations with professional builders. It is their hands which shape the ultimate quality of a building to be handed over for use, so we concentrate on the exchange of experience, tests and product trainings. We develop our teams responsible for innovations in the area of products supporting sustainable building and process management as part of sustainable development of our Group.



Energy efficiency and recovery from renewable resources

We concentrate our efforts on sourcing pure energy. We invest in renewable energy and continuously minimise the use of fossil fuels by successive modernisation of our production plants. We implement energy consumption reducing solutions and promote good saving habits among our employees. In our labs, we conduct R&D work on reducing energy intensity of production processes. Our products and system solutions contribute to increased energy efficiency of buildings, and at the same time to reduced demand for heating and cooling. We ensure that our product innovations and system solutions are characterised by significantly reduced demand for energy during installation in buildings and engineering facilities.



Sharing specialist knowledge and experiences for sustainable construction

Responsible development is a key issue of our business. Thanks to attractive employment conditions, we contribute to the development of professional qualifications of local communities, and the research conducted and innovations have a considerable impact on the increase of the innovation level in regions and countries where we operate. With our interdisciplinary and international teams, we can come up with solutions for local building conditions and diversified climate zones for the sake of sustainable construction development on several continents.



Innovative products and infrastructure

We make use of our knowledge and research expertise, launching innovative solutions for construction products, systems, processes and infrastructures. Our technologies support sustainable industry and sustainable construction. Operating on the markets of nearly one hundred countries, we involve our stakeholders in international cooperation for social and regional development, as well as effective utilisation of resources.



Equal opportunities and promotion of diversity

Recognition of equality of sex, religion, views, origin, (dis)ability and forms of employment are reflected in how we make it possible for people to play their active roles in their communities and economy. We promote equal opportunities and diversity in the workplace. For all the Selena Group employees, the rules of promotion, development and training are clear, transparent and generally available. It is important for us that the criteria determining awarding of all kinds of benefits are clear, unbiased and non-discriminating.



Environmentally sustainable and energy efficient buildings

Life in cities, being the centres of culture and science, industry and productivity, as well as social development, helps to better conform to the equality rule. Faced with the challenges of progressing urbanisation, we deliver construction products, solutions and technologies which support sustainable development and contribute to efficient utilisation of resources. We are partner to institutions and individual investors in environmental certification of newly built and revitalised buildings, making them a better living place for the community.



Sustainable life cycle of buildings and products

Our R&D work is concentrated on product innovations improving occupancy efficiency of buildings by reducing heat losses and building's demand for heating and cooling energy. At the same time we are working on new solutions reducing carbon footprint, and those coming from bio-renewable sources. We continuously monitor and work towards a reduction of the environmental impact of our products at each stage of their life cycle by means of LCA methodology, which is confirmed in type III Environmental Product Declarations. For the development of our products and production operations, we effectively make use of resources and reduce emissions and waste. We help investors build more sustainably and pursue their sustainable development objectives and requirements of decarbonisation of buildings by 2050.



Environmental footprint reduction

Counteracting climate changes is a border-crossing global challenge. Our commitment to environmental protection concentrates on high quality programmes and efficiency of our products, reduction of product's carbon footprint throughout the entire product life cycle, environmental efficiency of production and transport, sourcing energy from renewable resources. We promote responsible, low-energy and zero-emission construction, providing transparent information about environmental impact of our products at each stage of their life cycle in the form of type III Environmental Product Declarations.



Open dialogue and cooperation

Our operations and strong market position enable us to fulfil our sustainable development ambitions in the public arena, and thus we can talk openly about the decarbonisation of the building industry with our stakeholders. International, regional and local cooperation in this area is indispensable for achieving sustainable development goals. We believe in the benefits of partnership, taking part in and undertaking joint ventures with institutions and organisations, as well as entities of the public and private sector.

Our brands



Tytan Professional is a wide range of products for construction and finishing, including PU foams, sealants, adhesives, wood preservatives, tapes, insulation systems, mortars, plasters, paints and many others. At each stage of construction or renovation, Tytan Professional offers comprehensive and efficient solutions. This is why Tytan Professional products have won the trust of professionals all over the world.

www.tytan.com



Thanks to the Cool-R top coat on the roof, the temperature inside the building is reduced (by decreasing the roof's temperature), thus enhancing thermal comfort. Additionally, building owners can reduce the amount of electrical energy used for air conditioning and in consequence reduce maintenance costs.

www.cool-r.eu



As one of the leading Spanish brands, Quilosa has 70-year experience in the distribution of chemicals. First Quilosa Professional branded adhesives entered the market in the 1940s. Today, the brand features a wide range of products for construction, industry and individual users - with adhesives, sealants, PU foams, chemical anchors, mortars and many others among them. Quilosa Professional branded products are available in the Iberian Peninsula, Latin and North America.

www.quilosa.com



Artelit Professional is a system of professional products for floor installation: parquet and carpet adhesives, levelling compounds, varnishes, primers and more. The Artelit system is designed for a full range of jobs: from substrate preparation, through bonding the carpet or parquet, to floor finishing and maintenance. The expertise and experience of Artelit's technical advisors guarantees professional support in the selection of technologies and products.

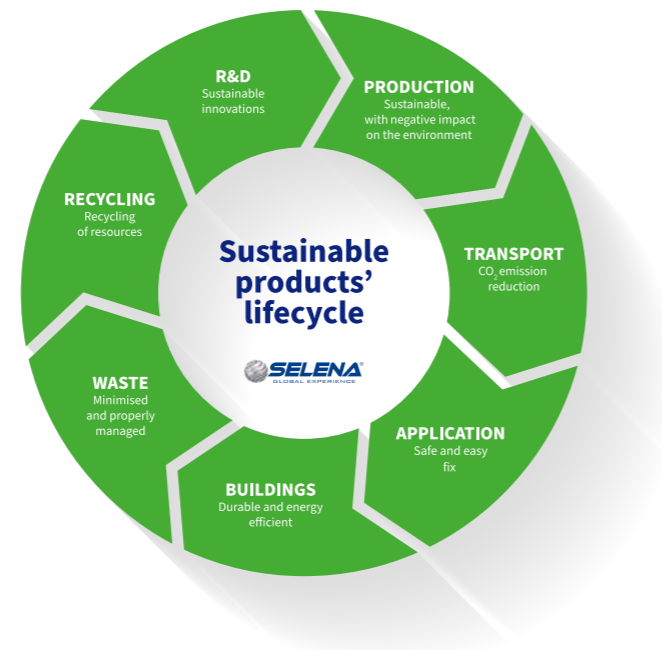
www.artelit.pl

Our Sustainable Products

We are guided by the holistic approach to the evaluation of the environmental impact of our operations on the environment

All our actions are aimed at reducing the carbon footprint by minimising the consumption of resources and carbon dioxide emission to the atmosphere. The overall Life Cycle Assessment of our products enables responsible environmental management, without transferring the impact of reduction between the phases.

Environmental declarations are: objective, reliable, independent, comparable, universal and environment-oriented. They enable selecting the most optimal products based on the analysis of their actual environmental impact. They make it easier to comply with carbon dioxide emission requirements and to obtain certification as part of green building systems.



Life Cycle Analysis

Sustainable construction is not only the selection of construction material or component with lower carbon footprint, at the production stage. Its carbon and water footprint is important at the stage of transport, incorporation, use and finally, disposal, that is throughout the entire life cycle of a product. Therefore, high quality, durable, highly efficient products, also characterised by low carbon footprint

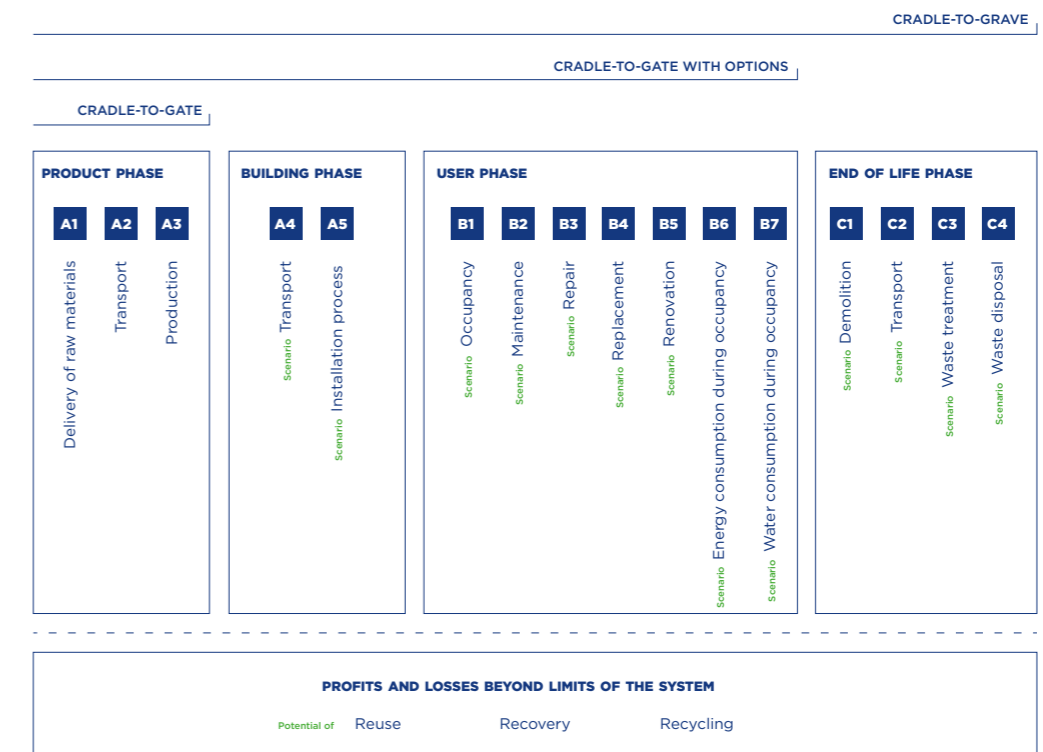
are capable of meeting the sustainable construction requirements. Only a holistic approach and considering all aspects of construction material life cycle enables to responsibly strive for decarbonisation of the construction sector. CO₂ emission estimations for buildings demonstrate that the embedded carbon footprint is more than 50% total emission in the entire life cycle.

EPDs for Selena's Products



Transparent and comparable information about our products and environmental impact is provided in the Environmental Product Declarations. We continuously monitor the environmental impact of our products at each stage of their life cycle, „from cradle to grave”, by means of LCA (Life Cycle Assessment) methodology.

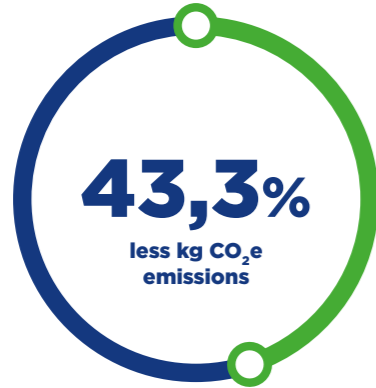
The information is published in EPD. Environmental Product Declaration is an independent and reliable summary, published in line with international standards (ISO 14025, EN 15804), which specifies a product's impact on the environment in its entire life cycle, measured by means of a normalised Life Cycle Assessment.



Tests and analysis

Advantages of PU technology versus cement technology

BRICKLAYING AND BONDING



Impact on global warming in the entire life cycle of a building



The latest data show the existing buildings make up approximately 38% world carbon dioxide emission, 27% coming from building occupancy, and the remaining 11% stems from energy consumption for the production of materials and technologies utilised in construction (embedded carbon footprint).

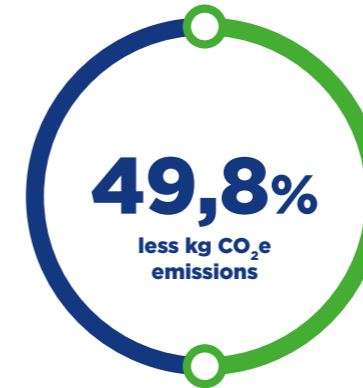
As the analyses of buildings' carbon footprint demonstrate, approximately 92.4% of embedded carbon footprint is associated with construction materials (stages A1-A3) and their partial replacement (stages B4-B5). Around 3.7% accounts for the building stage (A5).

The comparison of the materials alone (cement mortar and foam adhesive used for bricklaying and bonding) demonstrated over 43% lower carbon dioxide emissions in the entire life cycle of a building. The most significant percentage change is observed in the A4 phase. The transport of comparable materials to the site in terms of carbon dioxide emissions generates 97.7% lower emission when foam adhesive is used.

BRICKLAYING



The graphs below illustrate the impact of the use of PU foam adhesive for bonding and bricklaying on global warming in each phase of the building's life.



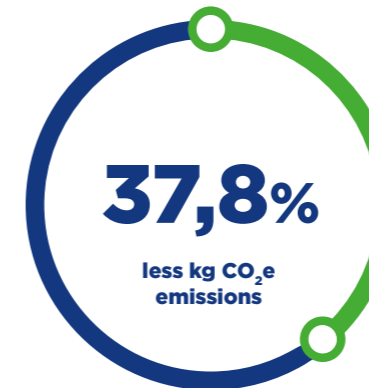
Impact on global warming in the entire life cycle of a building



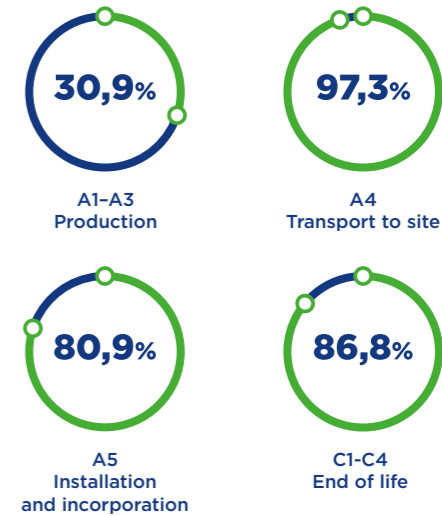
BONDING



The graphs below illustrate the impact of the use of PU foam adhesive for bonding and bricklaying on global warming in each phase of the building's life.



Impact on global warming in the entire life cycle of a building

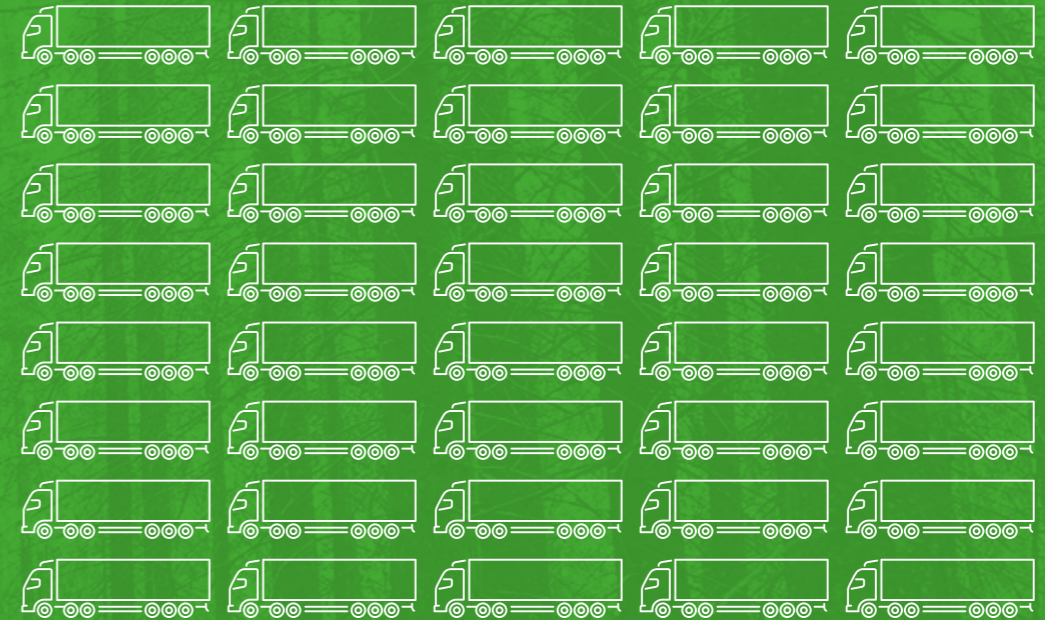


Based on the study "Comparison of building's carbon footprint", SWECO 2022



**One truck loaded
with PU products
by Selena...**

**...is equal to 40 trucks with
traditional cement mortar.**



97,7%
**lower emissions
of CO₂e kg**

Transport of Selena PU products to a construction site helps reduce carbon dioxide emissions to the atmosphere by 97.7% as compared to transport of traditional construction materials.

Based on the study "Comparison of building's carbon footprint", SWECO 2022

Building safety for a sustainable world



INVESTORS
SUSTAINABLE
CONSTRUCTION

We create environmentally- and end-user-friendly products **boosting environmental and energy efficiency of buildings**. Our solutions meet the needs of investors and users throughout **the entire product life cycle**. They contribute to the improved comfort of building occupancy and enable awarding of extra credits as part of environmental certification systems for buildings, such as **LEED, BREEAM, DGNB, HQE, and are CAM compliant**.



ENVIRONMENTAL CERTIFICATION



QUALITY GUARANTEE



INDOOR AIR QUALITY



ENERGY EFFICIENCY



FINANCE
RESPONSIBLE
LEADERSHIP

We set global development directions for the construction industry. Our products **are available on nearly one hundred local markets on four continents**. As one of the four largest fitting foam manufacturers worldwide, in response to the growing challenges of the modern world, **we responsibly manage the sectors of financial, R&D and environmental development**, based on top world standards, **confirmed with awards and international quality certificates**.



RESPONSIBLE INVESTMENT



BREAKTHROUGH INNOVATION



SUSTAINABLE IMPACT



R&D



END USERS
WORKPLACE
ERGONOMICS

We build lasting relations with building contractors. Our products guarantee not only reliable solutions thanks to their high quality, but also **ensure contractors' workplace ergonomics**. Our lab's involvement, combined with continuous cooperation with the contractors, contribute to lighter, highly efficient and user-safe products. We implement **advanced processes for development and testing of solutions in cooperation with professionals**, offering a wide range of practical training opportunities and **support in the form of technical consulting**.



HEALTHY WORK CONDITIONS



REDUCTION OF PHYSICAL LOAD



SHORTER APPLICATION TIME



COOPERATION AND TECHNICAL SUPPORT



EMPLOYEES
SOCIAL
WELL-BEING

It is the people that are our greatest capital. Without their commitment and professional approach, our success on the construction products market on such a big scale would not be possible. The foundation of our organisational culture is **diversity**, which accords with openness - indispensable for cooperation within **international, interdisciplinary teams of workers** with extremely diverse experience.



RESPECT FOR DIVERSITY



EQUAL OPPORTUNITIES



SAFE WORKING CONDITIONS



ENHANCING QUALIFICATIONS



CLIMATE
ENVIRONMENTAL
FOOTPRINT REDUCTION

Environmentally sustainable, efficient, easy-to-use and innovative products, which are at the same time durable and safe, are the focus of continuous R&D work performed in our labs. We are also working on new **solutions reducing the carbon footprint of our products** throughout their entire life cycle. Our products are composed of certified raw materials only, and our production processes **have no negative environmental footprint**.



CARBON FOOTPRINT REDUCTION



RESPECT FOR NATURAL RESOURCES



RECYCLING OF RESOURCES



RESPONSIBLE WASTE MANAGEMENT



AREA 1 – INVESTORS

INVESTORS

SUSTAINABLE CONSTRUCTION

Our strategic objective is to deliver products for climate-neutral building industry, while meeting the top standards of sustainable corporate governance. We create environmentally- and end-user -friendly products boosting environmental and energy efficiency of buildings. Our product and system solutions meet the needs of investors and users throughout the entire product life cycle. The Selena Group's products contribute to the improved comfort of building occupancy and enable awarding of extra credits as part of environmental certification systems for buildings, such as LEED, BREEAM, DGNB, HQE, and are CAM compliant. The systems and solutions implemented are consistent with the social responsibility of the Selena Group Business.



ENVIRONMENTAL CERTIFICATION



QUALITY GUARANTEE



INDOOR AIR QUALITY



ENERGY EFFICIENCY



ENVIRONMENTAL CERTIFICATION

Building Environmental Certification Systems

We build safety for a sustainable world, setting global directions for the development of zero-emission construction based on our key building technologies. We support investors in the environmental certifications of buildings.

We provide documentation as part of environmental certification of buildings: BREEAM, LEED, WELL, DGNB, HQE. The products of the Selena Group are REACH compliant. REACH imposes on the industry the responsibility for management of risk associated with chemicals and provision of information about safety of substances. Producers and importers are required to gather information regarding the characteristics of their chemical substances, which enables their safe handling.

We support leading environmental certification systems for buildings, minimising the impact of construction investments on natural environment.

A wide range of the Selena Group products are certified for indoor air quality following their application inside the buildings. The M1, EC 1 and Eurofins Gold certificates are a confirmation of high quality of the indoor air and very low or no emission of volatile organic compounds during and following the application of our products.

ECO PLATFORM Accreditation



EPDs for the Selena Group products are verified by independent units accredited by ECO Platform. Therefore, our EPDs can be used not only as part of initiatives undertaken in European markets, but also international markets.

EPDs, as part of ECO Platform, are supported by major European operators of the programme, and their quality and international acceptance are guaranteed.



QUALITY GUARANTEE

Selena guarantees high and consistent quality of products, which is achieved through:



Top quality raw materials



Quality management in each production site



ISO 9001 Quality Management Systems



Third Party Tests and Certificates



The Building Information Foundation RTS



Selected Awards of the Selena Group

The Selena Group has been granted numerous awards in the most prestigious rankings. The company was recognised by the President of Poland in the category “Sustainable Success”. We were awarded the accolade of “Teraz Polska” in the “Foreign Investment” category.

At the 12th European Economic Congress in Katowice, we were conferred the title of “Investor without borders” for the foundation of a Polish group which successfully competes with global concerns on the construction chemicals markets. Selena Labs was rewarded with a Forbes Diamond award for its innovative activity.

 <p>Investor without Borders awarded by EEC</p>	 <p>“Teraz Polska” Emblem for Tytan Professional 60 SECONDS</p>	 <p>Forbes Diamonds for Selena Labs 2020</p>
 <p>Medal of Poland's 100th Independence Anniversary for K. Domarecki 2019</p>	 <p>Top Builder Poland 2019</p>	 <p>Forbes Poland Diamonds 2017</p>
 <p>Business Reliability Certificate Poland 2017</p>	 <p>Polish International Company - Polish Champion 2016</p>	 <p>Pro Tool Innovation USA 2015</p>



 <p>Eurasia Business Forum 2015</p>	 <p>Trophy of Excellence Romania 2014</p>	 <p>Economic Award of the Polish President 2014</p>
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In the Selena Group, we are intensively working on new solutions which are consistent with sustainable construction. Skyrocketing energy prices are now the primary stimulant for streamlining its consumption in companies. Modernisation in this sector perfectly coincides with the scope of ESG activities. Equally important is the implementation of digital solutions, which promote optimisation of production processes or consumption of raw materials. Not only do they help the planet, but also enhance the competitive advantage, as less production means used and better energy efficiency mean lower production costs. At the same time, despite tough market conditions, we are continuously investing in automation and modern production

technologies, enhancing production efficiency and ergonomics.



Roman Dziuba
Member of the Management Board for Operations



INDOOR AIR QUALITY

Healthy breathing thanks to low-emission construction products

Reduction in organic volatile compounds is mainly aimed at protecting the ozone layer and preventing smog.

People spend around 90% of their time in buildings of various kind, so it is vital to ensure zero emission of the construction products throughout building occupancy.



Over the lifetime of 60 years an average, a human breathes over 340 tonnes of air.

Construction products emission certification



EMICODE® seal is awarded by GEV - German Association for the Control of Emissions in Products for Floor Installation, Adhesives and Building Materials. Construction materials bearing EC 1 or EC 1 PLUS seal meet the strictest indoor air hygiene requirements defined by German Association for Sustainable Building (DGNB).



Eurofins Indoor Air Comfort Certification of products is a tool for verifying product compliance with European low emission criteria for volatile organic compounds. It ensures that the application of construction products has no impact on the indoor air quality.



ENERGY EFFICIENCY

Low energy efficiency of buildings

A building's energy efficiency should be understood as the extent to which it is capable of ensuring the comfort of use in line with the intended purpose, with the lowest possible energy consumption.

5.5 in 6.1 million existing residential and non-residential buildings in Poland are single-family buildings. Accommodating approximately 50% of our country's population.

Low or no thermal protection requirements for buildings erected in the previous century has resulted in high energy consumption of most of one-family buildings existing now. For residential buildings, heating makes up as much as 70% of house maintenance costs.



Among 6,1 million residential and non-residential buildings in Poland:



5,5 million are single-family buildings



Around 50% of Poland's population live in single-family buildings.

Around 70% of one-family buildings were erected before the 80s of the last century.



...1970 1980 1990-2022...



Therefore, it is necessary to ensure optimal insulation of the building, including all details and in general, make it sufficiently tight so as to prevent any uncontrolled air infiltration.



Black sealant for roofing
Tytan Professional

Tytan Professional black roofing sealant is ready-to-use plastic bituminous mass for sealing and repairing joints, cracks, scratches and slits in all types of roof coverings.



Powerful kit
Durable and reliable sealing

New generation adhesive for all typical indoor and outdoor applications: bonds - repairs - fills. It provides extremely durable fix of elements: 30-year warranty of joint durability.

WINS - new standard of window insulation

New standard for the sealing and insulation for joints between the reveal and the frame Tytan Professional WINS, developed by the Selena Group, is a guideline for the design and execution of these joints, meeting the most stringent requirements of highly energy-efficient buildings. This standard ensures full thermal, humidity and acoustic comfort of the building. At the same time, it makes it quick and easy to install windows, significantly saving labour time.



Replacement of windows with modern ones makes sense only if the building's external walls are insulated. Without that, even the best windows and doors will not improve the thermal comfort of an interior as expected.



Replacement of windows with modern ones makes sense only if the building's external walls are insulated.



Foam adhesive for thermal insulation
Tytan Professional

Quick Insulation System based on foam adhesive for thermal insulation.

Legal regulations

According to the European Energy Performance of Buildings Directive, as from 2021, all new buildings must meet low-energy standards. For buildings erected by public investors, the regulations came into force as from 1st January 2019. Older buildings, for which more extensive renovations are planned, must also be adequately adjusted. Buildings make up 40% of consumed energy and 36% direct and indirect GHG emissions resulting from energy consumption in the European Union.

Therefore the requirements for nZEB (nearly zero-emission buildings) building design are changing to ZEB buildings (zero-emission buildings). Energy saving must go hand in hand with carbon footprint reduction throughout the entire life cycle of a building.

In Poland as many as 5.5 million buildings are single-family buildings (National population and Housing Census, 2011). Most of them (approximately 3.6 mln) were erected by the end of late 80s of the previous century. Most of them have not undergone thermal modernisation, which would significantly improve their poor energy efficiency.

Directive states that as from 2028, new public institution buildings will be zero-emission, and from 2030, all new buildings will go zero-emission.



AREA 2 – FINANCE

FINANCE

RESPONSIBLE LEADERSHIP

We set global development directions for the construction industry, motivating action and outlining an inspiring vision of the future. Our products are available on nearly one hundred local markets on four continents. As one of the four largest fitting foam manufacturers worldwide, in response to the growing challenges of the modern world, we responsibly manage the sectors of financial, R&D and environmental development, based on top world standards, confirmed with awards and international quality certificates.



RESPONSIBLE INVESTMENT



BREAKTHROUGH INNOVATION



SUSTAINABLE IMPACT



R&D



RESPONSIBLE INVESTMENT

Development directions

In the Selena Group, we make responsible investments in order to build foundations for further development, by both intensifying our international activity and developing new areas of our involvement. We balance the increasing raw material prices by means of testing new formulations and marketing innovative products. We are consistently developing our range of products and solutions for sustainable construction, we are also investing in renewable energy sources, which is confirmed by establishment of new companies to carry out the following business projects: photovoltaic, biogas, biomethane or wind projects.

As we have taken up new initiatives, we have decided to set up a sustainable development department, whose task is to define the competitive advantages in the entire life cycle of products in line with the Sustainable Development Strategy of the Selena Group and to communicate it effectively to all stakeholders globally and locally. We develop products and systems for zero-emission construction, also to enhance energy efficiency of buildings. For us, this is a strategic area for investment in the coming years.



Selena ESG Sp. z o.o. is the supplier a proprietary solution, Complete Energy-Efficient Roof, as a systematic and engineering approach to the process of preparation, designing, execution (installation), commissioning and use of photovoltaic roof installations in industry, logistics and agriculture

www.selenaesg.pl



Selena Green Investments Sp. z o.o. is the youngest company in the Selena Group portfolio. It was founded in 2021 in order to handle RES projects on a large scale. It is engaged in management, design, acquisition as well as financial support and legal counselling for wind farms, PV farms, biogas plants and energy storage projects.

www.selenagreeninvestments.pl



BREAKTHROUGH INNOVATION

Breakthrough innovation

In the Selena Group we create innovative products, systems and solutions, which are an essential value for sustainable construction and have a powerful influence on its future development.

We consistently launch into new markets products which reduce heat losses in buildings, eliminate noise pollution and enhance the comfort of living in a flat or building.



Our flagship solution of this range is the Tytan WINS System - innovative sealing and insulation of frame-to-reveal joints. It contains guidelines for the design and execution of these joints, meeting the most stringent requirements of highly energy-efficient buildings. Tytan WINS received the prestigious TOP BUILDER 2021 award in the category of Innovation of the Year. The system was also recognised as the Innovative Carpentry Solution of 2021. These awards distinguish our outstanding solutions setting new market trends.

In Selena, we also work out solutions decreasing energy demand for heating and cooling. An example is the waterproofing COOL-R® roof coating installed, among others, on the roof of Porto Alegre airport in Brazil, protecting roofs of logistic centres and manufacturing plants against excessive absorption of heat from solar radiation. This solution generates savings of cooling or heating energy. In Brazil the roof's temperature has been reduced from 86.4°C to 34.5°C.



SUSTAINABLE IMPACT

Partnership for goals

The Selena Group focuses its efforts on sustainable construction. In 2021, we became a member of the Polish Association of Ecological Building (PLGBC), which supports sustainable construction. An important indication of active participation in the organisation was the acceptance by Krzysztof Domarecki, main shareholder of the Selena Group, of the role of the Ambassador of the #BuildingLife campaign. It's a World Green Building Council project promoting the European Green Order programme. It is aimed at drawing up an action plan for decarbonisation of construction environment in the entire life cycle of buildings.

We develop partnership cooperation as part of:



Decarbonisation of construction

With the participation of PLGBC, we organised a debate on the support for the carbonisation roadmap through innovation in construction entitled „How to achieve decarbonisation of construction by 2050?”. This is how we opened a wide-ranging discussion on decarbonisation of construction. In the course of the debate, the experts discussed the challenges faced by the whole industry in terms of climate and regulatory changes.



International Activity

Our representatives participated in the opening session and panels of the European Economic Forum and G2 Forum. Our activities and strong market position were recognised. The Selena Group was nominated for the Economic Award the Polish President in the International Success category. We are a principal partner and have our say during international events on the development of Polish companies worldwide. We participated in the meeting with Polish companies in Italy held in the Polish Embassy in Rome on the challenges for Polish investors. We were also guests at the Poland - Kazakhstan Economic Forum - in the session: “How to succeed Kazakhstan? New possibilities of cooperation”.

The Group's representatives also participated in the presentation of investor services of the Confederation of Employers and Industries of the Madrid Region (CEIM). The activity and achievements of the Group have won the industry's recognition in prestigious awards. In the prestigious ranking of the National Champions of Polityka Insight, the Selena Group emerged as the winner in the special Green Champions category. The Jury of the Economic Awards of the Polish Radio 2021, awarded Selena the second place in the category: “Effective company in the times of Covid-19”, describing us as: “an example of a Polish company embarking on international expansion 20 years ago, and thanks to its international presence made it through the pandemic unscathed”.



Implementation of ESG rules in the decision-making process is both a challenge and an opportunity for a company's financial system. The rules are a motivation for searching for new solutions. They affect both the financial reporting and tax issues. And utilisation of the sustainable development strategy is one of the opportunities of achieving additional growth. Now clients and employees want to see what actions their company is undertaking in terms of Corporate Social Responsibility. Each social responsibility issue entails certain business challenges which just need to be calculated. It is here where involvement of the financial team is fundamental. The easiest way of control and, at the same time, communicating the company's clear and transparent

attitude to the ESG projects implemented is to publish a periodic sustainable development report.



Krzysztof Ościłowicz
Member of the Management Board for Finance



R&D

Efficiency and ergonomics

In response to the megatrends of the modern world, the Selena Group, by finding solutions for construction chemicals, identifies such issues as special care for the natural environment or sustainable development.

The R&D team develops products enhancing the effectiveness of installation and occupancy of buildings by reducing heat losses and buildings' heating or cooling energy demand. An example of such solutions are high-performance Ultra Fast 70 foams or COOL-R® highly reflective waterproofing coating and Energy 2020 foam – characterised by high thermal insulation as it reduced heat loss down to 60%.

The R&D team is also working on new components derived from bio-renewable resources (as part of the Horyzont 2020 programme cooperation). Each year, the offer prepared as part of the projects addresses the needs of investors and users, among others in terms of certification requirements for ecological building, and the solutions developed are consistent with the social responsibility of Selena's business.

The strategy adopted is also aimed at bringing about continuous improvement of workplace ergonomics, indoor efficiency and delivering products following world trends, while respecting the fundamental

values such as human rights, equal opportunities in employment, counteracting corruption and protection of natural environment.

By consistently pursuing the strategies adopted and involvement of both individuals and teams, we can achieve our goals.



Research and Development

The main R&D centre of the Selena Group is located in Dzierżoniów in the INVEST-PARK Wałbrzych Special Economic Zone. The lab coordinates activities of R&D teams in Poland, Italy, Spain, Turkey, China and Romania.

That is how close cooperation is ensured within the globally integrated team, with the sharing of experience and working towards solutions for professional users in nearly one hundred countries worldwide. International experience gained in diverse markets allows rapid development of the Selena Group – as an innovative company, creating new solutions that meet users' growing needs.



Labs of the Selena Group



The labs in Poland, Spain, Turkey and China integrated through SIT (Selena Industries Technology)



Wide range of formulations – both commodity and highly specialised products



Diversification of products for individual regions, markets, customers



Advanced product design methodology – QFD, Kano, Trizz



Innovative products of unique value for end users



AREA 3 – END-USERS

END USERS

WORKPLACE ERGONOMICS

We deliver products and solutions to satisfy the needs of the modern, environmentally sustainable building industry, developed for and in cooperation with professional builders. Our activity is centred around the users of our products. We build mutual trust- and loyalty-based lasting relations with building contractors. Our products guarantee not only reliable solutions thanks to high quality, but also ensure contractors' workplace ergonomics. Our lab's involvement, combined with continuous cooperation with the contractors, contribute to lighter, highly efficient and user-safe products. We implement advanced processes for development and testing of solutions in cooperation with professionals, by offering a wide range of practical training opportunities and support in the form of technical consulting.



**HEALTHY
WORK
CONDITIONS**



**REDUCTION
OF PHYSICAL
LOAD**



**SHORTER
APPLICATION
TIME**



**COOPERATION
AND TECHNICAL
SUPPORT**



HEALTHY WORK CONDITIONS

User-oriented approach

The company's main driving force is cooperation with the end user. As an organisation with 30-year market experience, own know-how, advanced R&D facilities and distribution network, we concentrate our business actions on even more precise identification of users' needs. The Selena Group, jointly with contractors, is engaged in the design of solutions which significantly streamline construction works.

Selena, thanks to its international team of specialists and experts, is able to identify needs and flexibly respond to the changes, bringing about solutions suited to specific expectations and enhancing the work of professionals. This makes us a trustworthy business partner (building its leading position), who guarantees full users' satisfaction with the products offered.

Healthy breathing



The Selena Group's products meet stringent low-emission requirements for construction materials. They do not emit MDI or any other volatile compounds during application throughout in the entire life cycle of a building (confirmed with M1 and Eurofins Gold certificates). Odourless, they do not affect the indoor air quality.



REDUCTION OF PHYSICAL LOAD

Comfort and safety thanks to innovative products

In the Selena Group we ensure the maximum comfort and safety of contractors' work. Thanks to the innovative formula of foam adhesive products, we minimise the risk of diseases or degenerative changes resulting from physical overload caused by using traditional construction materials.

The preparation time for foam adhesive is at least five times shorter than for traditional mortar, which is owed to less complex application of the novel substance.

During preparation of the traditional mortar, static overload of the musculoskeletal system is four times stronger as compared to preparation of the foam adhesive. This shows a stark difference in the risk of musculoskeletal degenerations and disorders.

According to estimates, application of foam adhesive, due to its low unit weight, can five-fold reduce the risk of lumbar and cervical discopathy resulting from physical overload caused by traditional mortar.



Application of foam adhesive can decrease the risk of lumbar and cervical discopathy five-fold.

The products of the Selena Group follow the corrective ergonomics concept aimed to improve the existing work conditions during application of innovative technologies.



SHORTER APPLICATION TIME

Lighter site work

The mission of the Selena Group is to deliver products and solutions for modern construction, developed for professional builders and in cooperation with them. The Group in its system products and solutions puts an emphasis on innovation - understood as added value for the user in terms of speed and comfort of application, durability, energy-efficiency, pro-ecological aspects, weather resistance in various latitudes, efficiency, complexity of the solutions offered and safety of use.



2x25 kg
traditional adhesive

= 1 kg
Selena foam adhesive

over x2
faster fix

PU technology, as compared to traditional building materials, guarantees 98% lighter work related to overloads during transport of building materials to the site of application.

PU products are ready to use with no extra water or energy needed during their application.



COOPERATION AND TECHNICAL SUPPORT

Active and professional consulting

Through our participation in conferences and industry events as well as by means of state-of-the-art communication channels, the Selena Group promotes solutions of its design, educates in how they should be used and applied easily, while maximising

savings for their working time and water and energy consumed during installation. Good relations with our contractors are established mainly by way of active training and webinars. In 2021 we trained 275 474 contractors.



Sustainable development has become a business necessity. Companies guided by sustainable development grow more rapidly. Excellent reputation has streamlined cooperation with business partners, which is likely to boost sales and achieve a competitive advantage on the market.

education of the users, making them aware of the relevance of such issues as economic responsibility and care for natural environment.

Stakeholders of the Selena Group are becoming more sensitive and conscious. They pay attention not only on work speed, product quality and price, but also its "ecological" aspect. Nowadays, the most effective method of fighting air pollution and minimising energy poverty in Poland is thermomodernisation. Tytan Professional innovations effectively help not only to troubleshoot the problem, but also to conserve the natural environment. For years, Selena has focused on



Sławomir Majchrowski
Vice President of the Management Board for Commercial Affairs



AREA 4 – EMPLOYEES

EMPLOYEES

SOCIAL WELL-BEING

It is the people that are our greatest capital. Without their commitment and professional approach, our success on the construction products market on such a big scale would not be possible. If not for their involvement and professional approach, our success on the construction products market on such a big scale would not be possible. The foundation of our organisational culture is diversity, which accords with openness – indispensable for cooperation within international, interdisciplinary teams of employees with extremely diverse experience.



RESPECT FOR DIVERSITY



EQUAL OPPORTUNITIES



SAFE WORKING CONDITIONS



ENHANCING QUALIFICATIONS



RESPECT FOR DIVERSITY

Diversity Management Strategy of the Selena Group

Diversity and openness are the fundamental values of the Selena Group and substantially contribute to its development. The values adopted are reflected in the strategy founded upon implementation of respect of diversity in all areas of the Selena Group's operations. As from the very start, diversity has been one of the factors which guarantee success of the whole group and work within

international, interdisciplinary teams of diverse experience in various markets. This enables quick and flexible decision making. Therefore, from the very start, the Group's priority has been to ensure the working conditions making the employees feel that diversity is their driving force and not an obstacle in pursuing global targets.

The most important values fostered by the Selena Group include:



Creating friendly working environment



Equal access to employment benefits



Providing a sense of security and acceptance



Respect for family



Remuneration for work, and not for worldview



Responsibility and active involvement

Effects of respect for diversity

Thanks to the diversity management strategy adopted by the Selena Group, we have managed to create the working environment for our employees in which they feel diversity is a strength and not a weakness. Furthermore, rejection of any kind of acts which could in any way compromise diversity contributes to safer working conditions. In 2021 no cases of discrimination, mobbing or sexual harassment were reported in the Selena Group.

Respect for diversity during recruitment

The respect for diversity is applied as early as at the recruitment phase. The criteria of recruitment are knowledge, qualifications and experience in the first place. Recruitment decisions are never affected by such factors as age, sex, ethnic origin, sexual orientation, health, family status or union membership, political views or religious denomination.

Respecting diversity at workplace

In order to provide the employees of the Selena Group with the working environment of mutual respect and understanding, each company has prepared its own brochure on equal treatment at workplace and counteracting mobbing. As the procedures are adjusted to the characteristics of each company, such negative occurrences can be effectively prevented.

Equal access to salaries, benefits, development, training and promotion

For all the Selena Group employees, the rules of access to benefits, development, training or promotion are clear, transparent and generally available. It is important for us that the criteria determining awarding of all kinds of benefits are clear, unbiased and non-discriminating.

Group's diversity supporting actions

As part of diversity promotion within the Selena Group, we employ persons serving prison sentences. Three production sites in Dolny Śląsk employed over 30 people under the contract with the Custody Suite.





EQUAL OPPORTUNITIES

Employment in the Selena Group – statistical data

On the Polish market, the Selena Group employed 1 238 people (as on 31 December 2021), and overall employment within the Selena Group, including companies abroad, amounted to 2 140 people (as on 31 December 2021).

In 2021 the Selena Group employed 17 disabled people, which makes up 0.8% total employment. As a result, the account of the State Fund for Rehabilitation of Disabled Persons was credited with a total amount of PLN 688 189 in the reporting period.

The Selena Group employs

2 140
people worldwide

including **1 238 people** on the Polish market.

Among all the employees

17
persons

are the disabled.

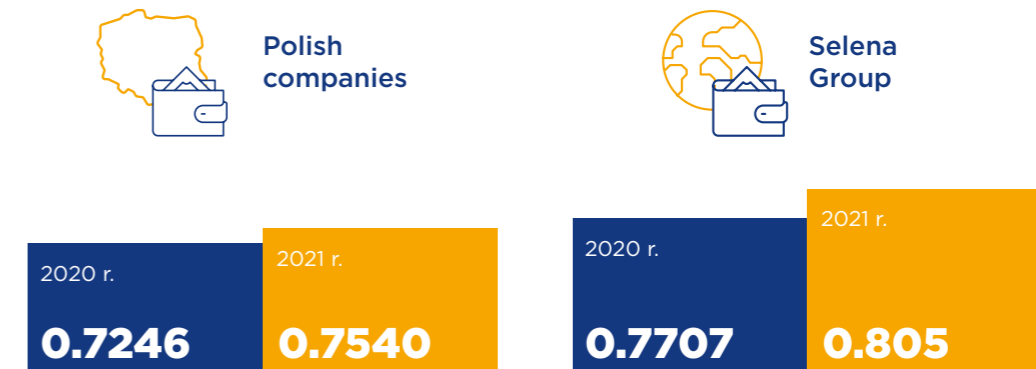
Remuneration in the Selena Group

Each of the companies employs staff with varied qualifications. Because of that, the Selena Group chose not to adopt a uniform remuneration policy for all its companies. The issue of remuneration is regulated separately in each company.

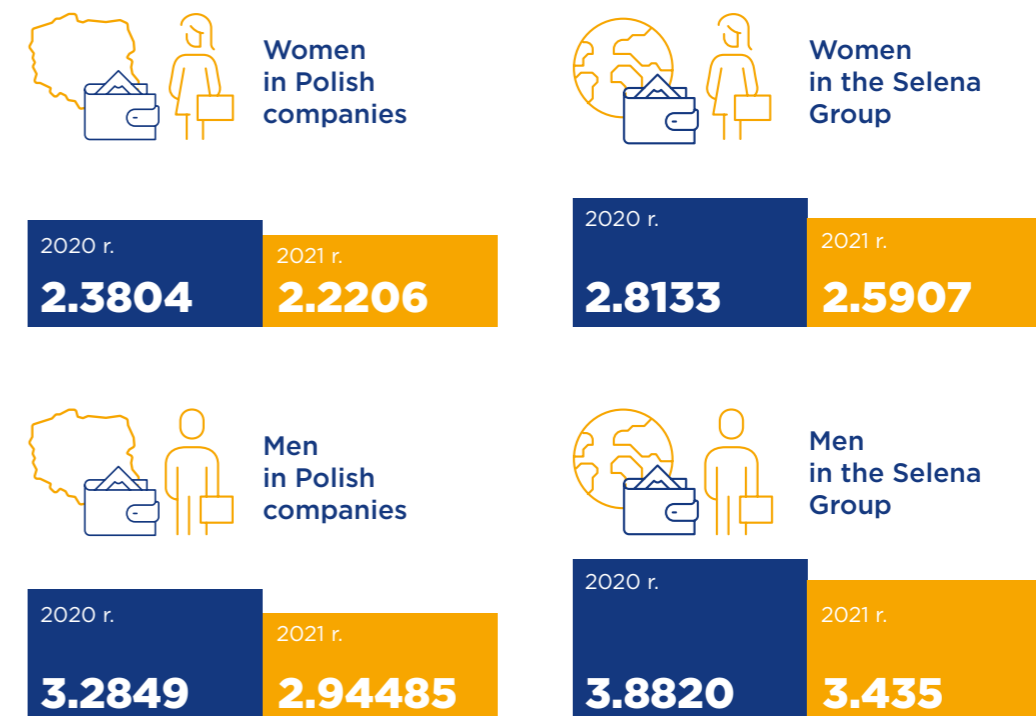
Depending on the number of employees in a company, the rules vary in the relevant regulations and employment contracts. This solutions enables each company to regulate remunerations and adjust them to its own profile.

Statistical data regarding remuneration

Women's average gross salary vs men's average gross salary



Proportion of average gross salary to minimum salary*



* In Polish companies calculated based on the minimum remuneration; in the Selena Group calculated based on an average rate of remuneration defined in a region, as the relevant regulations are not available in each country.

Fringe benefits

The Selena Group features a wide range of fringe benefits. The benefits are in the first place aimed to secure basic needs of the employees and motivate them to continue their effective cooperation.

Furthermore, in companies: Selena FM S.A., Selena S.A., Selena Marketing International Sp. z o.o., Selena Industrial Technologies Sp. z o.o., Selena Labs Sp. z o.o., Orion PU Sp. z o.o., Libra Sp. z o.o., Carina Sp. z o.o., Selena ESG Sp. z o.o., the employees have access to:



All production workers of the Selena Group located in Poland are provided with LUX Med medical care.



Multisport cards



foreign language learning courses



PZU group insurance



Employees of Selena FM S.A. and Selena ESG Sp. z o.o. are provided with medical Medcover package.



subsidies for training, first-cycle studies, second-cycle and PhD cycle studies



subsidies for living or commuting costs

Their children are handed presents from Santa Claus and gift cards. Companies of the Selena Group seated abroad defined

their own policy of fringe benefits – no global guidelines have been adopted for the entire Group.



Andrzej Zygałto
Member of the Management Board for Human Resources

In the process of building the company's sustainable development, human resources are very important, if not the most important. It is their actions, skills, knowledge and awareness of megatrends that the company's success relies on. One of the multiple tasks of the international HR teams in the Selena Group is to improve the level of organisational culture of the company, including building a sustainable work environment and ecologically responsible attitudes. With the "green HR" concept, Selena is successfully increasing its standards of conduct towards employees and clients.

Relations of the Group's governing bodies with the employees

The relations with employees in the Selena Group are based on open dialogue between them during communication meetings for discussing technical, process, OHS and current issues of a given company. For the sake of encouraging employees to address sensitive topics, such as protection of confidential information, non-competition, conflict of interests or counteracting corruption, the Selena Group follows a Safety Policy.

Freedom of association and right to conduct collective disputes

The Selena Group fully respects one of the fundamental human freedoms, being the right of association. Thus, in order to meet the common goals, the employees are free to associate in any kind of associations, foundations or trade unions. There are five trade union organisations in the Selena Group.



SAFE WORKING CONDITIONS

Group's attitude to OHS management

Providing a safe and hygienic working environment is one of the Selena Group's priorities. In the reported period, the Group OHS Policy was developed and implemented, and the EHS Policy was updated, which is a long-term improvement plan for OHS and Environmental Protection conditions in the Group's companies. When updating the EHS Strategy the accident rates, measures completed and programmes planned aimed at raising employees' awareness and continuous OHS improvement are taken into account.



Since 2020, a monitoring programme has been in place in each production plant of the Group, which is aimed at reporting dangerous conditions and behaviours. The programme applies to all employees and it is targeted at systematically eliminating potential risks and increasing the employees' safety awareness.

In 2021, the programme for reporting Best Practices was implemented, and its aim is to involve the production plants in the sharing of solutions for improving work conditions in the plants. As part of the programme, OHS experts are given the opportunity to present and share the solutions implemented in their plants and to transfer them to other companies. In order to increase the employees' awareness, the training programme has been carrying out, in which top executives and middle level supervisory staff were trained in 2020, which was then extended to blue collar workers in 2021.

Since 2020 regular thematic training sessions and webinars have been organised in order to address the OHS issues and intensify commitment of all employees in streamlining safety within the production plants.

Self-control

In order to ensure that the OHS rules and requirements are adhered to, each company of the Selena Group carries out its own internal audits, which are confirmed with reports. The irregularities found are then followed by corrective and preventive actions. In most of the production sites, internal audits take place at least once a month and are often extended to include fire protection and environmental issues. The audits are carried out by OHS and fire safety experts employed locally in individual companies.

At the Group level and as part of OHS strategy actions, all production sites and selling companies underwent verification of the key fire safety criteria. The involvement of international production sites in long-term OHS and environmental protection plans is extended on a regular basis by means of more activities and programmes on a global scale. In 2021 external audits were also carried out by the competent OHS supervisory authorities.

Work conditions

The Selena Group strives to provide the best work conditions for its employees, which guarantee their safety of their life and health, which is achieved by investments in streamlining production processes, numerous enhancement suggested by employees (Kaizen), as well as the aforementioned OHS monitoring programme.

2021 saw the start of implemented group procedure for standardising the method of internal audits of storage facilities and in-house traffic. As part of the procedure in the Group's plants visual signs have been put up with instructions on how to properly conduct an inspection of fork lift trucks and warehouse racks.

Regular work environmental measurements show that the measures undertaken in each plant ensure hygienic work conditions. In most of the Selena Group's companies, employee exposure does not exceed the threshold limit values (TLV) or the permissible exposure limit (PEL). In one plant, employee exposure exceeds the TLV of chemical substances and in two production plants, the permissible exposure limit was found to be slightly exceeded (employees are provided with adequate personal protective equipment). Currently, we are working towards solutions for reducing the noise level and the TLV. Within the entire Group in 2021 no suspected cases of occupational diseases were reported.



Health and safe workplace
**HANDLE LOADS
MORE EFFICIENTLY**



The Selena Group has re-entered into cooperation with the Central Institute for Labour Protection – National Research Institute as the official partner of the Polish edition of the “Handle Loads More Efficiently” campaign conducted as part of international EU-OSHA campaign for 2020-2022. Additionally, Selena became an official EU-OSHA partner in the campaign on the European scale. As part of the cooperation, one of our plants was recognised in the Best Practices competition for designing and making a laying machine for tar board shingles.

OHS policy effects

In 2021, 17 occupational accidents were reported in the Selena Group, which is less than in the previous years (22 accidents in 2020 and 27 accidents in 2019). Two of the accidents did not result in absence from work, which also indicates reduction (4 such accidents in 2020). One of the accidents reported involved a third party employee – classified as mild.

All accidents were locally investigated. The source causes identified were then published in the other companies in order to prevent their occurrence in the other locations. As part of a systematised alert, all employees are informed about the circumstances and causes of the accidents as well as precautions to exercise in order to prevent such accidents in the future.

Immediate causes of the accidents reported:

- stumbling (x7),
- contact with a sharp edge (x4),
- exposure to a chemical (x3),
- slippage (x1),
- exposure to a moving part (x1),
- fall to the lower level (x1).

Location of injury:

- upper extremities (x12),
- lower extremities (x3),
- trunk and head (x2).

Number of accidents in 2019-2021

27
2019 r.

22
2020 r.

17
2021 r.



In order to constantly improve the accident rate, the Selena Group ensures the necessary actions are carried out in order to improve workplace safety. Most corrective actions include in particular:

- inspection of technical condition of machines and installation of additional security elements,
- replacement and purchase of new transport means (FLT's),
- extension and update of requirements for Personal Protective Equipment,
- work station robotisation,
- group lessons learned feedback sessions based on the missteps.

Considering the number of occupational accidents in 2021 in the Selena Group, it should be indicated that nearly 60% of the accidents were PPE related. Therefore, in 2022 a series of training sessions was planned for the executive staff, middle-level staff and OHS service, in the selection of PPE. The accidents were indirectly caused by missing or inadequate PPE. Therefore, the employees are also trained in the use of OHS products. In 2022 trainings were organised in the selection of adequate protective gloves and revision of PPE issues.

Social and employee-oriented actions in the face of COVID-19

The Selena Group has been carefully monitoring the coronavirus developments worldwide, in particular in all locations of its activity and production. All WHO messages on the progress of COVID-19 and the current situation in the Selena Group companies are monitored. The special Group's Response Team appointed centrally worked out procedures and management methods for prevention scenarios so as to eliminate the influence of coronavirus on the Group's activities. In April 2020, the Selena Group started production of its own bactericidal and virucidal hand disinfectant. Manufactured by Libra, one of the Selena Group companies, the agent is used both by the Group's employees and third party entities, including public service institutions, which received it free of charge as part of the CSR #SelenaPomaga campaign.



Bearing in mind the safety of its customers, business partners and employees, in 2021, the Selena Group carried on a range of actions for the prevention of COVID-19 spread and minimisation of its impact on the Group's business operations.



ENHANCING QUALIFICATIONS

Training and employee development

The Selena Group spares no effort to ensure its workers can upgrade their qualifications and skills on a regular basis. Therefore, each of the Group's companies has implemented training and development programmes. As the companies' profiles of activities vary, the trainings are individually adjusted to their needs. We make every endeavour so that all employees are provided equal access to training.

In practice it means that such factors as age, position, sex or form of employment do not affect access to training. The Group operates an e-learning platform for all employees. This tool enables different worker groups to receive training that is suited to their needs and schedule. The platform is regularly supplemented with new e-training courses.

Types of training

The key to success of an organisation is continuous development. The issue is of crucial importance in relation to employees of the Selena Group. Development of their qualifications is a priority. That is why we are implementing numerous programmes for building the knowledge and competencies of those responsible for management within the Selena Group. The training offer is extremely diversified. The Group's companies provide a wide range of trainings which are aimed at improving both soft and hard skills. The planning of training and development plans are built in the annual performance evaluation process. 2021 witnessed the completion of the first edition of the Selena Leadership Development Programme (SLDP),

which was carried out by one of the most reputable European universities – IESE Business School. The attendants underwent advanced training in enterprise management, with special focus on marketing, sales, project management and development of leadership skills.

Additionally, in 2021, in cooperation with ICAN Institute we initiated a development-oriented programme for 150 specialists and middle-level managers. The programme is aimed at expanding knowledge and skills in the field of planning, team management, communication and change management.

Development support

Employees who desire to broaden their knowledge outside their workplace are offered subsidies for which they can apply for external training, foreign language learning or studies. Common practice in: Selena FM S.A., Selena S.A., Selena Marketing International Sp. z o.o., Selena Industrial Technologies Sp. z o.o., Orion PU Sp. z o.o. and Libra Sp. z o.o. is to conclude training contracts with employees. The contracts regulate the terms and conditions of subsidising studies selected by an employee (first-cycle, second-cycle, post-graduate or MBA studies) or courses (such as foreign language courses).

Subsidies are granted based on an employee's application submitted to the HR department. Developmental training (training for experts and in soft skills) is fully covered by the employer, and, in the case of studies, the employer pays 50% to 100%, depending on the application. A subsidy approval is granted by a superior, HR department and the financial director.



100%
subsidised
developmental
training



50-100%
subsidised studies

Within the entire Group, no general procedure has been implemented for subsidising training and educations due to significant differences in geographic factors and the business profile of each company (production, distribution and administration). Language training is aimed at improving the level of communication within the countries of the Group's activity. English, Spanish and Russian language classes take place on the companies' premises (9 locations). More than 150 workers and co-workers have joined the programme.

Periodic performance evaluation system

In the Selena Group, periodic employee performance evaluation is conducted in line with the global procedure applicable to all the Group's companies. The evaluation is done by an immediate superior, following a self-assessment by an employee.

The organisation operates the MBO programme on an annual basis (dedicated to managers and directors) and quarterly basis (dedicated to specialists), which serves as the basis for employee performance evaluation.



AREA 5 – CLIMATE

CLIMATE

ENVIRONMENTAL FOOTPRINT REDUCTION

Environmentally sustainable, efficient, easy-to-use, innovative and at the same time durable and safe products are the focus of continuous R&D work conducted in our labs. We are also working on new solutions reducing the carbon footprint of our products throughout their entire life cycle. Our products are composed of certified raw materials only, and our production processes have no negative environmental footprint. In some of our plants, green energy is utilised, and waste water is reused in closed cooling systems for the production process.



CARBON FOOTPRINT REDUCTION



RESPECT FOR NATURAL RESOURCES



RECYCLING OF RESOURCES



RESPONSIBLE WASTE MANAGEMENT



CARBON FOOTPRINT REDUCTION

Embedded carbon footprint

In the Selena Group, by creating innovative building solutions, we go beyond the monitoring range for operational GHG emissions. We analyse the overall carbon footprint based on integrated approach. Thus we respond to the sustainable development challenge in the area of building, which goes beyond operational carbon footprint reduction during building occupancy. To us, our key role is to be played in the reduction of embedded carbon footprint, that is during the building process itself and use of materials during erection and occupancy of buildings.

Buildings are an important bank of materials in which resources are deposited for decades and the method of designing them significantly affects emissions in the entire life cycle both in new and renovated buildings. It is absolutely necessary to monitor emissions in the entire life cycle of buildings, starting from the new ones, in which embedded carbon footprint can be monitored more easily.



We pursue measures towards decarbonisation of the building sector, with the key element being transformation of building resources into zero-emission buildings.

According to the recent data, buildings make up 38% of world carbon dioxide emissions, with 28% coming from building occupancy, and the remaining 10% results from energy consumed for the production of materials and technologies utilised in construction (embedded carbon footprint). We pursue measures towards decarbonisation of the building sector, with the key element being transformation of building resources into zero-emission buildings.



Buildings make up 38% world CO₂ emissions.

28% come from building occupancy

10% caused by consumption of energy for production

Direct GHG emissions in figures

Direct GHG emissions are generated as a result of combustion of fuel for transport, heating and cooling of halls and offices. GHG emission was calculated as a product of consumption of energy sources based on meter readings or invoices and CO₂e emission indices according to the GHG Protocol methodology.

12% Intensity of direct GHG emissions decreased by 12% as compared to emission in 2020.

Direct GHG emission

2020 r.

6 980 284 kg CO₂e

2021 r.

6 215 188 kg CO₂e

Direct GHG emission per income unit

2020 r.

22.58 kg CO₂e

2021 r.

16.48 kg CO₂e

Indirect GHG emissions in figures

Streamlining GHG emissions

Indirect emissions result from the consumption of electrical energy acquired by the Group based on the contracts concluded with providers. GHG emissions are calculated as a product of consumption and CO₂e emission

indicators, adopted according to the method of the National Centre for Emissions Management (KOBiZE). The heating energy acquired by two companies from the power plant was ignored, as the data on CO₂e emission indicators are not available.

Indirect GHG emission

2020 r.

11 638 298.30 kg CO₂e

2021 r.

11 786 123.46 kg CO₂e

The Selena Group is continuously striving for GHG emission reduction. An example of measures aimed at reducing GHG emission is consistent replacement of traditional lighting with energy-efficient lighting and investment in machinery and infrastructure. Local initiatives are also carried out to reduce GHG



Installation of energy-efficient lighting



Machinery



Installation for biopolyestrol production



Sealing doors of production halls

Indirect GHG emission per income unit

2020 r.

37.64 kg CO₂e

2021 r.

31.25 kg CO₂e

emissions, such as the planned construction of a plant for the production of biopolyestrol, i.e. a bio-based material at the Orion production unit. Also, as a measure to improve the building's energy efficiency in Izolacja Matizol Sp. z o.o., curtains were installed and doors were sealed in the production halls.



Emission nitrogen oxides, sulphur oxides and other significant emissions

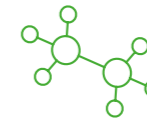
Emission intensity of pollutants into the atmosphere is significantly lower as compares to 2020.

The Selena Group is constantly striving to minimise emissions of pollutants into the atmosphere.

The measurement results of pollutants emission to the air obtained in the reported period by the Group's companies do not show exceeded limits and are in line with the decisions issued and the limits stated therein.



VOCs _____ 3.706 Mg
Total dust _____ 7.959 Mg



Hydrocarbons _____ 8.648 Mg
Nitrogen oxides _____ 1.056 Mg



Tarred substances _____ 0.231 Mg
other substances _____ 5.540 Mg

TOTAL _____ 27.140 Mg

Amount of pollutants emitted into the atmosphere

27.140 Mg

Emission of pollutants to the atmosphere per income unit

0.0000719 Mg



RESPECT FOR NATURAL RESOURCES

Environment protection

In its industrial operations the Selena Group is striving to ensure that the natural environment remains unharmed. Therefore, we spare no effort to comply with environmental protection regulations and obtain all necessary licences for our plants.



In 2021, the Group's Environmental Protection Policy was developed and published, and the EHS Strategy with a long-term improvement of OHS conditions and Environment Protection in the companies of the Selena Group was updated.

Streamlining the consumption of raw materials and materials

The Selena Group is composed of companies of various business profiles and diversified production, which implies diversification of raw materials and resources. The Group ensures that the production processes make use of proven raw materials only.



Production plants of the Selena Group are using recycled packaging on an increasing scale.

Energy in figures

Total energy consumption is expressed as a sum of electrical energy from renewable sources, non-renewable energy sources and thermal energy.

Energy consumption per income unit is calculated as a quotient of total energy consumption with reference to the Group's total income in EUR multiplied by EUR 1000.

Total energy consumption in 2021

27 010 582.46 kWh

Energy consumption per income unit in 2021

71.61 kWh



Intensity of energy consumption is 3% lower as compared to 2020.

Streamlining the consumption of fuels and energy

The basic sources of energy in the Selena Group's companies are electrical energy, gas fuel and heating oil. Two Group's companies: Selena Iberia SLU and Uniflex S.p.A purchase energy from renewable sources.

Green energy consumption in 2021 amounted to 3 279 242.57 kWh, which is 23% of total energy consumption. The Group is making attempts to increase consumption of renewable energy and continuously minimise the consumption of fuels and energy by gradually modernising its production plants.



In 2021, 23% total energy consumption came from renewable resources.



Installation of photovoltaic panels on the roofs of the production plants.

In June 2021, the contract was concluded with Tauron Polska Energia S.A. for the purchase of the EKO Biznes product, which guarantees electrical energy from a low-emission source - high-efficiency cogeneration.

Investment for 2022 account for installation of PV panels on the roofs of the production plants in Poland. This is aimed at even better supporting environment protection and effectively reducing GHG emissions.



RECYCLING OF RESOURCES

Waste as per type and method of disposal in figures

The volume of non-hazardous waste has increased by 3% as compared to 2020, which results from increased production following the COVID-19 pandemic. Special attention should be drawn to reduction

in the volume of hazardous waste produced by 60% as compared to 2020, which is because fewer expired hazardous products are neutralised, and upcycling processes have been implemented.



In 2021, we reduced the volume of hazardous waste by 60%

WASTE DISPOSAL METHOD	WEIGHT OF NON-HAZARDOUS WASTE	WEIGHT OF HAZARDOUS WASTE
Reuse	187.182 Mg	0.001 Mg
Recovery (including energy recovery)	962.647 Mg	178.166 Mg
Recycling	1711.144 Mg	3.4422 Mg
Waste stored on landfills	2100.493 Mg	79.969 Mg
Incineration	11.2 Mg	118.038 Mg
Other	343.585 Mg	13.1 Mg
Total	5316.251 Mg	392.716 Mg

Waste and waste water

In the Selena Group, efforts are undertaken to ensure that waste water discharged into water bodies meets all parameters required by the commonly applicable regulations. To this end, most of the Group's companies monitor the quality of waste water discharged. Our on-site sewage treatment plant at Selena Iberia SLU is also worth mentioning here.



Waste water emission intensity is 11% lower as compared to 2020.

Total weight of waste in 2021

21 256.35 m³

Waste emission per income unit in 2021

0.056 m³

Water in figures

In Izolacja Matizol Sp. z o.o. and Foshan Chinuri-Selena Chemical Co., waste water is reused in closed cooling systems for the production process.



Water consumption intensity is 7% lower as compared to 2020.

Water consumption in 2021

41 266.30 m³

Water consumption per income unit in 2021

0.11 m³



RESPONSIBLE WASTE MANAGEMENT

Streamlining waste management

The companies of the Selena Group consistently minimise waste, including by means of procedures for monitoring raw materials, semi-finished products, products and continuous supervision of the production process.



In one of our plants, we have reduced the volume of plastic waste virtually down to zero.

A good example of an initiative aimed at reducing the amount of plastic waste, but also building the waste management awareness, is the one implemented in the production plant of Libra Sp. z o.o., where waste plastic bottles have been reduced practically to zero.

This was made possible as all employees were provided with reusable bottles and plastic bottles were replaced with glass bottles in conference rooms.

Disposal of the Selena Group products purchased by customers

The responsibility of the Selena Group does not finish once products are manufactured and marketed. We spare no effort to ensure that products are labelled with the necessary instructions on proper and safe use, and the method of segregation. To this end, all companies of the Selena Group comply with Regulation (EC) No. 1272/2008 of the European Parliament and of the Council of 16 December on classification, labelling and packaging of substances and mixtures in terms of labelling of their products.

Additionally, at the close of 2021, the project aiming at introducing the labelling system for product packaging was initiated to ensure compliance with European Parliament and Council Directive 94/62/EC on packaging and packaging waste and European Commission Regulation No. 97/129/EC. Labelling does not only refer to unit packaging but also to transport and collective packaging. The purpose of the project is to streamline waste segregation by product users.



Compliance with regulations

In the companies of the Selena Group, the total of nine Environment Protection Inspections were carried out in 2021. No financial penalties or non-financial sanctions were imposed for failure to comply with the environmental protection regulations.

In order to ensure compliance with the regulations, most of production plants undergo internal inspections confirmed with reports and for any non-compliance found, corrective and preventive actions are implemented.



The vision of full decarbonisation of building resources by 2050 goes beyond the issue of operational carbon footprint, that is energy savings, which has been the focus of attention so far.

It should be kept in mind that buildings are an important bank of materials in which resources are deposited for decades, which determines their environmental impact, so the method of designing them significantly affects emissions in the entire life cycle both in new and renovated buildings. Therefore we are now concentrating our efforts on innovation and commitment to manufacture products of reduced carbon footprint for the support of zero-emission construction. We prepare type III EPDs for our products as a tool for the management of environmental footprint, also of our products.



Ewa Kosmala
Global Sustainability Director

