



Appendix 1 Selena Group Sustainability Statement for the year ended 31 December 2024 - an integral part of the Management Board's Report on the Group's Activities for the year ended 31 December 2024

This report is a direct translation from the original Polish version.
In the event of differences resulting from the translation, reference should be made to the official Polish version.

TABLE OF CONTENTS

1. GENERAL INFORMATION.....	4
1.1. Awards, Rankings and Partnerships	4
1.2. ESRS 2 General Disclosure	5
2. ENVIRONMENTAL INFORMATION	58
2.1. E1 Climate Change	58
2.2. E2 Pollution	77
2.3. E5 Resource Use and Circular Economy	82
2.4. EU Taxonomy	87
3. INFORMATION ON SOCIAL MATTERS.....	101
3.1. Own Workforce	101
3.2. Workers in the Value Chain	113
3.3. S3 Affected communities	115
3.4. S4 Consumers and End-users.....	117
4. INFORMATION ON CORPORATE GOVERNANCE	123
4.1. G1 Business conduct	123



General Information

1. General Information

1.1. Awards, Rankings and Partnerships

As regards awards and rankings:

- two Selena Group companies: Selena FM S.A. and Selena S.A. were awarded Forbes Diamonds. This prestigious ranking by the *Forbes Polska* monthly and Dun & Bradstreet distinguished dynamically developing companies that have increased their value the fastest over the last 3 years;
- the editorial team of *Builder*, PwC Polska and Dun & Bradstreet (authors of the ranking of the 300 largest construction companies) awarded the Company the Builder Ranking Star certificate in the category “The highest revenues in the Lower Silesian Voivodeship”. The awards were granted based on 5 editions of the ranking.
- Selena has once again undergone recertification in the Best Managed Companies Poland program and received the certificate for the 3rd time in a row. Deloitte assesses business activities in terms of meeting the highest standards in strategy, innovation, organizational culture and finance;
- Selena Group has once again been included in the ranking of 200 Largest Polish Companies by the *Wprost* weekly.
- The Portuguese company Imperialum, member of Selena Group, has been awarded the Scoring TOP 10 certificate for SMEs in the construction materials and tools sector in Portugal for the third time (for 2023).
- The proprietary “Application Automating OHS Processes in Selena Group” was recognized in the Polish edition of the [European Agency for Safety and Health at Work \(EU-OSHA\)](#), organized by CIOP-PIB (Central Institute for Labor Protection – National Research Institute).

As regards sustainable development activities:

- Support for the charity concert “Melodies of the World” (“Melodie Świata”) organized by Soroptimist International Club WRATISLAVIA, which took place at Oratorium Marianum in Wrocław. The proceeds from the event were donated to finance art therapy classes for children in foster care and their carers.
- Selena Group employees’ participation in the annual Company Run, organized by the Everest Foundation, which supports the rehabilitation and treatment of children under the Foundation’s care.
- Selena Group employees’ participation in the project “Books are medicine for the soul” (“Książki lekarstwem dla duszy”), carried out by Soroptimist International Club WRATISLAVIA – books collected by employees were donated to hospitals and schools in the Kłodzko Valley.
- Cooperation with the Veritas Foundation – an employee of the Selena Group, as part of the “Passion for Life” (“Zajawka na Życie”) program run by the Foundation, conducted workshop sessions for young people (aged 15-18) under the care of the Foundation. The workshop was based on the Gallup methodology with the CliftonStrengths tool.
- In response to the flood that hit southern Poland in September 2024, Selena S.A. launched two support models for the victims - residents of the municipalities most affected by the floods: (1) free distribution of construction chemicals, including assembly foams and foam adhesives, waterproofing primers and products, insulating and construction foils, silicones, adhesives and sealants, and (2) a significant reduction in the prices of construction chemicals for public institutions (schools, orphanages, etc.), public benefit organizations or affected companies. As part of the aid, products from Selena’s leading brands Tytan Professional® and Matizol® with a value of PLN 1 million were donated to the needy.

1.2. ESRS 2 General Disclosures

BP-1 General basis for preparation of sustainability statements

Selena Group ("Selena Group") hereby publishes the Sustainability Statement ("Sustainability Statement") for 2024. The Report was drawn up pursuant to Article 14(5) of the Act of 17 December 2024 amending the Accounting Act, the Act on Statutory Auditors, Audit Firms and Public Supervision and Certain Other Acts. The Report also includes disclosures in accordance with the provisions of Regulation of the European Parliament and of the Council No 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

The information, data, indicators and statements contained in the Report refer to the parent company Selena FM S.A. and Selena Group, unless otherwise indicated. Where data were not available, the estimation method was used. The report includes information on sustainable development regarding Selena FM S.A. and SELENA Group for the period from 1 January 2024 to 31 December 2024. The scope of consolidation in this Report is the same as in the consolidated financial statements for 2024.

The perimeter of the Report covers both Selena Group's own operations as well as upstream and downstream operations (described in detail in ESRS 2 SBM-1).

This Report is an integral part of the Management Board's Report on the Group's Activities for the year ended 31 December 2024.

Selena Group structure

The table below shows the ownership and organizational structure of the Group and division into reportable segments. The data are presented as at 31 December 2024 and 31 December 2023.

The "owner" column specifies the owner as at 31 December 2024:

REPORTABLE SEGMENT	COUNTRY	ENTITY	REG. OFFICE	ACTIVITY	GROUP'S SHARE		OWNER
					31.12.2024	31.12.2023	31.12.2024
Parent Company	Poland	Selena FM S.A.	Wrocław	Group's headquarters, distributor	-	-	-
Distribution in Poland	Poland	Selena S.A.	Wrocław	Distributor	100.00%	100.00%	FM
Production in Poland	Poland	Selena Industrial Technologies Sp. z o.o.	Dzierżonów	Manufacturer of sealants; production management	100.00%	100.00%	FM
Western Europe	Spain	Selena Iberia slú	Madrid	Manufacturer of sealants, adhesives, distributor	100.00%	100.00%	FM
	Portugal	Imperialum–Sociedade de Revestimentos e Impermeabilizações, S.A.	Montijo	Manufacturer of bituminous membranes, distributor	100.00%	100.00%	FM
	Portugal	Revestimentos Universais e do Continente, S.A	Vila Nova de Gaia	Manufacturer of bituminous membranes	100.00%	100.00%	IMP
	Italy	Uniflex S.R.L.	Mezzocorona	Manufacturer of sealants, distributor	100.00%	100.00%	FM
Eastern Europe and Asia	Kazakhstan	Selena CA-Селена ЦА TOO	Almaty	Distributor	100.00%	100.00%	FM
	Kazakhstan	Selena Insulations TOO	Nur-Sultan	Manufacturer of insulation systems and dry mortars	100.00%	100.00%	FM
	Kazakhstan	Selena Production Center TOO*	Shymkent	Manufacturer of insulation systems and dry mortars	-	100.00%	FM
	Russia	Selena Vostok	Moscow	Distributor	99.00%	99.00%	POL
	Turkey	Selena Malzemeleri Yapi Sanayi Tic. Ltd.	Istambul	Man. of foams and sealants, distributor	100.00%	100.00%	FM
	Turkey	POLYFOAM Yalitim Sanayi ve Tic Ltd.	Istambul	Distributor	100.00%	100.00%	SA 2
Americas	Brazil	Selena Sulamericana Ltda	Curitiba	Manufacturer, distributor	100.00%	100.00%	FM 2
	Mexico	Selena Mexico S. de R.L. de C.V.	Zapopan	Distributor	100.00%	100.00%	FM 2
	USA	Selena USA, Inc.	Fort Worth	Distributor	100.00%	100.00%	FM
Other	Poland	Selena Marketing International Sp. z o.o.	Wrocław	Intellectual property management	100.00%	100.00%	SA
	Poland	Selena Digital Distribution Sp. z o.o	Wrocław	E-commerce	100.00%	100.00%	SA
	Poland	Selena Energy Sp. z o.o.**	Wrocław	Making electrical systems	100.00%	100.00%	FM
	Poland	Selena Green Investments Sp. z o.o.	Wrocław	Activities of central companies	100.00%	100.00%	FM 3
	Poland	SGI 1 Sp. z o.o.	Wrocław	Generation of electricity	100.00%	100.00%	SGI
	Poland	Establishment of SGI 2 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 3 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 4 Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	SGI 5 Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	SGI 6 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 7 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 8 Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	SGI 9 Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	SGI 10 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 11 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 12 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI 13 Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	SGI Świdnica Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	SGI Świebodzice Sp. z o.o.	Wrocław	Generation of gaseous fuels	94.59%	94.59%	ASI
	Poland	Selena Green Investments ASI Sp. z o.o.	Wrocław	Fund management activities	94.59%	94.59%	FM 4
	Poland	BTB Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI
	Poland	Biogazownia Przybroda Sp. z o.o.****	Poznań	Generation and supply of electricity, gas	94.59%	47.30%	ASI
	Poland	BTB Sp. z o.o.	Wrocław	Generation of electricity	94.59%	94.59%	ASI

	Poland	SQT Management Sp. z o.o.***	Wrocław	Other service-based financial activity	100.00%	100.00%	SMI
	Poland	ONPV Sp. z o.o.	Wrocław	Generation of electricity	85.13%	85.13%	ASI1
	Germany	Selena Deutschland GmbH	Hagen	Distributor	100.00%	100.00%	FM
	Czech Republic	Selena Bohemia s.r.o.	Prague	Distributor	100.00%	100.00%	FM
	Bulgaria	Selena Bulgaria Ltd.	Guramazovo	Distributor	100.00%	100.00%	FM
	Romania	Selena Romania SRL	Ilfov	Distributor	100.00%	100.00%	FM
	Romania	Selena Euro Mga srl	Ilfov	Manufacturer of adhesives and cement mortars	100.00%	100.00%	FM
	Ukraine	Selena Ukraine Ltd.	Kiev	Distributor	100.00%	100.00%	FM 1
	Hungary	Selena Hungária Kft.	Pécs	Distributor	100.00%	100.00%	FM
	Hungary	PIMCO Kft	Szerencs	Manufacturer of glass fiber	50.00%	50.00%	FM 5
	China	Weize (Shanghai) Trading Co., Ltd.	Shanghai	Distributor	100.00%	100.00%	FM
	China	Selena Nantong Building Materials Co., Ltd.	Nantong	Manufacturer, distributor	100.00%	100.00%	FM
	China	Foshan Chinuri-Selena Chemical Co.	Foshan	Manufacturer of sealants, distributor	84.57%	84.57%	SA 1
	China	House Selena Trading Co.Ltd	Shanghai	Distributor	40.00%	40.00%	NAN
	United Arab Emirates	Selena Gulf Building Materials LLC	Dubai	Distributor	100.00%	100.00%	FM
	S.Korea	Hamil - Selena Co. Ltd	Kimhae	Manufacturer of foams	30.00%	30.00%	SA 3

Explanations to the "Owner" column

FM – 100% shares owned by Selena FM (SFM)

FM 1 – shares owned by Selena FM (99%) and Selena S.A. (1%)

FM 2 – shares owned by Selena FM (95%) and Selena S.A. (5%)

FM 3 – shares owned by Selena FM (95%) and Selena Energy (5%)

FM 4 – shares owned by SFM (94.59%), other shares are owned by Krzysztof Domarecki (5.41%)

FM 5 – shares owned by Selena FM (50%) with other shares (50%) outside the Group

SGI – 100% shares owned by Selena Green Investments

ASI1 – 90% shares are owned by Selena Green Investments ASI Sp. z o.o.; the remaining shares are outside the Group

SA – 100% shares owned by Selena S.A.

SA 1 – shares owned by Selena S.A., the remaining shares are held outside of the Group

SA 2 – shares owned by Selena S.A. (85%) and Selena Malzemeleri (15%)

SA 3 – associate – shares owned by Selena S.A.

NAN – joint venture – owned by Selena Nantong Building Materials

POL – the owner of 99% of shares is POLYFOAM; the remaining shares are outside the Group

SGI – 100% shares owned by Selena Green Investments ASI Sp. z o.o.;

IMP – 100% shares are owned by Imperialum–Sociedade de Revestimentos e Impermeabilizações, S.A.

SMI – 100% shares owned by Selena Marketing International Sp. z o.o.

* on 22 February 2024, a resolution was passed to liquidate the company; the liquidation procedure was completed on 30 September 2024

** On 25 March 2024, Selena ESG Sp. z o.o. was renamed as Selena Energy Sp. z o.o.

*** on June 5, 2024, Fandla Faktoring Sp. z o.o. was renamed as SQT Management Sp. z o.o.

**** on 28 November 2024, Selena Green Investment ASI Sp. z o.o. acquired 50% of shares in Biogazownia Przybroda Sp. z o.o.

The Group does not disclose information regarding intellectual property, know-how or innovation results. Selena does not apply an exemption to the publication of negotiation outcomes. Information on the value chain estimates and the sources of uncertainty in the estimates and results is disclosed together with matters covered by topical ESRs. As this is the Group's first report prepared based on the ESRs standards, Selena does not report any changes in the method of preparing or presenting the sustainability statement or errors from previous periods.

BP-2 Disclosures in relation to specific circumstances

The Group has waived the short, medium and long-term time horizons specified in ESRs 1 Section 6.4.r only for the purposes of analyzing climate-related risks and opportunities. Information on the time horizons used can be found in ESRs E1 IRO-1.

Non-financial data is collected by local companies.

In 2024, the companies listed below were excluded from consolidation or did not have significant figures:

- Selena Production Center TOO – on 30/04/2024 the company was liquidated; the company did not conduct any business in 2024.
- POLYFOAM Yalitim Sanayi ve Tic Ltd. – the company did not conduct any business in 2024.
- SQT Management Sp. z o.o. (on 5 June 2024, Fandla Faktoring Sp. z o.o. changed its name to SQT Management Sp. z o.o.) – no employees, financial activity deemed insignificant.
- Weize (Shanghai) Trading CO, Ltd. – the company does not conduct any business activity, consolidated financial statements show zero shares.
- Selena Nantong Building Materials Co, Ltd. – the company did not conduct any business in 2024.
- House Selena Trading Co.Ltd - Selena Group shares 40%, joint control; deemed insignificant.
- Selena Gulf Building Materials LLC – the company did not conduct any business in 2024, consolidated zero stake in the financial statements.
- Hamil - Selena Co. Ltd – Selena Group stake 30%; no financial or operational control, associated undertaking, deemed insignificant.

The data from Revestimentos Uiversais e do Centinete SA were incorporated into Imperialum. Data of companies from the list below have been incorporated together with data from Selena Green Investments Sp. z o.o.;

- SGI 1 Sp. z o.o.
- SGI 2 Sp. z o.o.
- SGI 3 Sp. z o.o.
- SGI 4 Sp. z o.o.
- SGI 5 Sp. z o.o.
- SGI 6 Sp. z o.o.
- SGI 7 Sp. z o.o.
- SGI 8 Sp. z o.o.
- SGI 9 Sp. z o.o.
- SGI 10 Sp. z o.o.

- SGI 11 Sp. z o.o.
- SGI 12 Sp. z o.o.
- SGI 13 Sp. z o.o.
- SGI Świdnica Sp. z o.o.
- SGI Świebodzice Sp. z o.o.
- Selena Green Investments ASI Sp. z o.o.
- BTB Sp. z o.o.
- Biogazownia Przybroda Sp. z o.o.
- BTB Sp. z o.o.
- ONPV Sp. z o.o.

Selena Industrial Technologies (SIT) consists of the following divisions:

- LIBRA production plant
- ORION I and Orion II production plants
- Matizol production plant
- EOS production plant
- Carina production plant
- Selena LABS

Estimated calculations and approximations were used in ESRS E1 and E5. The methodologies for approximations and estimates are described individually in each chapter of the ESRS and are mostly due to the lack of data obtained from specific companies or, in the case of greenhouse gas emission calculations, from using indicators from databases.

Selena Group has prepared non-financial information statements since 2017. In previous years, the presentation of information was based on the Non-Financial Information Standard (SIN) or on the basis of the parent company's own methodology. This year, for the first time, Selena Group used the European Sustainability Reporting Standard (ESRS) to prepare its report. Selena Group does not publish any corrections or amendments to the values and information provided in previous years.

The Selena Group Report does not disclose information based on regulations or standards other than ESRS. Information incorporated by reference includes financial statement data to disaggregate revenues by operating segment and is included in SBM-1.

Data on the number of workers of the Group provided in the Report differ from the number of workers specified in the financial statements. This is due to different methodologies for calculating the number of employees. In the financial statements, the number of workers is given in full-time equivalents and calculated as an average for the year, while in this report, in accordance with the ESRS, the number of workers is given in the number of persons employed in the Group as at 31.12.2024.

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

The management and supervisory structure of the Parent Company consists of the Management Board, the Supervisory Board and the Committees: Audit Committee, Strategy and Innovation Committee, and Nominations and Remuneration Committee.

Management Board

As at 31 December 2024, the Parent Company's Management Board was composed of:

- Sławomir Majchrowski – CEO;
- Andrzej Zygadło – Chief Corporate Development Officer;
- Krzysztof Ościłowicz – Chief Financial Officer;
- Michał Specjalski – Chief Product & Innovation Officer;
- Walter Brattinga – Chief Commercial Officer;

The Management Board consisted of 5 members, 100% of whom were men. None of the Management Board members are representatives of the employees.

Sławomir Majchrowski – CEO

Sławomir Majchrowski is a graduate of the Faculty of Chemistry of the Wrocław University of Science and Technology. In 1997-1998, he also completed postgraduate studies in Marketing and Management at the Wrocław University of Economics and Financial Analysis (in 2012-2013). He completed the management program at ICAN Institute (2008-2009) and the Competitive Strategy course at INSEAD (2012). He has extensive experience in the chemical and construction industry, gained in companies such as SIGMAKALON, Polifarb Cieszyn Wrocław S.A., Dekoral and PPG. At PPG, he was a member of the Management Board and CEO. He was a member of the Supervisory Boards of Chemia Lublin and Polifarb Gliwice. Joined Selena Group in 2020. Among other roles, he was a member of the Management Board as Chief Commercial Officer and Vice-President, and in 2023 he was appointed President of the Management Board (CEO).

Andrzej Zygadło – Chief Corporate Development Officer

Andrzej Zygadło graduated from the Law Faculty at the University of Wrocław in 1996. He has over twenty years of experience in HR management. During his professional career, he participated in specialized training courses for senior management, including at Goodyear and PPG. In 2019, he joined Selena FM S.A. as Global HR Director, setting up a global HR team to deliver on Selena's strategic goals by creating a competitive edge in human resources, with a particular emphasis on talent acquisition, engagement building and employee development. In 2021, he was appointed to the Company's Management Board as Chief HR Officer.

Krzysztof Ościłowicz – Chief Financial Officer

Krzysztof Ościłowicz graduated from the University of Warsaw with a degree in international relations and the Warsaw School of Economics with a degree in finance and banking. He also holds an ACCA (Association of Chartered Certified Accountants) diploma and a CFA (Chartered Financial Analyst) certificate. He started his professional career at PKN Orlen in 2005 as a financial controller, specializing in management reporting, company value management and the implementation of IT tools in the financial area. Then he was appointed member of the team preparing the strategy for 2007-2013, responsible for coordinating the entire process and medium-term financial planning. In 2009-2011 he joined the Unipetrol Group (gas & oil) in the Czech Republic as the Controlling Director, where he was responsible for preparing and supervising the restructuring program and coordinating the annual and medium-term financial plan. In 2012-2018, as a manager in the Investment Department of PKN Orlen,

he was responsible for implementing operational standards in the field of investment project management, including investment procedures and new IT tools. In 2017-2018, he also served as director supervising the portfolio of investment projects in the Orlen Group. He joined Selena FM S.A. in 2019 as Group Controlling Director and since April 2021 was appointed acting Chief Financial Officer. In 2022, he joined the Company's Management Board as the Member responsible for finance (CFO).

Michał Specjalski – Chief Product & Innovation Officer

Michał Specjalski is a graduate of the Kozminski University in Warsaw, where he studied Management and Marketing with a specialization in Human Resources Management. Additionally, he completed postgraduate studies at the Warsaw School of Economics in the field of Project Management, and MBA studies at the Business School of the Warsaw University of Technology. He has broad competences supported by over 20 years of experience in the international business environment in such areas as strategy, sales and marketing management, change management and management of culturally diverse teams, with organizations such as ITOCHU Corporation – a Japanese trading company operating in the Polish textile, food and heavy industry sectors; 3M, where he served as, among other roles, Six Sigma Black Belt in the commercial area, Sales Manager in the Electro & Communication Business Department, and Marketing Manager in the Industrial & Transportation Business Department. Since 2014, he served as the Marketing Director and Member of the Management Board at the Polish branch of HILTI. He joined Selena in 2015, and started as Marketing Director; he also co-created the new strategy of Selena Group; from 2019 he managed the Interior & Decoration Division, and from 2020, as the director of the Windows & Doors division, he has focused on the business development strategy, sales and marketing in the segment of solutions for the installation and sealing of windows and doors. In 2023, he joined the Company's Management Board as Chief Product & Innovation Officer.

Walter Brattinga – Chief Commercial Officer

Walter Brattinga graduated from Nyenrode Business Universiteit in the Netherlands with a degree in Business Administration. He also completed the management program at Cranfield University (2006) and the advanced management program at IESE Business School (2010). Before joining Selena Group, Walter Brattinga was Managing Director of the Coram Group, offering bathroom equipment from renowned manufacturers. Previously, he worked for over 20 years for the German chemical company Henkel, where he held the following positions: Marketing Director at Henkel China, based in Shanghai, overseeing the strategy and positioning of the company's brands in China, Japan, South Korea, Thailand, New Zealand and Australia, and General Manager of the Consumer Adhesives Division in the company's British branch, responsible for the markets of Great Britain, Ireland, Sweden, Norway, Finland and Denmark. Walter Brattinga started his professional career as Brand Manager at Moët Hennessy Netherlands, where he managed brands such as Dom Pérignon, Moët & Chandon, Hennessy, Glenmorangie and Drambuie. He has over 10 years of management experience and many years of know-how in B2B and B2C cooperation. He has extensive competences in business strategy and development, as well as brand and product portfolio management. He joined Selena Group on 15 February 2024 as Chief Commercial Officer (CCO). On 23 February 2024, by resolution of the Supervisory Board of Selena FM S.A., he was appointed to the Company's Management Board as Chief Commercial Officer, effective 1 March 2024.

In the period from 1 January 2024 to 31 December 2024, the composition of the Parent Company's Management Board changed as follows:

- On 23 February 2024, the Company's Supervisory Board adopted a resolution appointing Walter Brattinga to the Company's Management Board as Chief Commercial Officer (CCO). The appointment became effective as of 1 March 2024.
- On 22 April 2024, Roman Dziuba resigned from the Company's Management Board and from the role of the COO effective from 22 April 2024.

- On 20 September 2024, by the resolution of the Supervisory Board of Selena FM S.A., the position held by the Management Board Member Andrzej Zygadlo was renamed as Chief Corporate Development Officer with effect from 1 October 2024.

Supervisory Board

As of 31 December 2024, the Supervisory Board consists of 7 members, including 2 (33%) independent members. In the reporting period from 1 January 2023 to 31 December 2023, 100% of the Supervisory Board members were men:

As at 31 December 2024, the Parent Company's Supervisory Board was composed of:

- Andrzej Krämer – Chairman of the Supervisory Board;
- Borysław Czyżak – independent Supervisory Board Member;
- Czesław Domarecki – Supervisory Board Member;
- Wojciech Domarecki – Supervisory Board Member;
- Łukasz Dziekan – Supervisory Board Member;
- Mariusz Warych – independent Supervisory Board Member;
- Paweł Wyrzykowski – independent Supervisory Board Member.

Andrzej Krämer – Chairman of the Supervisory Board. Chairman of the Strategy and Innovation Committee

Andrzej Krämer is a graduate of the Faculty of Sanitary Engineering at the Warsaw University of Technology and a senior manager with thirty years of experience in sales, operations and general management, covering a wide range of markets in the heating and sanitary industry. He gained his experience mainly in the Danfoss Group companies, Marmite sp. z o.o. and Logstor A/S. He has been a member of the Supervisory Board of the Selena Group since 2012.

Borysław Czyżak, PhD – an independent Supervisory Board Member. Chairman of the Nominations and Remuneration Committee. Member of the Strategy and Innovation Committee

Borysław Czyżak, PhD, graduated from the Faculty of Physics at the Adam Mickiewicz University in Poznań, obtained a doctorate degree from the Polish Academy of Sciences in 1991. He completed research internships at Oxford and Stanford University, in the centre of California's Silicon Valley. In the second half of the 90s, he joined the Warsaw office of McKinsey & Company, which specialises in strategic consulting, participated in projects related to privatization and strategic changes in industrial companies, airlines, telecommunications and banking. At that time he completed McKinsey's MBA course in Holland. He is an active investor in technology companies, a member of the Investment Committee of the Simpact venture capital fund. He has been part of teams in various Egon Zehnder International companies. He is one of the founders of the Well of Hope Foundation (Fundacja Studnia Nadziei) that builds wells in Africa. He has been a member of the Selena Group Supervisory Board since 2015.

Mariusz Warych – an independent Supervisory Board Member. Chairman of the Audit Committee

Mariusz Warych has a Master's degree in foreign trade obtained from the University of Łódź, Faculty of Economics and Sociology, and has a diploma in Finance and Accounting from Hogeschool van Utrecht, Netherlands. He participated in the ACCA (Association of Certified Chartered Accountants) programme, and holds the Certified Internal Auditor (CIA) designation. He specialises in management, oversight, assessment of business efficiency, identification and resolution of financial and operational weaknesses, management of the risks related to delivery of business objectives, internal audit, business training and independent membership in supervisory boards and audit committees. Since

June 2013, he has been an independent member of the Supervisory Board of BNP Paribas Bank Polska S.A., where he also chairs the Audit Committee. Since June 2020, he has been an independent member of the Supervisory Board at JSC Ukrsibbank in Ukraine, where he also chairs the Audit Committee. In the years 2011–2012, he sat on the Supervisory Board and the Audit Committee of JSW. In his previous career, he held the position of Internal Audit Director for Europe at KBC, Aviva, Allianz, PZU, and served as Financial Director at Citileasing and Handlowy-Leasing. He also worked as Risk Management Director at Deloitte, and as External Auditor hired by Ernst & Young's flagship offices around the world, specialising in financial services and high-techs – in Warsaw, London, Toronto, Vancouver and New York. Since 2009, he has chaired the Heads of Audit Club in Poland. He has been a member of the Supervisory Board of Selena Group since 2012.

Czesław Domarecki – Supervisory Board Member. Member of the Strategy and Innovation Committee. Member of the Nominations and Remuneration Committee.

Czesław Domarecki studied philosophy and mathematics at the Jagiellonian University in Kraków. In the period from December 2017 to November 2018, he held the position of Financial Analysis Specialist at Selena Marketing International Sp. z o.o. At the same time, in 2017, he worked in the editorial office of *Teologia Polityczna*. In the years 2018–2021 he was the CEO of Elis Consulting Sp. z o.o. Since March 2020, he has been a Junior Stock Market Analyst at Opti TFI. He has been a member of the Supervisory Board of Selena Group since 2019.

Wojciech Domarecki – Supervisory Board Member.

Wojciech Domarecki graduated from the AGH University of Science and Technology with a master's degree in Automation and Robotics. He obtained his second Master's degree in International Management (MIM) from ESADE Business & Law School. He also completed postgraduate studies in “Chinese Business” at the Kozminski University. He also holds the Financial Modeling and Valuation Analyst (FMVA®) certification from the Corporate Finance Institute. Since July 2022, he has worked with APTIV Plc, where he initially served as a Financial Analyst for Internal Controls, and then as a Data Analyst and Process Automation Specialist. Currently he holds the role of Financial Analyst in the IT FP&A team. On 30 July 2024, by resolution of the Extraordinary General Meeting of Selena FM S.A., he was appointed to the Supervisory Board of the Company.

Łukasz Dziekan – Supervisory Board Member. Member of the Strategy and Innovation Committee. Audit Committee member

Łukasz Dziekan is a graduate of the Faculty of Mathematics and Information Science of the Warsaw University of Technology, majoring in applied computer science. He gained experience at Deloitte, ZocDoc and PwC Advisory, where over the course of 3 years he built an advisory team of over 50 people dealing with advanced data analytics and machine learning. He was a pioneer in implementing those models in Polish retail and financial sectors. Since 2019, he has worked with Allegro.pl and AllegroPay, where he serves as Senior Manager for AI and Technology in Financial Services and Member of the Management Board for Risk and Technology at AllegroPay – the fintech arm of Allegro. He has been a member of the Selena Group Supervisory Board since 2019.

Paweł Wyrzykowski – an independent Supervisory Board Member. Member of the Nominations and Remuneration Committee. Audit Committee member

Paweł Wyrzykowski graduated from the Faculty of Foreign Trade of the Warsaw School of Economics. In 1992–1998, he worked in the Creditanstalt Bank Group in Vienna and Warsaw. In 1998–2011, he continued his professional career in the Pfeiderer AG Group, a leading manufacturer of materials for the furniture industry, first as CFO, and from 2003 as CEO of Pfeiderer Grajewo Group. In 2009–2011 he was a Member of the Management Board of Pfeiderer AG in Neumarkt, Germany. In 2012–2019, he served as CEO of Seco/ Warwick S.A. – one of the world's leading manufacturers of furnaces for chemical and thermal treatment of metals. An independent economic advisor since 2019. In 2021, by

resolution of the Annual General Meeting of Selena FM S.A., he was appointed to the Supervisory Board of Selena Group, effective from 2021.

The following Committees operate within the Supervisory Board.

Audit Committee

As at 31 December 2024, the Audit Committee was composed of:

- Mariusz Warych – Chairman of the Audit Committee;
- Wojciech Domarecki – Audit Committee Member;
- Paweł Wyrzykowski – Audit Committee Member.

In the opinion of the Supervisory Board, the Audit Committee, in the aforementioned composition, fulfilled the independence criteria and other requirements specified in Article 128(1) and Article 129(1), (3), (5) and (6) of the Act on Statutory Auditors, Audit Firms and Public Oversight.

In the period from 1 January 2024 to 31 December 2024, the Supervisory Board's Audit Committee held 8 meetings, i.e.

The tasks of the Audit Committee shall include those provided for in the Terms and Reference and by law, in particular:

- making a recommendation to the Supervisory Board to select the statutory auditor conducting the audit of the Company's financial statements and other obligations regarding selection of the audit firm;
- monitoring the effectiveness of the internal control and risk management system;
- monitoring the effectiveness of the internal audit activity;
- analyzing the comments addressed to the Management Board prepared by the Company's statutory auditors and the Management Board's replies;
- considering any other issues related to the Company's audit, which were noted by the Committee or the Supervisory Board.

Strategy and Innovation Committee

As at 31 December 2024, the Strategy and Innovation Committee was composed of:

- Andrzej Krämer – Chairman of the Strategy and Innovation Committee;
- Borysław Czyżak – member of the Strategy and Innovation Committee;
- Czesław Domarecki – member of the Strategy and Innovation Committee;
- Łukasz Dziekan – member of the Strategy and Innovation Committee.
- Wojciech Domarecki – member of the Strategy and Innovation Committee;

The committee's activities include supervision over matters related to the objectives and development directions of Selena Group, including monitoring the implementation by the Management Board of the objectives and development directions of Selena Group and the priority projects of Selena Group.

Nominations and Remuneration Committee

As at 31 December 2024, the Nominations and Remuneration Committee was composed of:

- Borysław Czyżak – Chairman of the Nominations and Remuneration Committee;
- Czesław Domarecki – member of the Nominations and Remuneration Committee;
- Paweł Wyrzykowski – member of the Nominations and Remuneration Committee.

The Committee's activities include supervision over matters related to the recruitment and employment of members of the Management Board and the implementation of the remuneration and incentive system for members of the Management Board, as well as supervision over matters related to the employment and implementation of the remuneration and incentive system for Selena Group employees.

Supervision over impacts, risks and opportunities is carried out by the Audit Committee of the Supervisory Board. The Supervisory Board is responsible for monitoring the effectiveness of the internal control and risk management system, including:

- a) Assessment of the effectiveness of the internal control system, in particular in the area of financial reporting and the security of information technologies used;
- b) Review of internal control system assessment reports;
- c) Monitoring the compliance risk management process.

Monitoring the effectiveness of internal audit activities, including:

- a) Supervising the work of the internal audit function, including its independence;
- b) Analysis of periodic reports on internal audit activities;
- c) Recommending to the Supervisory Board approval of the annual internal audit plan and approval of changes to the annual internal audit plan;
- d) Participating, together with the Supervisory Board, in the selection of the person responsible for managing the internal audit function, in particular giving opinions on candidates and supporting the management board in selecting the appropriate person;
- e) Expressing consent to the establishment or termination of an employment contract with a person responsible for managing the internal audit function;
- f) Approving the remuneration of the person responsible for managing the internal audit function;
- g) Assessing the size of the internal audit function's budget.

Monitoring the non-financial reporting process, including:

- a) Assessing the reliability of non-financial information by reviewing legal developments regarding sustainable development (ESG) and compliance of the principles applied with the law;
- b) Verification of non-financial reports prior to their publication, including discussions with the Management Board and the auditor on the correctness and completeness of the information and data;
- c) Analysis of the auditor's report on the audit of non-financial statements;
- d) Recommending to the Supervisory Board the adoption of a resolution on the issuance of an opinion on the acceptance or rejection of the annual non-financial report by the General Meeting;
- e) Evaluation of the process of communicating non-financial information;
- f) Submitting recommendations to ensure the integrity of the non-financial reporting process.

Responsibility for the impacts, risks and opportunities in the area of sustainable development will be reflected in the scope of tasks of the Management Board through the division of responsibilities indicated in the resolution of the Supervisory Board on the individual internal division of responsibilities of the Management Board (assignment of the area of sustainable development to the CEO and CFO). By the resolution of the Supervisory Board of 15 March 2024 on the individual internal division of competences of the management board, the area of Sustainable Development, including non-financial external reporting, falls within the area of responsibility of the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) (supervision and coordination of the area).

In the area of sustainable development and ESG, the Management Board is the body that approves priority plans and actions and is responsible for their implementation. The Management Board is kept informed on an ongoing basis about the progress and results of work on individual priority projects in the field of sustainable development by the Sustainable Development Department, composed of experts with many years of experience, during regular meetings of the Global Sustainability Director with the Management Board.

The Supervisory Board performs primarily a supervisory role and is collectively responsible for the functions performed. The Supervisory Board is kept informed on an ongoing basis, at its meetings, about the progress and results of work on individual priority projects, including in the area of sustainable development.

The Audit Committee of the Supervisory Board regularly reviewed information on sustainable development presented by the Global Sustainability Director at each meeting.

At an operational level, sustainability issues are managed by the Global Sustainability Director, who is responsible for managing sustainability across the Group, including sustainability reporting and commercialization.

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

The Group has a process in place for identifying, assessing and managing risks. The CFO is responsible for the process, supervising all activities undertaken. The mechanism is described in the Policy and Procedure for Enterprise Risk Management in Selena Group.

Risk owners regularly review risks (and opportunities), assess their current impact on the business and verify the effectiveness of the controls developed. The entire process is reported to the Management Board and then to the Audit Committee of the Supervisory Board, which submits an appropriate report to the other Members of the Supervisory Board.

During the current reporting period, authorities were informed about significant impacts, risks and opportunities in the area of sustainable development during regular meetings with the Global Sustainability Director. Workshops for the Management Board on sustainable development reporting and directions for sustainable development were also held. Current important topics in the field of sustainable development were discussed during meetings of the Supervisory Board and Management Board as needed. In matters related to sustainable development, Selena Group cooperates with an external consulting company (MATERIALITY).

Issues related to significant impacts, risks and opportunities that the Management Board and Supervisory Board have recently addressed include: war in Ukraine, floods in Poland and the Czech Republic, fire hazards in Poland, market situation, interrupted supply chains, embargoes, legislative changes

Members of the Management Board act in the interest of Selena Group and are responsible for achieving its goals, including implementing ESG issues.

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

Selena Group has adopted a remuneration policy for the Management Board and Supervisory Board, which includes information on variable remuneration, which should not be less than 10% of the fixed remuneration and is related to environmental protection and occupational safety in Selena Group.

GOV-4 Statement on due diligence

Selena Group, in all its operations, is committed to:

- respect and fulfilment of all human rights;
- avoiding and minimizing negative impacts on the observance of human rights;
- conducting appropriate due diligence processes in relation to entities that it starts a relationship with.

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	SBM-1, S1-1, S2-1, S3-1, S4-1, G1-1

Engaging with affected stakeholders in all key steps of the due diligence	SBM-2, S1-2, S2-2, S3-2, S4-2, G1-2
Identifying and assessing adverse impacts	SBM-3, IRO 1
Taking actions to address those identified adverse impacts	E1-3, E2-2, E5-2, S1-3, S2-3, S3-3, S4-3, G1-3
Tracking the effectiveness of these efforts and communicating	E1-6, E2-4, E2-5, E5-4, E5-5, s1-17, S2-4, S3-4, S4-4

GOV-5 Risk management and internal controls over sustainability reporting

Risk management and control over sustainability reporting is the responsibility of the Audit Committee. The status of current activities in the field of sustainability reporting is reported during the Audit Committee meetings. The Sustainable Development Statement is signed by the Management Board of Selena Group. Data is collected by trained employees and verified by the Sustainability Department. The two documents that manage risk and internal control are:

Risk Management Policy

The Policy, together with the Risk Management System, allows for the identification, mitigation and monitoring of events affecting the achievement of Selena Group's business objectives. The system is designed to ensure the ability to take advantage of opportunities and minimize threats. The Policy covers: the assumptions of the Risk Management system, the scope of application, risk management methods, the responsibility of the Supervisory Board, the Management Board and the Audit Committee, operational activities related to risk management, areas of particular risk, methods of monitoring and improvement, and the required documentation and methods of communication. The CFO is responsible for implementing and monitoring the Policy.

Internal Control System Policy

The purpose of the Policy is to systematize the principles of Internal Control, which should be introduced and implemented by all departments responsible for individual processes. The Policy contains general principles that should be followed in each Internal Control process prepared for a given area of activity. The scope of the Policy includes: the internal control structure, a description of control processes and procedures, areas covered by internal control, a training and awareness-raising system, and methods of monitoring and improving the system. The Corporate Audit Manager is responsible for implementing and monitoring the Policy.

SBM-1 Strategy, business model and value chain

Selena Group is a global leader and distributor of construction chemicals and one of the four largest global producers of mounting foam for construction. The Group's product range includes foams, sealants, adhesives, waterproofing products, insulation systems, fastenings and complementary products. A significant part of the products from the groups, e.g. foams, foam adhesives, adhesives and sealants have Environmental Product Declarations (EPD type III). Polyurethane foams are characterized by high yield from a unit package, which reduces the amount of waste on the construction site. The Group's portfolio is topped by such outstanding brands as: Tytan Professional®, Quilosa Professional®, Matizol® and Imperialum®. The Group also operates in the field of installation of photovoltaic installations and construction of installations for the production of energy from renewable sources. The Group has 55 companies in 18 countries around the world, including Poland, Romania, Bulgaria, Hungary, the Czech Republic, Slovakia, Turkey, Kazakhstan, Spain, Portugal, Germany, China, the USA, Mexico, Brazil, Italy, Ukraine and South Korea. During the reporting period, the Group employed 1,683 people.

Activities of the Group include:

1. manufacture of product for construction, including construction chemicals
2. management, design, construction and legal support for projects such as wind farms, PV farms, biogas plants and energy storage facilities
3. modernization and thermal modernization of roofs using PV systems

The Group has adopted growth programs in the area of product development, distribution channels and markets.

Due to the results of the impact materiality assessment (described in IRO-1), the following ESRs were considered material: ESRs E1, ESRs E2, ESRs E5, ESRs S1, ESRs S2, ESRs S3, ESRs S4 and ESRs G1.

Selena Group does not conduct business in the field of services and products prohibited in certain markets. Selena also does not conduct business related to the fossil fuel sector, controversial weapons, or tobacco cultivation and production.

Total revenues in 2024 amounted to PLN 1,779,581,000. In the reporting period, revenues from the production of chemicals amounted to PLN 1,642,797,846.83.

The Group's main purpose is to deliver products for climate-neutral construction, while applying the highest standards of sustainable corporate governance. The Group develops products that are environmentally friendly for end-users and increase the environmental and energy efficiency of buildings. Product and system solutions respond to the needs of investors and users throughout the entire product life cycle. Selena Group products contribute to improving the comfort of using buildings and enable obtaining additional credits in environmental building certification systems such as LEED, BREEAM, DGNB or HQE, and meet CAM requirements. The systems and solutions developed are consistent with the corporate social responsibility of Selena Group and the pillars of the Group's sustainable operations – IFEEC.



IFEEC sets directions for the development of sustainable activities of Selena Group. These pillars include: investors, finance, end users, employees, and climate.



INVESTORS – SUSTAINABLE CONSTRUCTION

Our role is to deliver products for climate-neutral construction, while applying the highest standards of sustainable corporate development. We develop products that are environmentally friendly for end-users and increase the environmental and energy efficiency of buildings. Our product and system solutions respond to the needs of project owners and users throughout the entire product life cycle.



FINANCE – RESPONSIBLE LEADERSHIP

We set global directions for the development of the construction industry, motivating people to act 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 manufacturers of mounting foam for construction in the world, in response to the growing challenges of the modern world, we responsibly manage the areas of financial, R&D and environmental development, based on the highest world standards, confirmed by awards and international quality certificates.



END USERS – WORK ERGONOMICS

We provide products and solutions for modern, environmentally sustainable construction, created for and in collaboration with professional contractors. The users of our products are at the center of our activities. We build lasting relationships with building contractors based on mutual trust and loyalty. Our products not only guarantee the durability of solutions, thanks to their high quality, but also ensure the correct ergonomics of contractors' work. Products that are lighter, highly efficient and safe for users are the result of the work of our laboratories and constant cooperation with contractors. We implement advanced processes of co-creation and validation of solutions with professionals, offering extensive practical training opportunities and support in the form of technical consulting.



EMPLOYEES - SOCIAL WELLBEING

Employees are the greatest asset of Selena Group. Without their commitment and professionalism, success in the construction products market on such a large scale would not be possible. The basis of the Group's organizational culture is diversity, which at the same time ensures the openness necessary for cooperation within international, interdisciplinary teams consisting of employees with diverse competencies and experience.



CLIMATE – REDUCING THE ENVIRONMENTAL FOOTPRINT

Environmentally sustainable, efficient, easy to use, innovative and at the same time durable and safe products are the goal of the continuous research and development work that the Group conducts in its laboratories. In parallel, it is working on new solutions that reduce the product's carbon footprint throughout its entire life cycle. The Group's products are made only from approved raw materials, and production activities do not leave any adverse environmental footprint. At selected plants, water is reused in closed circuits to cool the production process. In addition, we use green energy.

In 2024, Selena Group adopted the Selena Group Sustainable Development Goals and Directions, a document that sets ambitious goals related to sustainable development. The newly published sustainable development directions are based on the IFEEC objectives. They include short-, medium- and long-term goals and are fully coordinated with Selena's business strategy.

The Sustainable Development Goals, together with the assigned UN Sustainable Development Goals, are presented below. Detailed operational, short-, medium- and long-term goals and metrics are described in the individual disclosures (E1, E5, S1, S2, S3, S4 and G1).

UN Sustainable Development Goals and Ambitions	Disclosure	ESG topic	Sustainable Development Goals
We act with respect for the environment and climate  	E.11	Climate change adaptation	Implementation of a climate risk management system
	E.12	Climate change mitigation (CCM)	Reducing the carbon footprint of products
			Reducing the carbon footprint of Selena Group
	E.13	Energy	Reducing energy consumption
	E.5	Circular economy	Efficiency in waste management
We take care of our own employees and those in the value chain  	S.1	Own workforce	Increased employee satisfaction levels
			Reducing the number of accidents
	S.2	Workers in the value chain	Raising safety standard requirements
We develop in line with market needs and for the benefit of consumers  	S.3	Affected communities	Identifying and mitigating human rights risks
We act in accordance with the principles of due diligence and develop a corporate culture  	S.4	Consumers and end-users	Increased access to reliable information
	G.1	Corporate culture	Implementing due diligence processes
			Shaping the corporate culture in line with IFEEC principles

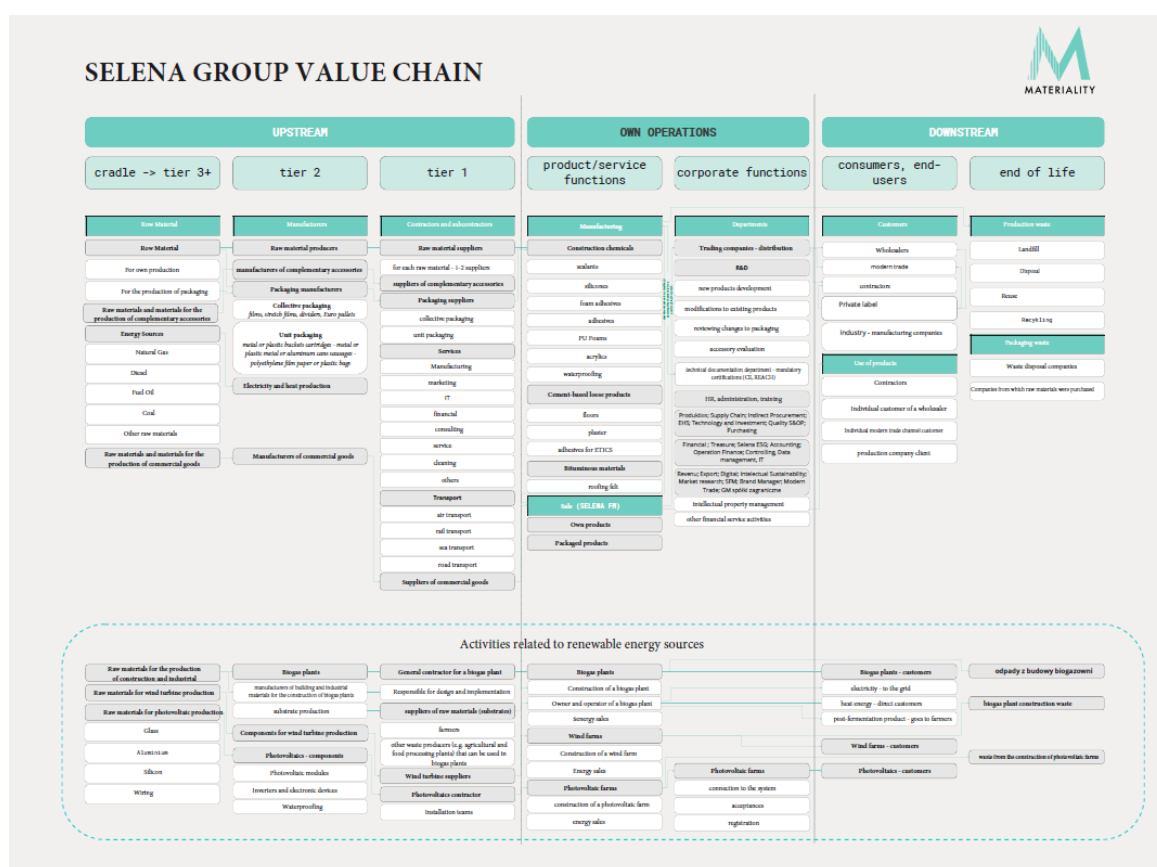
The implementation of the Sustainable Development Goals and Directions will be monitored on the basis of audits of metrics of the set operational goals – the process will be conducted twice a year. The review will be carried out by the Sustainability Department together with assigned persons responsible for achieving individual operational goals. The review report will be presented to the CEO of Selena

Group, as the person responsible for the Sustainable Development area on behalf of the Management Board, and to the Audit Committee.

The expected benefits for stakeholders from the implementation of the above goals include greater stability of access to Selena products (thanks to the uninterrupted supply chain), access to products with a lower carbon footprint and reduction of emissions in stakeholder value chains. Achieving the goals will contribute to increasing the safety and attractiveness of jobs in the Group, increase the Group's credibility as a business partner, and enable increased access to reliable and transparent information for all stakeholders.

Value chain

The Selena Group value chain model was prepared during the 2023 materiality study and was updated together with the 2024 study. It was created taking into account the most important flows of materials and services that are necessary to run the Group's business operations. Its scope includes own operations, upstream and downstream activities, with particular emphasis on key stakeholders, as well as Selena Group's impact on material ESG matters that were mapped in the value chain following the results of the materiality analysis.



1. Own operations:

Selena Group operates in the following areas:

- Production of construction chemicals, including sealants, silicones, foam adhesives, adhesives, polyurethane foams, acrylics and waterproofing products
- Production of cement-based dry-mix products, including floor screeds, plasters, and adhesives for thermal insulation systems
- Production of bituminous felts
- Sale of own products
- Sale of packaged products
- Additionally, Selena conducts activities related to renewable energy sources.
- Biogas plants, including infrastructure construction, management and operations, and energy sales
- Wind farms, including the construction of wind farms and energy sales
- Photovoltaic farms, including the construction of farms and energy sales
- Modernization and thermal modernization of roofs using PV systems

Selena's smooth operations are ensured by departments and separate companies that provide support and management functions for the corporate area. These include:

- Trading companies, responsible for distribution
- R&D department, which designs new products, modifies existing products, approves raw materials for production, reviews changes in packaging and accessories, and manages technical documentation, including mandatory certificates
- Departments: HR, Administration
- Production support departments: Supply Chain, Indirect Procurement, EHS, Technology and Investment, Quality S&OP, Purchasing
- Departments: Financial, Treasury, Accounting, Operation Finance, Controlling, Data Management, IT
- Departments: Revenue, Export, Digital, Intellectual Sustainability, Market Research, Marketing, Modern Trade

2. Upstream

The upstream value chain primarily includes:

In tier 1:

- Raw material suppliers (1-2 suppliers for each raw material)
- Suppliers of complementary accessories
- Packaging suppliers (including secondary and primary packaging)
- Service providers (including production, marketing, IT, financial support, advisory support, maintenance and cleaning services)
- Transport service providers (including air, rail, sea and road)
- Suppliers of commercial goods
- General contractors of biogas plants (responsible for the design and implementation of the facility)
- Suppliers of substrate for biogas plants (including farmers and other producers of waste (e.g. agri-food processing plants) that can be used at biogas plants)
- Wind turbine suppliers
- Photovoltaic system contractors and suppliers (including installation teams)

In tier 2:

- Raw material producers
- Manufacturers of complementary accessories
- Producers of bulk packaging (including film, stretch wrap, interlayers, and Euro pallets)
- Manufacturers of primary packaging (including metal and/or plastic buckets, metal and/or plastic cartridges, metal and/or aluminum cans, polyethylene film, paper or plastic bags)
- Producers of electricity and heat
- Producers of commercial goods
- Producers of construction and industrial materials for the construction of biogas plants

- Substrate manufacturers
- Manufacturers of wind turbine components
- Manufacturers of photovoltaic components (including photovoltaic modules, inverters and electronic devices, waterproofing products)

In cradle up to tier 3+

- Energy resources (including natural gas, diesel oil, heating oil, coal and others)
- Raw materials for own production
- Raw materials for packaging production
- Raw materials and materials for the production of complementary accessories
- Raw materials and materials for the production of commercial goods
- Raw materials for the production of construction and industrial materials
- Raw materials for the production of wind turbines
- Raw materials for photovoltaics, including glass, aluminum, silicon and cabling

3. Downstream

The downstream value chain mainly includes:

Customers:

- Wholesalers
- Sales networks (modern trade)
- Building contractors
- Customers who buy Selena products under Selena brands
- Manufacturing companies (industry) that use Selena products for their own production

End users:

- Contractors, e.g. construction companies
- Individual wholesale customers
- Individual customers of retail chains (modern trade)
- Customers of manufacturing companies

The end of life cycle of the Group's products is divided into two categories:

- Post-production waste that: goes to landfill, is disposed of, is recycled, or is reused
- Packaging waste that: goes to waste disposal companies or to companies from which the raw materials were purchased

SBM-2 Interests and views of stakeholders

As part of the materiality analysis results, key stakeholder groups of Selena Group were identified. The strength of the stakeholder's influence on the Group and the strength of the Group's influence on the stakeholder were examined. Ultimately, 8 stakeholder groups were identified: consumers, employees, suppliers and subcontractors, industry and partner organizations, legislators and public administration, investors and potential investors, financial institutions, and the media. Selena maintains relationships with all of these groups.

Cooperation is conducted with each of the key stakeholder groups, which is tailored to the specific nature of the given group and the influence the group has on Selena, as well as the influence Selena has on the stakeholder group.

The table below describes each of the relevant stakeholder groups and how to engage and collaborate with stakeholders:

Stakeholder group	Short description:	Ways of engagement and how they are organized	The purpose of engagement and how the Group takes into account the results of the engagement
Consumers	Individuals purchasing products for their own needs when renovating/building a home.	Training	Transfer of technical and product knowledge. During the training, discussions are held on the application and technical parameters of the products. Comments from the training are

			reported to the application manager, solution manager and the R&D team.
	Professional building contractors	Webinars	Transfer of technical and product knowledge.
	People responsible for purchasing at wholesale centers and DIY chains	Promotions / competitions	Increasing the loyalty and recognition of Selena Group's own brands; Interest of new consumers in the Group's products. Increased sales (new customers and establishing marketing communications with them).
	Persons responsible for purchasing at companies producing construction products	Marketing campaigns	Increasing the loyalty and recognition of the Group's own brands; Interest of new consumers in the Group's products. Increased sales (new customers and establishing marketing communications with them).
	Designers/ architects	Co-creation of products	Collecting opinions and comments on new products, product modifications and their prototypes. Comments are reported to the R&D department.
	Investors renovating roofs (Selena Energy)		
	Engineering and construction contractors		
	Energy distribution system operators		
Employees	Employees at manufacturing plants (e.g. production line workers, production management)	<ul style="list-style-type: none"> – Employee benefits (e.g. health insurance; multisport cards); – Meetings with HR representatives; – Access to the HR platform with employee tools. – Bonus systems adapted to the position; – Raising qualifications – on-the-job training and others – Voice of Selena – Gallup Engagement Study 	<ul style="list-style-type: none"> – Building membership in the Group and increasing commitment; – Facilitating and automating contacts in employee matters; – Attractiveness of the Group as an employer; – Analysis of employee turnover rate.
	Managerial and executive staff	<ul style="list-style-type: none"> – Employee benefits (e.g. health insurance; multisport cards); – Meetings with HR representatives; – Access to the HR platform with employee tools. – Bonus systems adapted to the position; – Upskilling – training – Voice of Selena – Gallup Engagement Study – P&P Review (Performance and Potential Review) 	<ul style="list-style-type: none"> – Building a sense of belonging to the Group and increasing engagement; – Cash bonuses are paid after achieving monthly, quarterly or annual targets (depending on the position) – Facilitating and automating contacts in employee matters; – Attractiveness of the Group as an employer; – Analysis of employee turnover rate. – Career path analysis and analysis of the possibilities of using one's own resources in various positions
	Specialists (e.g. office workers, R&D, QA, customer service and logistics)	<ul style="list-style-type: none"> – Employee benefits (e.g. health insurance; multisport cards); – Meetings with HR representatives; – Access to the HR platform with employee tools; – Bonus systems adapted to the position; – Upskilling – training – Voice of Selena – Gallup Engagement Study 	<ul style="list-style-type: none"> – Attractiveness of the Group as an employer; increasing employee engagement. – Cash bonuses are paid after achieving monthly, quarterly or annual targets (depending on the position) – Gallup's measurement of employee engagement. After the survey, workshops are held in teams to discuss the results and corrective actions are taken in the teams under the supervision of HR.
	Traders		

		– P&P Review (Performance and Potential Review)	– Career path analysis and analysis of the possibilities of using one's own resources in various positions
Suppliers and subcontractors	Suppliers of raw materials and components for the production of products	The Supplier Code will be implemented gradually between 2025 and 2030.	By introducing the Code, Selena Group meets due diligence requirements and defines clear principles of cooperation. If the counterparty does not accept the Code, the continuation or commencement of cooperation is analyzed from a business perspective.
	Suppliers of commercial goods		
	Service providers (e.g., cleaning; facility and production line maintenance and repair; transport fleet; marketing and research agencies; consulting/legal firms; research and academic institutions)		
	Roofing contractors	There is no ongoing dialogue with contractors.	
	PV installation contractors		
	Engineering and construction contractors		
Industry organizations and partnerships	Organisations and associations related to the construction market, e.g. (e.g. Polish Windows and Doors Association [<i>Polskie Okna i Drzwi</i>], Association of Manufacturers, Suppliers and Distributors [<i>Związek Producentów, dostawców i dystrybutorów</i>]) Polish Roofers Association [<i>Polskie Stowarzyszenie Dekarzy</i>] Polish Biomethane Organisation [<i>Polska Organizacja Biometanu</i>] FEICA, the Association of the European Adhesive & Sealant Industry Polish Chamber of Civil Engineers [<i>Polska Izba Inżynierów Budownictwa</i>] ASEFAVE (Asociación Española Fachadas y Ventanas) AFEB (Asociación Fabricantes Bricolaje y Ferretería) FWCCA (Florida Walls and Ceilings Contractors Association) EWA - European Waterproofing Association AISBL	Selena Group participation in conferences organized by industry organizations, e.g. FEICA; POiD conferences;	Presenting Selena Group's application and product solutions. Tracking industry trends and interpretation of industry regulations. Building the Group's position as an expert in the industry. This information is used in the development of strategic projects and the Group's current activities.
	Organizations and associations related to sustainable development: Polish ESG Association	Selena Group participation in ESG conferences, e.g. the Innovators Forum; Go to the Future. Selena takes part in the ESG Expert Council	Presenting Selena Group's ESG solutions. Tracking ESG trends and interpretation of laws. This information is used in the development of strategic projects and the Group's current activities.
	Business-related organizations and associations: The Council of Polish Global Entrepreneurs [<i>Rada Polskich Przedsiębiorców Globalnych</i>] Association of Stock Exchange Issuers [<i>Stowarzyszenie Emitentów Giełdowych</i>]	Selena Group's participation in the Sustainable Development Committee and the Chemical Legislation Committee	Tracking business trends and interpretation of laws. This information is used in the development of strategic projects and the Group's current activities.

	Association of Polish Corporate Treasurers [<i>Stowarzyszenie Polskich Skarbników Korporacyjnych</i>] The Council of Polish Global Entrepreneurs [<i>Rada Polskich Przedsiębiorców Globalnych</i>]		
Legislative bodies and public administration	National and EU legislative bodies operating in the field of construction, environmental and business environment legislation	Legislation is reviewed through industry associations. Selena Group does not directly conduct lobbying activities	Tracking business trends and interpretation of laws. This information is used in the development of strategic projects and the Group's current activities.
Investors and potential investors	Syrius Investments S.a.r.l. *	Annual investor conference following the publication of the Management Board's report on the Selena Group's operations	Providing information on the company's activities, financial and non-financial results.
	Own shares Powszechne Towarzystwo Emerytalne Allianz Polska S.A.** Other shareholders		
Financial institutions	Banks and other financial institutions cooperating with Selena Group.	Conducting business dialogue.	Providing information on the company's activities and obtaining legal and financial information that is used for the Group's current activities. Obtaining appropriate financing.
Media	Social media, trade and business press, radio and television.	Selena Group has its own communication channels on social media It maintains PR contacts with the media (press conferences; answers to journalists' questions; interviews; press releases, commentaries, etc.). Selena Group publishes information, product, promotional and advertising materials in the media. Selena Group has a press channel where the media can obtain information about the Group.	Transferring knowledge about the company's activities, technical and product knowledge. Increasing the recognition of own brands. Building the Group's position as an expert in the industry. Sales increase. The results are used, among others, in competitiveness analysis and analysis of industry and business trends.

Representatives from most key stakeholder groups were engaged in the materiality process through surveys and in-depth interviews, and their views were considered in identifying significant impacts, risks and opportunities. The survey results were presented during a validation workshop attended by representatives of the Management Board.

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

The table below shows the significant impacts:

ESRS	ESG topic	Impact name	Positive or negative impact	Potential or actual impact	Time horizon	Element of the value chain	Is it a result of the business model and/or business strategy?	Impact description
E1 Climate change	Climate change adaptation	Impact on the expansion of the portfolio of construction chemical products that allow buildings to adapt to climate change	positive	actual/ potential	short + medium + long term	own operations, downstream	Business model	The construction industry must adapt to climate change in the context of acute and long-term physical climate risks. Additionally, the construction industry needs to adapt to increasingly stringent building law regulations. In response to these needs, Selena Group is introducing construction chemical products to the market that help in adaptation to climate change. By observing industry trends, the Group intends to develop its portfolio by expanding it to include new product groups.
	Climate change mitigation (emissions) + Energy (energy consumption, energy demand)	Impact on greenhouse gas emissions through energy consumption in our own production processes and in the production of materials used by the Group	negative	actual	short + medium + long term	upstream, own operations	Business model	The Selena Group's business model involves the production of construction chemicals, which uses significant amounts of energy in its own operations. Selena products are made from materials purchased from suppliers. These are materials whose extraction and processing generates significant greenhouse gas emissions, as shown by the share of Scope 3 emissions in Category 1 in the context of the

								Group's overall emissions (over 90% of GHG emissions come from Scope 3 Cat.1 Purchased raw materials).
		Impact on greenhouse gas emissions through the use of non-renewable energy in production processes	negative	actual	short + medium + long term	own operations	Business model	Selena Group uses energy from non-renewable sources, which emits significant amounts of greenhouse gases, as part of its production activities, which negatively impacts climate change mitigation.
E2 – Pollution	Air pollution	Impact on exceeding air pollution emission standards in production processes	negative	potential	short + medium + long term	own operations	Business model	The operation of some Selena Group installations may be associated with the emission of pollutants other than greenhouse gases. The Selena Group operates within the framework set by environmental decisions, however, in connection with the emission of pollutants there is a possibility of a negative impact if, as a result of a failure or error, emissions exceeded permissible standards.
	Substances of concern	Impact on exceeding the permissible emission limits of substances posing a potential hazard through the use of such substances in production processes	negative	potential	short + medium + long term	upstream, own operations, downstream	Business model	In the production process of construction chemicals, Selena Group uses substances that pose a potential hazard and a very high hazard (compliant with REACH). These substances also appear in Selena products. Despite preventive and mitigation measures, there is a potential for negative impacts to occur as a

	Substances of very high concern	Impact on exceeding the permissible emission limits of substances posing a very high hazard through the use of such substances in production processes	negative	potential	short + medium + long term	upstream, own operations, downstream		result of failure to ensure dedicated safety procedures or incorrect use of Group products.
E5 – Circular economy	Resource inflows and their use	Impact on reducing the use of non-renewable raw materials by increasing the use of recycled or natural raw materials in packaging	positive	actual	short time horizon	upstream, own operations, downstream	Business model	During production processes, Selena Group strives to use raw materials and materials of recycled and/or natural origin, which reduces the product's carbon footprint. These include, for example, cardboard and paper dividers; plastic accessories made from recycled materials.
		Impact on the use of non-renewable raw materials for the production of construction chemicals	negative	actual	short + medium + long term	upstream, own operations		Due to their nature, the raw materials used to produce construction chemicals come mostly from non-renewable sources and are not suitable for reuse.
	Resources withdrawn from an organization related to its products and services	Impact on extending the life cycle of buildings through the production of highly durable construction products	positive	actual	short time horizon	downstream		Selena Group products are designed to ensure high product durability, which contributes to reducing the negative impact on the environment by not requiring frequent repairs or replacements. This approach to products results in adaptation to the circular economy strategy of key downstream consumers.

		Impact on reusing product packaging or using reusable packaging	positive	actual	short time horizon	downstream		<p>Selena Group uses packaging that can be recycled or reused. Paper-based secondary packaging is 100% recyclable. Stretch film is 100% recyclable. Shipping pallets are reusable. Plastic packaging, depending on the type of product, is either recyclable (acrylics) or not recyclable (silicones). Metal packaging is recyclable.</p>
	Waste	Impact on effective waste management in production processes	Negative/positive	actual	short time horizon	own operations		<p>During the production processes of construction chemicals, minimal amounts of waste are generated. Most chemicals are recycled back into production processes. The remaining waste from production processes (not suitable for reuse) is collected by specialized companies dealing with their disposal. The Group also generates municipal waste related to the Group's activities.</p>
S1 - Persons providing work for the undertaking	Secure employment	Impact on the form of employment	positive	actual	short time horizon	own operations	The impact results from the business model	<p>Selena Group's practice is to build long-term relationships with workers: the preferred form of employment is an employment contract. Depending on the specific nature of the task, other contractual arrangements are also possible.</p>
	Working time	Impact on the organisation of working time and on the undertaking's compliance with applicable labor laws and standards	positive	actual	short time horizon	own operations		<p>Selena Group meets legal requirements regarding working time standards. In order to ensure uniform standards in the workplace, Selena Group subsidiaries have adopted appropriate policies to ensure harmonization in this area. The</p>

								<p>Selena Group has a Code of Ethics and work regulations in force. Selena Group monitors and adapts to new trends in the labor market, e.g. uses partial remote work.</p>
	Adequate remuneration	Impact on the standardization of employee remuneration practices in accordance with internal policies and regulatory frameworks	positive	actual	short time horizon	own operations		<p>Selena Group places emphasis on full compliance with legal requirements regarding remuneration, additional benefits, equal pay and minimum wage. The priority is to ensure fair employment conditions for all employees, in compliance with the law and the labor code. Selena Group has a Remuneration Policy in force. It ensures transparent remuneration rules, which promotes employment stability. Selena Group always pays remuneration on time and in accordance with employment contracts.</p>
	Social dialogue	The impact of internal regulations on the protection of the rights of employees to have representation	positive	actual	short time horizon	own operations		<p>Selena Group has a Code of Ethics in place that guarantees freedom of association. At some companies in the Group there are trade unions, operating without interruption.</p>
	Freedom of association, the existence of works councils and the information, consultation and participation rights of workers							
	Collective agreements							

	Work-life balance	Impact on fostering a corporate culture that supports work-life balance by implementing internal programs and policies encouraging employee engagement in activities outside the workplace	positive	actual	short time horizon	own operations	Workers are encouraged to maintain a work-life balance and after-hours work should be exceptional and always agreed with the manager. Selena Group offers employer-subsidized sports packages, which encourage employees to actively spend their free time outside of work. Companies organize regular social gatherings (e.g. Christmas, bonding events, etc.).
	Health and safety	Impact on employee health and safety and the occurrence of accidents at work	negative	potential	short + medium + long term	own operations	Although Selena Group has an occupational health and safety policy and procedures in place across all of its companies and the Group makes every effort to provide its employees with a safe and comfortable workplace, there is a potential for negative impacts due to failure, inattention, human error or accidental collision, which may result in an accident at work.
	Gender equality and the principle of equal pay for work of equal value	Impact on internal gender equality policies and codes	positive	actual	short time horizon	own operations	Selena Group also ensures safe and fair working conditions for our employees, promoting gender equality and diversity. Selena Group ensures that everyone has equal access to resources, information, opportunities and decisions. By implementing sustainable development practices, Selena Group strives to ensure equal pay for work of equal value. These are fundamental elements of social justice and equality. Selena Group has a Code of Ethics and Remuneration Policy in place.

							<p>This results in transparent remuneration rules, which ensures employment stability; the career path is based on the P&P review process, i.e. on qualifications and competences. This causes employees to want to upskill.</p>
	Staff training and development	Impact on enhancing the skills and qualifications of individual employees	positive	actual	short time horizon	own operations	<p>In Selena Group, every employee has access to a series of training courses collected in the e-learning platform. Employees may also participate in product training courses organized within the Group. Regular training is provided to employees on policies, rules and procedures. An individual employee development program is established based on the P&P employee assessment process conducted once a year. The P&P process applies to white collar employees. The P&P process motivates employees to continuously improve their qualifications and participate in training.</p>
	The employment and inclusion of people with disabilities	Impact on the employment of people with disabilities	negative	actual	short time horizon	own operations	<p>Selena Group has a Code of Ethics in place. Selena Group enables the employment of people with disabilities, however, due to the nature of the activities conducted at production plants and commercial companies, there are restrictions on the employment of such people.</p>

	Prevention of violence and discrimination in the workplace	Impact on internal policies and codes prohibiting violence and discrimination and effective channels for reporting wrongdoing	positive	actual	short time horizon	own operations	<p>Selena Group has a Code of Ethics in place, which eliminates the risk of violence and discrimination in the workplace. This minimizes the occurrence of such events. This results in employees feeling safe in the workplace.</p> <p>Selena Group ensures safe and fair working conditions for our employees, promoting gender equality and diversity. Selena Group ensures that everyone has equal access to resources, information, opportunities and decisions. By implementing sustainable development practices, Selena Group strives to ensure equal pay for work of equal value. This aspiration is expressed through the principles adopted in the Code of Ethics in this regard. Selena Group transparently reports key indicators in this area as part of its annual ESG reports.</p> <p>Selena Group maintains a strong commitment to preventing and eliminating forced labor and child labor throughout its operations. This principle is the foundation of the Group's business and is an integral part of Selena Group's identity as a responsible employer and business partner. The Group has a Code of Ethics in place, which excludes the possibility of child labor.</p>
	Diversity	Impact on fostering a work environment that ensures equal opportunities through internal policies and regulations	positive	actual	short time horizon	own operations	
	Child labor	Impact on preventing and eliminating risks of child labor	positive	actual	short time horizon	own operations	
	Forced labor	Impact on preventing and eliminating risks of forced labor	positive	actual	short time horizon	own operations	

S2 – Workers in the value chain	Employee health and safety in the value chain	Impact on health and safety standards in the supply chain arising from non-compliance with common minimum standards based on ILO conventions	negative	potential	short time horizon	upstream	the impact does not result from the business model	Selena Group does not use supplier risk assessment criteria based on suppliers' compliance with minimum standards to ensure safety in the workplace. Selena Group, as an entity operating in the international market, comes into contact with entities operating in various regulatory contexts. As part of its due diligence processes, Selena Group takes steps to fill the gap by implementing the Supplier Code.
	Gender equality and the principle of equal pay for work of equal value for workers in the value chain	Impact on safeguarding against discrimination in the value chain through the implementation of cooperation criteria	positive, negative	potential	short time horizon	upstream	the impact does not result from the business model	Selena Group operates in an industry characterized by significant disproportions in the percentage of men and women employed at particular organizational levels. From the position of an employer, Selena can have a significant positive impact on improving the protection of people working in the value chain against discrimination, or a significant negative impact in the absence of mitigation measures for inappropriate industry practices.
	Workforce diversity in the value chain							
S3 – Affected communities	Respect for the economic, social, and cultural rights of community members	Impact local community members resulting from the current operations of entities in Selena Group's own operations	negative	potential	long time horizon	upstream, own operations	The impact results from the business model.	Selena Group does not operate in areas inhabited by indigenous peoples or in or near protected areas. All production plants have appropriate legal permits. Selena Group overwhelmingly employs workers based on local resources. As part of its sustainable development, Selena Group strives to maintain regular

								<p>dialogue with local communities through social media and local government administration units. The absence of dialogue with local communities may lead to their needs being overlooked in Selena Group's operations. This may cause disruptions to business processes. The lack of dialogue may lead to a growing conflict, the existence of which Selena Group will not become aware of early enough.</p>
S4 – Consumers and end-users	<p>Consumers' health and personal safety; access to products and services; responsible marketing practices; protection of children</p>	<p>The multifaceted impact of the undertaking's information policy on consumers and end users</p>	<p>Positive/negative</p>	<p>actual</p>	<p>Short, medium and long term</p>	<p>downstream</p>	<p>Business model and strategic directions</p>	<p>Selena Group has a multifaceted impact on consumers and end users. As a manufacturer of construction chemicals, it provides entities with access to reliable and credible marketing and technical information regarding products introduced to the market. Technical information is supported by international and/or local tests and certificates. Selena Group avoids any information that may constitute greenwashing. Selena Group takes full responsibility for the content of its marketing communications. Selena Group's information activities are conducted on the Group's websites, in social media, on sales platforms, at points of sale and through training. This results in a regular increase in the NPS (Net Promotor Score) index and increased trust in Selena Group products, and consequently</p>

								drives sales. Selena Group introduces construction chemical products to the market in compliance with all international and local regulations. All products have TDS and MSDS and appropriate markings on labels regarding transport, storage and application safety. In addition, Selena Group construction chemical products have additional international and/or local certificates related to safety of use. The Group also develops its innovations to improve the ergonomics of product applications.
	Privacy	Impact on the security of personal data						
G1 – Business conduct	Corporate culture	Impact on the Group's corporate culture through direct actions to implement policies and spread the Group's values	positive/ negative	actual	Long time horizon	upstream, own operations, downstream	The impact results from the business model and development directions	Selena Group builds its impact in the field of business practices and governance through the adopted governance model. This impact is reflected in the structure of the policies adopted, setting the framework for action and defining the structure of responsibility for managing sustainable development. The organizational culture based on ethical principles supports building relationships with business partners and makes Selena Group a reliable business partner. The Group has a whistleblower protection procedure in place. This creates a
	Protection of whistle-blowers	Impact on the availability and effectiveness of reporting channels and reporting procedures						

								sense of comfort among employees who can voice their concerns without personal consequences.
	Management of relationships with suppliers including payment practices	Impact on procedures that standardize supplier cooperation and ensure timely payments according to agreed terms	positive/negative	potential	Long time horizon	upstream	The impact results from the business model and development directions	In its operations, Selena Group applies transparent payments to contractors and honors contracts, which has a positive impact on the value chain. By applying transparent principles of cooperation, Selena Group is a reliable business partner.
	Prevention and detection of corruption, and training	Impact on access to training and channels for reporting corruption cases	positive/negative	potential	Long time horizon	upstream, own operations, downstream	The impact results from the business model and development directions	Preventing and detecting corruption is an important aspect of Selena Group's activities. Selena Group does not tolerate corruption, fraud or unethical practices in business relationships. The applied policy, code of ethics, anti-corruption and bribery ensure that the company's activities are conducted with respect for the highest ethical standards.
	Corruption cases	Impact on the detection and prevention of corruption	negative	potential	short + medium + long term	upstream, own operations, downstream	Business model	Despite compliance with legal obligations, it is still possible that incidents of corruption or bribery may occur.

The table below presents significant risks and opportunities:

ESRS Topic	Event	Description	Causes	Consequences	Type	Control
E.1.	temperature change inside production facilities	An event related to the risk and significant impact of changes in conditions inside the Selena Group's production buildings	Air temperature rise	Higher energy consumption for cooling production facilities – increased production costs	risk	temperature and energy consumption monitoring
				Higher transport costs associated with transporting goods at the right temperature	risk	temperature monitoring; monitoring of product transport temperature guidelines
				Demand for other types of construction chemical products - adapted to atmospheric conditions	opportunity/ risk	to be developed at a later date
				Power outages	risk	to be developed at a later date
				Limited availability of production inputs	risk	to be developed at a later date
	High demand for electricity / Difficulty with cooling					
	Tornadoes / floods / strong lightning discharges	Related to climate change and increased frequency of extreme weather events	Unpredictable weather conditions	Production disruptions. Temporary production shutdowns. Damage to fixed assets (buildings / machines)	risk	meteorological monitoring; geographical diversification of production
				Disrupted supply chains (in both directions: to and from the Selena Group factory/warehouse)	risk	meteorological monitoring; avoiding single sourcing; geographical diversification of production/ distribution
				Distribution of production and distribution (ensuring it is easy to reach the customer/ raw material suppliers)	opportunity	to be developed at a later date
				Demand for high-quality products that increase the energy efficiency of buildings, products that provide increased climate resistance of building partitions (the values of climate load indicators in the design of buildings are expected to be tightened) (top brands of the Selena Group)	opportunity	to be developed at a later date

	Limited access to water	Water as a key component of raw materials and construction processes in which the Group's products are used	Climate change	Limited availability of/ very expensive raw materials	risk	monitoring the condition of suppliers; avoiding single sourcing; list of substitutes for production raw materials
				Selena Group products do not require the use of water on the construction site	opportunity	training for contractors; designing products that do not require the use of water on the construction site
	Limited availability of non-renewable raw materials	Changes in awareness and the intention to use renewable raw materials instead of petroleum-based raw materials	Designing products with a reduced carbon footprint	Decarbonization of products and decarbonization of "scope 3" at the customer, reducing the carbon footprint embedded into the building	opportunity	designing products with a reduced carbon footprint vs. average market values; purchasing commercial goods with a reduced carbon footprint vs. average market values; marking the carbon footprint of Selena Group products and commercial goods
E.2.	Increased costs related to the collection and disposal of packaging from contractors' construction sites	It concerns the contractor's conduct that is dishonest and inconsistent with the contractual obligations. Selena Group concludes agreements with professional entities responsible for the removal of production waste	failure to fulfill the contractor's obligations	Improper disposal of production waste collected from Selena	risk	verification of contractors plus securing the contract with an agreement
		Customers' expectations related to collecting packaging from construction sites	Change in awareness and expectations of contractors	Risk of cooperation with a contractor	risk / opportunity	to be developed at a later date
E.5	The need to ensure effective and sustainable packaging management	See above	See above	See above	risk	to be developed at a later date
	Introduction of recycled packaging (with reduced carbon footprint)	Expectations of contractors in line with their sustainable development strategies and legislative requirements related to circular economy	market trends	Loss of consumers (mainly in the retail chain channel (modern trade)	risk	monitoring customer requirements and monitoring packaging put on the market; we are gradually introducing recycled packaging or packaging with recycled

						components; creating internal competences in the field of packaging;
			consumer expectations	Potentially higher costs associated with running the business (fees, taxes). Depending on legal developments	risk	monitoring of legal regulations
			legal requirements	penalties, downgrade of sustainability rating, loss of customers	risk	monitoring customer expectations
	Demand for products with increased durability	See above	Responding to market trends	Increased demand for Selena Group products	opportunity	monitoring customer expectations
				Product innovation / new products on the market / standing out from the competition	opportunity	monitoring customer expectations
	Use of recycled raw materials	Changing the proportions of using petroleum-based raw materials in favor of bio-based and recycled ones	Reduced carbon footprint	Decarbonization of products and decarbonization of "scope 3" at the customer, reducing the carbon footprint embedded into the building	opportunity	monitoring of recycled raw materials; designing such products; calculation of the carbon footprint for these products
				Possible increase in product costs when using bio and recycled raw materials	risk	tracking unit cost of production; assessing the impact of bio/recycled raw materials; increasing production
S.1	Discrimination based on specific characteristics	concerning: disability, gender, sexual orientation, and personal beliefs	Low employee awareness of risk	Reduced motivation among employees	risk	to be developed at a later date
			Imprecise internal regulations	Image-related	risk	to be developed at a later date
				Legal: legal proceedings / internal investigations (whistleblowing)	risk	to be developed at a later date
	Failure to meet requirements related to working conditions	It concerns legal requirements related to occupational health and safety	Gaps in identifying relevant legal requirements	Health effects on employees	risk	establishment of an EHS team within the Group; use of tools supporting supervision of occupational health and safety matters
			High cost of implementing the right solutions	Legal consequences	risk	establishment of an EHS team within the Group;

						use of tools supporting supervision of occupational health and safety matters
				Loss of potential/ current employees	risk	establishment of an EHS team within the Group; use of tools supporting supervision of occupational health and safety matters
	Offering additional benefits to employees	Ensuring additional benefits, career path, training/learning/development	Changing market trends in the approach to employees	Uniting and connecting people with each other and with the company	opportunity	employee engagement surveys; providing training for employee development; talent development and promotion program
S.2.	Failure to carry out “social audits” at suppliers and customers indicated in the value chain	Related to the perception of the supplier as “standard”, without taking into account important factors in its activity	Lack of awareness	Image risk	risk	carrying out supplier audits (in accordance with the Group’s internal policy); supplementing the scope of audits with the implementation of social audits
			Possible additional costs	Risk of losing customers / margins in the event that an entity in the value chain uses child labor / slave labor / significant violation of health and safety conditions / operating in regions covered by sanctions / prohibited regions covered by protection	risk	carrying out supplier audits (in accordance with the Group’s internal policy); supplementing the scope of audits with the implementation of social audits
S.3.	Lack of regular/structured dialogue with communities affected by Selena Group	Lack of practice of regularly examining expectations, changes, attitudes of the communities affected by the Group	No dedicated position	Difficulty in predicting community actions/ plans	risk	to be developed at a later date
	Selena Group's lack of proactive attitude towards affected communities		Possible restrictions on the operation of production plants / delays / unplanned cost increases	risk	implementation of the procedure and policy, and supervision of the procedure	
			Positive impact on brand equity	opportunity	to be developed at a later date	
			Identification of needs, “Reservations” and possible threats from affected communities	opportunity	to be developed at a later date	
	Loss of image when negative impact on communities is publicized					
	Introducing dialogue with communities					

S.4.	Providing false or unverified/ undocumented product information	Connected with the lack of up-to-date/ verified product information	Lack of transparency of information / multitude of available information sources	Loss of a customer, loss of margin, image, lawsuits, compensation, suspension of sales	risk	verification of data correctness in LIM and PIM
	Greenwashing	Deliberate manipulation of communication	The desire to gain advantage through inappropriate communication	Loss of a customer, loss of margin, image, lawsuits, compensation, suspension of sales	risk	confirming communication on ESG-related topics (product and corporate and marketing communication)
	Providing innovations towards the ergonomics of using Selena Group products	This applies to e.g. FOAD		Improving the ergonomics on the contractor side, reducing waste,	opportunity	designing products with improved performance vs. standard products on the market
	Outdated/ false information in PIM		no PIM update	as a result, incorrect information is transferred on the product/ product safety data sheets – rapid dissemination of information, possibility of greenwashing	risk	verification of data correctness in LIM and PIM
	Submitting confirmed information in financial and current reports	concerns stakeholders: shareholders, potential investors, market regulators, industry associations, financial institutions	legislation	company rating increase; brand equity; access to green financing	opportunity	internal process of verifying the information provided: need for publication + credibility; periodic examination of reports by an external audit
G.1.	Illegal conduct in the event of failure to implement the required solutions	It concerns the implementation of coherent rules as part of whistleblower protection,	A minimalist approach to the issue	legal consequences in case of non-implementation / limited possibilities to obtain information from stakeholders	risk	policy of reporting violations + whistleblower protection; providing a tool for registration and handling of notifications
	Corruption and bribery cases		the human factor and the existence of a pyramid of abuse	loss of margin / sales / loss of image	risk	implementation of anti-corruption policy; implementation of training
	ESG rating downgrade	related to the lack of implementation of required policies and procedures	no registration of Selena Group on rating platforms	loss of customers	risk	establishing a team to monitor legal/market requirements in ESG topics
	Risks related to the lack of a Supplier Code	It concerns (together with contractors) the development and implementation of	No previous practice	Unregulated cooperation with a contractor	risk	Regulating issues related to cooperation, settlements,
			Cost increase	Loss of a contractor	risk	

		universal (not only business) principles of cooperation	No dedicated resources	Loss of margin/sales	risk	mutual communication rules and ESG
	Discrepancies between the ESG goals and directions of Selena Group and those of key contractors	Adapting Selena Group's KPIs, directions and goals to the markets in which it conducts business operations. Establishing touchpoints with key customers	market trend, customer and consumer requirements	Improving the effectiveness of cooperation between contractors, better tailoring of the commercial offer (e.g. Decarbonization of the customer shelf in line with the customer's decarbonization roadmap.	Risk / opportunity	Analysis of contractors' ESG strategies; Harmonization in key areas

In the current period, Selena Group did not record any ongoing effects of significant risks and opportunities related to sustainable development.

In this Report, Selena Group has used the option to omit the disclosure of the expected financial effects of significant risks on the financial position and cash flows, together with a monetary estimate, in connection with its right to omit the above information for the first three years of publication of the Report.

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

Materiality assessment

Selena Group conducted a comprehensive materiality assessment in 2023. The methodology according to which the assessment was conducted was adapted to the requirements of the CSRD and ESRs. The materiality assessment process was conducted by an external party – the consulting firm MATERIALITY. The exercise was conducted in accordance with the MAX 4 methodology - MATERIALITY ASSESSMENT MATRIX version 4.

In 2024, the Group updated the assessment to include stakeholders from outside Poland. The materiality assessment was conducted from June 2023 to September 2023. The preliminary results of the matrix analysis were the subject of a validation workshop on 7 September 2023, with the participation of the Group's Management Board, among others. The final results of the materiality assessment were approved by the Management Board on 21 September 2023. In 2024, the Group conducted an update of the assessment, which consisted of expanding the exercise to include stakeholders from outside Poland, whose responses were added to those collected in 2023.

The research methodology is based on a matrix analysis of the results of the assessment of individual impacts of risks and opportunities from the perspective of impact materiality and financial materiality. The exercise covered issues related to all 90 sustainability subjects included in the table in AR16 ESRs 1.

The following sources of information were used in the assessment:

- Analysis of information on the business model and the Group's goals and directions,
- Analysis of the Group's value chain model,
- A comparative analysis of 11 entities from the construction chemicals sector from Poland and around the world in terms of what significant impacts, risks and opportunities these entities identify in their sustainability reports,
- A questionnaire survey was conducted on a group of 65 representatives of all key management areas in the Group (the group included, among others, representatives of the management board and senior management of the company),
- A detailed questionnaire survey was conducted with 51 area experts in the Group,
- Assessment of detailed parameters of impact materiality and financial materiality carried out by three MATERIALITY experts,
- Questionnaire survey and structured interviews with 12 representatives of key external stakeholder groups of Selena Group.

Impact materiality perspective.

The identification and assessment of impacts were closely linked to the identified activities and business relationships of the Group across the entire value chain, the model of which was developed by the working group. The value chain provided the basis for analyzing the actual and potential impacts exerted by the Group, through analysis of, among others, the Group's suppliers (which also included the Group's contractors and business partners), products and services offered, the organizational structure, consumers and end-users of the products and services offered by the Group, as well as end-of-life and waste management.

The activities, business relationships, geographic areas and other factors that give rise to increased earnings risk have been determined based on the Group's management structure, which is reflected by the Group's principal reportable segments: (1) Parent company, (2) Distribution in Poland, (3) Production in Poland, (4) Western Europe, (5) Eastern Europe and Asia, (6) Americas, and (7) Other. The segments also reflect different revenue and performance models, different business models, and different factors, opportunities and risks that affect the areas that are more similar within a single segment.

Four impact materiality parameters were assessed: impact strength, impact scope, and the irreversibility of the impact (together constituting impact severity), as well as the likelihood of the impact occurring. The parameters were assessed using information obtained from comparative analysis, interviews with stakeholder representatives, questionnaires among Group representatives and assessments made by external experts. Data resulting from the assessment of parameters from each information source were then translated into a five-point significance scale: minimal, informative, important, significant, and critical. Any issue for which the impact was assessed as important, significant or critical was considered to be significant from a materiality of impact perspective.

The Group's key stakeholders were identified based on an analysis of the Group's business model and value chain model, an analysis of the effects of the Group's due diligence processes and a questionnaire conducted among representatives of all key management areas within the Group. Ultimately, the following stakeholder groups were identified as key: consumers, employees, suppliers and subcontractors, industry and partner organizations, legislators and public administration, investors and potential investors, financial institutions, and the media. In the process of assessing the materiality of the impact, surveys and structured interviews were conducted with representatives of these key stakeholder groups.

Financial materiality perspective.

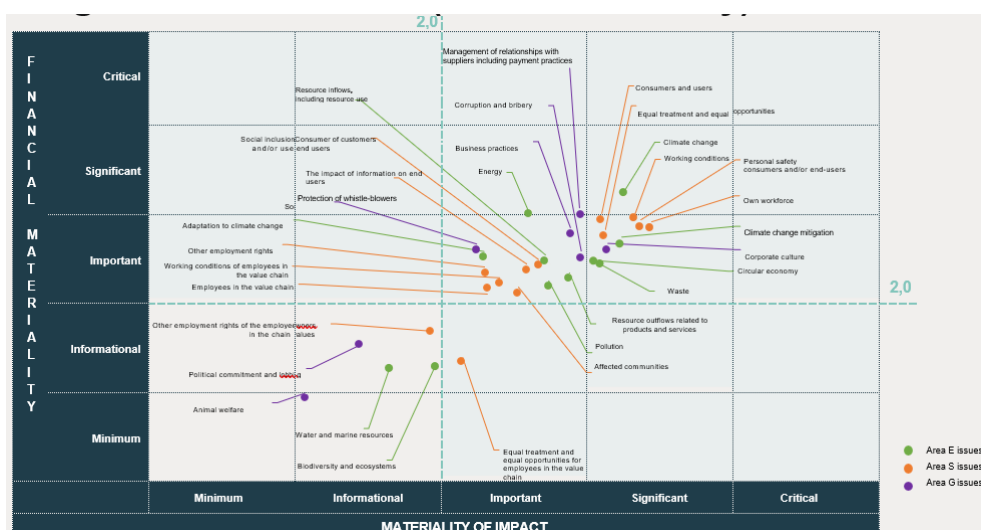
Financial materiality was determined by identifying and assessing risks and opportunities related to specific sustainability issues using the following parameters:

1. The scale of the consequences of a given risk or opportunity, which determines how severe the consequences for the Group would be if the given risk materialized (in the case of risks) or how significant the beneficial consequences could be if the given opportunity materialized and was exploited (in the case of opportunities).
2. The likelihood that a given risk or opportunity will occur.

The parameters were assessed using information obtained from comparative analysis, questionnaires among Group representatives and assessments made by external experts. Data resulting from the assessment of parameters from each of these information sources were then reduced to a five-point materiality scale (for risks: minimal or slight, less than medium, greater than medium, serious, critical or very serious; for opportunities: minimal or minor, less than medium, greater than medium, significant, very significant). Each topic associated with a risk of at least higher than medium or associated with an opportunity of at least higher than medium was considered material from the perspective of financial materiality.

Double materiality principle.

Any sustainability topic that had a material impact, risk, or opportunity was considered doubly material and, as such, was reported in accordance with the relevant standards and disclosure requirements.



Taking into account the results of the materiality assessment in ESG management

The materiality assessment identified:

- 48 material topics
- 19 risk areas
- 16 opportunity areas
- E1, E2, E5, S1, S2, S3, S4 and G1 were identified as material ESRS topics.

Risks related to sustainable development issues are assessed in a manner consistent with other risks - in the context of their likelihood, impact on the company's operating activities, impact on financial results and impact on strategy implementation. In this way, the Group ensures that sustainability risks are neither ignored nor favored

over other risks. However, for presentation purposes, these risks are additionally discussed in section SBM-3 to provide greater visibility and to demonstrate that the Group manages them appropriately.

Selena Group has decision-making processes in place related to materiality testing and related internal audit procedures, which play a key role in ensuring effective risk management and achieving the organization's objectives. Areas identified during the materiality study as generating risks or opportunities were mapped to risks already existing in the internal risk system. Risks and opportunities were then identified in areas not previously covered by the system and the system was expanded to include the missing risks.

The results of this process are incorporated into the risk map update process, where they are given weight equivalent to the input of key stakeholders—such as members of the Management Boards of individual entities—and are treated with corresponding significance.

The decision-making processes described above enable effective management of the materiality of sustainability issues and the identification and management of risks in the organization, which in turn supports the achievement of business objectives.

Changes to the materiality assessment

For the 2024 report, the Group has expanded the scope of the materiality assessment compared to the exercise conducted in 2023, in accordance with the methodology described above. The Group intends to review, modify and update the assessment once a year.

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

Disclosure No.	Disclosure Name	page in the report
ESRS 2 General Disclosures		
BP-1	General basis for preparation of sustainability statements	5
BP-2	Disclosures in relation to specific circumstances	8
GOV-1	The role of administrative, management and supervisory bodies	10
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	16
GOV-3	Integration of sustainability-related performance in incentive schemes	16
GOV-4	Statement on due diligence	16
GOV-5	Risk management and internal controls over sustainability reporting	17
SBM-1	Strategy, business model and value chain	17
SBM-2	Interests and views of stakeholders	23, 117, 119
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model.	28, 61, 103, 115, 117, 119
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	47, 64
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	49
ESRS E1 Climate change		
E1-1	Transition plan for climate change mitigation	61
E1-2	Policies related to climate change mitigation and adaptation	66
E1-3	Actions and resources in relation to climate change policies	67
E1-4	Targets related to climate change mitigation and adaptation	68
E1-5	Energy consumption and mix	69
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	70
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	79
E1-8	Internal carbon pricing	79
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	79
ESRS E2 Pollution		
E2-1	Policies related to pollution	79

E2-2	Actions and resources related to pollution	79
E2-3	Targets related to pollution	80
E2-4	Pollution of air, water and soil	80
E2-5	Substances of concern and substances of very high concern	81
E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	84
ESRS E5 Resource use and circular economy		
E5-1	Policies related to resource use and circular economy	84
E5-2	Actions and resources in relation to resource use and circular economy	84
E5-3	Targets related to resource use and circular economy	85
E5-4	Resource inflows	86
E5-5	Resource outflows	87
E5-6	Potential financial effects from resource use and circular economy-related impacts, risks and opportunities	89
ESRS S1 Own workforce		
S1-1	Policies related to own workforce	103
S1-2	Processes for engaging with own workforce and workers' representatives about impacts	106
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	106
S1-4	Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	108
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	109
S1-6	Characteristics of the undertaking's employees	109
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	111
S1-8	Collective bargaining coverage and social dialogue	111
S1-9	Diversity metrics	112
S1-10	Adequate wage	112
S1-11	Social protection	112
S1-12	People with disabilities	112
S1-13	Training and skills development metrics	113
S1-14	Health and safety metrics	113
S1-15	Work-life balance metrics	114
S1-16	Remuneration metrics (pay gap and total remuneration)	114
S1-17	Complaints and severe human rights impacts	115
ESRS S2 Workers in the value chain		
S2-1	Policies related to value chain workers	116
S2-2	Processes for engaging with value chain workers about impacts	116
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	116
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action	116
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	116
ESRS S3 Affected communities		
S3-1	Policies related to affected communities	117
S3-2	Processes for engaging with affected communities about impacts	117
S3-3	Processes to remediate negative impacts and channels for affected communities to raise concerns	117

S3-4	Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	118
S3-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	118
ESRS S4 Consumers and end-users		
S4-1	Policies related to consumers and end-users	119
S4-2	Processes for engaging with consumers and end-users about impacts	120
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	120
S4-4	Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	121
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	122
ESRS G1 Business conduct		
G1-1	Business conduct policies and corporate culture	125
G1-2	Management of relationships with suppliers	127
G1-3	Prevention and detection of corruption and bribery	127
G1-4	Confirmed incidents of corruption or bribery	127
G1-6	Payment practices	128

Table 0-1: List of datapoints in cross-cutting and topical standards that derive from other EU legislation

Disclosure requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU Climate Law reference	Page
ESRS 2 GOV-1 Board's gender diversity point 21 (d)	Indicator number 13 of Table 1 of Annex 1		Commission Delegated Regulation 2020/1816, Annex II		10
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		12
ESRS 2 GOV-4 Statement on item 30 of due diligence	Indicator No. 10 in Table 3 in Annex I				16
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d)(i)	Indicator no. 4 in the table	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453(6), Table 1: Qualitative information on environmental risk and Table 2: Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II		18
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40(d)(ii)	Indicator No. 9 in Table 2 in Annex I		Delegated Regulation (EU) 2020/1816, Annex II		17
Involvement in activities related to controversial weapons paragraph 40(d)(iii)	Indicator No. 14 in Table 1 in Annex I		Article 12(1) of Delegated Regulation (EU) 2020/1818(7), Annex II of Delegated Regulation (EU) 2020/1816		18
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40(d)(iv)			Article 12(1) of Delegated Regulation (EU) 2020/1818, Annex II of Delegated Regulation (EU) 2020/1816		18
ESRS E1-1 Transition plan to achieve climate				Article 2(1) of Regulation (EU) 2021/1119	61

neutrality by 2050 paragraph 14					
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16(g)		Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 12(1)(d)-(g) and Article 12(2) of Delegated Regulation (EU) 2020/1818		Not applicable
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator No. 4 in Table 2 in Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		68
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator No. 5 Table 1 and Indicator No. 5 in Table 2 of Annex I				69
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator No. 5 in Table 1 in Annex I				69
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors	Indicator No. 6 in Table 1 in Annex I				69
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators No. 1 and 2 in Table 1 in Annex I	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change	Article 5(1), Article 6 and Article 8(1) of Delegated Regulation (EU) 2020/1818		70

		transition risk: Credit quality of exposures by sector, emissions and residual maturity			
ESRS E1-6 Gross GHG emissions intensity paragraphs 53–55	Indicator no. 3 in the table	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8 (1)		71
ESRS E1-7 GHG removals and carbon credits paragraph paragraph 56				Article 2(1) of Regulation (EU) 2021/1119	79
ESRS E1-9 Exposure of the benchmark portfolio to climate- related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		79
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66(c).		Article 449a Regulation (EU) No 575/2013; paragraph 46 and 47 Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk.			Not applicable
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67(c)		Article 449a Regulation (EU) No 575/2013; paragraph 34 of Commission Implementing Regulation (EU) 2022/2453; Templa te 2: Banking book – Climate change transition risk: Loans collateralized by immovable			Not applicable

		property - Energy efficiency of the collateral			
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities			Annex II to Delegated Regulation (EU) 2020/1818		Not applicable
ESRS E2-4 Amount of each pollutant listed in AnnexII of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table 1 of Annex 1 Indicator number 2 Table 2 of Annex 1 Indicator number 1 Table 2 of Annex 1 Indicator number 3 Table 2 of Annex 1				80
ESRS E3-1 Water and marine resources (paragraph 9)	Indicator No. 7 in Table 2 in Annex I				Not applicable
ESRS E3-1 Dedicated policy paragraph 13	Indicator No. 8 in Table 2 in Annex I				Not applicable
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator No. 12 in Table 2 in Annex I				Not applicable
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator No. 6.2 in Table 2 in Annex I				Not applicable
ESRS E3-4 Total water consumption in m3 per net revenue on own operations paragraph 29	Indicator No. 6.1 in Table 2 in Annex I				Not applicable
ESRS 2- SBM 3- E4 paragraph 16 (a)(i)	Indicator No. 7 in Table 1 in Annex I				Not applicable
ESRS 2 SBM 3-E4 paragraph 16(b)	Indicator No. 10 in Table 2 in Annex I				Not applicable
ESRS 2 SBM 3-E4 paragraph 16(c)	Indicator No. 14 in Table 2 in Annex I				Not applicable
ESRS E4-2 Sustainable land/ agriculture practices paragraph 24(b)	Indicator No. 11 in Table 2 in Annex I				Not applicable
ESRS E4-2 Sustainable oceans/ seas practices or policies paragraph 24(c)	Indicator No. 12 in Table 2 in Annex I				Not applicable
ESRS E4-2 Policies to address deforestation paragraph 24(d)	Indicator No. 15 in Table 2 in Annex I				Not applicable
ESRS E5-5 Non-recycled waste paragraph 37(d)	Indicator No. 13 in Table 2 in Annex I				87
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator No. 9 in Table 1 in Annex I				88

ESRS 2 SBM-3-S1 Risk of incidents of forced labour paragraph 14(f)	Indicator No. 13 in Table 3 in Annex I				103
ESRS 2 SBM-3-S1 Risk of incidents of child labor paragraph 16(g)	Indicator No. 12 in Table 3 in Annex I				103
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator No. 9 Table 3 and Indicator No. 11 in Table 1 of Annex I				103
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8; paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		103
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator No. 11 in Table 3 in Annex I				103
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator No. 1 in Table 3 in Annex I				103
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32(c)	Indicator No. 5 in Table 3 in Annex I				106
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator No. 2 in Table 3 in Annex I		Delegated Regulation (EU) 2020/1816, Annex II		113
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88(e)	Indicator No. 3 in Table 3 in Annex I				114
ESRS S1-16 Unadjusted gender pay gap paragraph 97(a)	Indicator No. 12 in Table 1 in Annex I		Delegated Regulation (EU) 2020/1816, Annex II		114
ESRS S1-16 Excessive CEO pay ratio paragraph 97(b)	Indicator No. 8 in Table 3 in Annex I				115
ESRS S1-17 Incidents of discrimination paragraph 103(a)	Indicator No. 7 in Table 3 in Annex I				115
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104(a)	Indicator No. 10 Table 1 and Indicator No. 14 in Table 3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		115

ESRS 2 SBM-3-S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n.13 Table 3 of Annex I				115
ESRS S1-1 Human rights policy commitments paragraph 17	Indicator No. 9 Table 3 and Indicator No. 11 in Table 1 of Annex I				116
ESRS S2-1 Policies related to value chain workers, paragraph 18	Indicator No. 11 and No. 4 in Table 3 in Annex I				116
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator No. 10 in Table 1 in Annex I		Delegated Regulation (EU)2020/1816, AnnexII Delegated Regulation (EU) 2020/1818 Art 12 (1)		116
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8; paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		116
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator No. 14 in Table 3 in Annex I				116
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table 3 of Annex 1 and Indicator number 11 Table 1 of Annex I				117
ESRS S3-1 Non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator No. 10 in Table 1 in Annex I		Delegated Regulation (EU)2020/1816, AnnexII Delegated Regulation (EU) 2020/1818 Art 12 (1)		117
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator No. 14 in Table 3 in Annex I				118
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator No. 9 Table 3 and Indicator No. 11 in Table 1 of Annex I				119
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator No. 10 in Table 1 in Annex I		Delegated Regulation (EU)2020/1816, AnnexII Delegated Regulation (EU) 2020/1818 Art 12 (1)		119
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator No. 14 in Table 3 in Annex I				121

ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator No. 15 in Table 3 in Annex I				125
ESRS G1-1 Protection of whistle-blowers paragraph 10(d)	Indicator No. 6 in Table 3 in Annex I				125
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator No. 17 in Table 3 in Annex I		Delegated Regulation (EU) 2020/1816, Annex II		127
ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24(b)	Indicator No. 16 in Table 3 in Annex I				127



Environment

2. Environmental information

2.1. E1 Climate change

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

Description in ESRS 2 GOV-3.

E1-1 Transition plan for climate change mitigation

As of the date of publication of the report, Selena Group does not have a transition plan for climate change mitigation purposes. In 2024, Selena Group adopted sustainable development goals and directions, which set climate goals and will serve as the basis for work on the transformation plan scheduled for 2030.

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

At the turn of 2024 and 2025, Selena Group conducted a climate risk analysis, which resulted in the identification of physical and transformation risks and opportunities based on two scenarios (analysis methodology described in E1 IRO-1). The analysis covered the entire value chain.

The identified risks and opportunities are presented in the table below:

	Paris-aligned			Paris-missed		
	2030	2040	2050	2030	2040	2050
Transformational risks						
Legal and regulatory risks						
Increased costs due to increases in current taxes, duties or the introduction of other carbon fees	✓	✓	✓	✓	✓	✓
The need to commit additional resources due to the requirement for more detailed calculation of greenhouse gas emissions or the product's carbon footprint	✓	✓	✓	✓	✓	✓
The need to engage additional resources to meet new legal requirements governing product or packaging standards	✓	✓	✓	✓	✓	✓
Sanctions for failure to properly report greenhouse gas emissions, carbon footprint or other regulatory requirements related to climate change issues	-	✓	✓	-	-	-
Technological risks						
The emergence of new low-emission materials and production technologies that the organization does not have access to	✓	✓	✓	✓	✓	✓
Loss of competitiveness due to the lack of use of production, infrastructure, logistics or organizational solutions with high energy efficiency	✓	✓	✓	✓	✓	✓
Loss of competitiveness due to opportunity costs associated with not using new, more resource-efficient production, infrastructure, logistics and organizational solutions	✓	✓	✓	✓	✓	✓
Increase in energy prices due to high-emission electricity mix in Poland or other countries	✓	-	-	✓	✓	-
Market risks						

Decrease in demand for a specific product/service relative to a low-emission/sustainable alternative	-	✓	✓	-	-	-
Increase in raw material and input costs caused by climate risks	-	✓	-	-	✓	✓
Limited availability or increased cost of insurance coverage for assets exposed to physical climate-related hazards	-	-	-	-	-	✓
Lack of or reduced business cooperation due to failure to meet the climate-related expectations of stakeholders, including suppliers and customers, regarding climate change mitigation	-	✓	✓	-	-	-
Difficulties in finding suppliers and partners who meet sufficiently high climate and environmental criteria	-	-	✓	-	-	-
Reputational risks						
Negative demand shocks for the company's products/services resulting from the negative image of the organization as contributing to the deepening climate crisis in the eyes of consumers	-	-	-	-	-	✓
A decrease in the number of current and potential business partners and financing institutions resulting from a negative image of the organization and/or industry	-	✓	✓	-	-	-
Decrease in the value of the company in the eyes of investors due to negative media publications about the organization in the context of climate change	-	-	-	-	✓	✓
Loss of trust from consumers and other stakeholders due to false or misleading green claims	-	✓	✓	-	-	-
Decrease in the value of a company in the eyes of consumers/ business partners and investors due to a decrease in ratings/ scores based on ESG criteria	-	✓	✓	-	-	-
Physical risks						
Sudden risks						
Disruption to operations due to physical damage to property resulting from severe/ extreme weather events	✓	✓	✓	✓	✓	✓
Physical damage to the transmission and broadcasting infrastructure, which may result in interruption of telecommunications and energy services and power supply	-	-	-	-	✓	✓
Disrupted supply chain and rising costs associated with delays and/or recovery of lost raw materials due to severe weather events	-	-	-	-	-	✓
Extreme weather events that pose a threat to and/or prevent employees from working, causing interruptions in operational activities	✓	✓	✓	✓	✓	✓
Long-term risks						
Difficulties in conducting operational and logistical activities due to increased variability of precipitation structure and weather patterns	-	-	-	-	✓	✓
The impact of changes in precipitation structure on the availability of resources and/or raw materials	-	-	-	-	-	✓

Decrease in indoor environmental quality	-	✓	✓	✓	✓	✓
Flooding of infrastructure in areas close to the coastline	-	✓	✓	✓	✓	✓
Rising temperatures that reduce employee efficiency and availability	-	✓	✓	✓	✓	✓

	Paris-aligned			Paris-missed		
	2030	2040	2050	2030	2040	2050
Efficiency opportunities						
Cost reduction through the use of energy-efficient fixed assets	✓	✓	✓	✓	✓	✓
Cost reduction by optimizing the energy efficiency of processes	✓	✓	✓	✓	✓	✓
Reducing the amount of raw materials and inputs used by optimizing fixed assets	✓	✓	✓	✓	✓	✓
Reducing the amount of waste generated by optimizing fixed assets	✓	✓	✓	✓	✓	✓
Energy opportunities						
Reducing energy costs by investing in renewable energy sources	✓	✓	✓	✓	✓	✓
Increasing energy security through investments in energy storage facilities	✓	✓	✓	✓	✓	✓
Resilience opportunities						
Increased competitiveness due to greater resilience to climate risks than competitors	-	✓	✓	-	✓	✓
Increased competitiveness due to carbon tariffs or other climate costs of competition	-	✓	✓	-	-	-
Increased capacity to adapt to climate change by conducting pilot programs for new products/ services	-	-	-	-	-	✓

The analysis of climate risks and opportunities did not look at the possibility of adapting the business model to climate change.

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

The climate risk and opportunity analysis was conducted in late 2024 and aimed to identify significant climate risks and opportunities taking into account the likelihood of occurrence and the severity of impacts.

In the opportunity assessment, the likelihood of the occurrence of favorable circumstances to use the opportunity and the consequences of using the opportunity were assessed. The costs necessary to exploit the opportunity were not taken into account – GROSS OPPORTUNITIES.

The risk assessment looked at the likelihood of events occurring that would result in the risk of losses for the entity. Potential mitigation actions or the costs of their implementation were not taken into account – GROSS RISKS.

Both the likelihood of occurrence and the severity of the impacts were rated on a 5-level scale

Likelihood scale:

- 5 – Certain
- 4 – High
- 3 – Medium
- 2 – Small
- 1 – Minimal

Risk impact severity scale:

- 5 – Critical
- 4 – Very serious
- 3 – Serious
- 2 – Important
- 1 – Minimal

Opportunity impact severity scale:

- 5 – Decisive
- 4 – Very significant
- 3 – Significant
- 2 – Important
- 1 – Minimal

The risk and opportunity materiality index was calculated as (likelihood * impact severity) + impact severity. The basis for the calculations was a materiality matrix, where the impact severity is presented on the vertical axis and the likelihood of occurrence of a given risk or opportunity is presented on the horizontal axis.

Risk and opportunity materiality scale

5	10	15	20	25	30
4	8	12	16	20	24
3	6	9	12	15	18
2	4	6	8	10	12
1	2	3	4	5	6
	1	2	3	4	5

Three materiality levels were determined based on the parameter value:

- Green – first level of materiality
- Yellow – second level of materiality
- Red – third level of materiality

The methodological assumption is that the occurrence of the impact of each risk or opportunity has its base weight regardless of its likelihood. The scale includes only risks and opportunities that, in the undertaking's assessment, may occur, therefore for each level of the scale of impact a basic level of impact for the undertaking is presented. As a result, the materiality parameter resulting from the function after applying appropriate thresholds eliminates the risk of the undertaking leaving out serious climate risks. Another element of the function is the product of the likelihood level and the impact severity, which allows for the prioritization of risks and opportunities. The sum of the base impact level with the product of the likelihood and the impact severity creates an indicator of materiality of the risk or opportunity. The first materiality threshold on the scale is set by the value of parameter 5. This threshold was chosen to minimize the risk of missing risks with a high likelihood of occurrence or high impact severity. The second scale threshold is determined by the scale median, i.e. 10. It separates material risks and opportunities that need to be monitored (parameter range from 5 to 10 inclusive) from risks and opportunities that require action or the development of an action plan (parameter range >10). The materiality indicator is a linear parameter – the higher the parameter value, the higher the materiality of a given risk or opportunity.

Process

A tool in the form of an Excel spreadsheet was created for the analysis process. The file is divided into multiple sheets containing buckets of risks and opportunities along with descriptions divided into risk and opportunity categories according to the TCFD recommendations, as well as fields to fill in their likelihood and impact severity. The file also includes various spreadsheets for calculating results and creating graphs, and spreadsheets for correcting the likelihood of buckets of risks and opportunities over the time horizons in the baseline climate scenarios. In the baseline year (2024), Selena Group identified potential climate-related risks and opportunities, assessed their likelihood of occurrence, and evaluated the severity of potential impacts. Lack of likelihood and/or severity of impacts can only occur if the Group categorically determines that it is impossible for the risk to materialize due to the nature of its business. If there is any possibility of a given risk occurring, it should be assigned a likelihood of: "Minimal." Subsequently, the likelihood of risks and opportunities materializing is assessed across defined time horizons, based on a baseline scenario analysis comprising two variants: one aligned with the goals of the Paris Agreement ("Paris-aligned") and another representing a high-emissions trajectory ("Paris-missed"). The inclusion of these types of scenarios is a requirement of the standard. The adjustment is made by taking into account the increase or decrease in the likelihood of a given risk or opportunity occurring within the time horizon defined by the scenario.

The outcome is a materiality assessment of each risk or opportunity across multiple time horizons. The analysis results are presented in graphs illustrating the change in the materiality parameter at time points corresponding to the points designated as representative points of time horizons.

Risk and opportunity database

The risk and opportunity buckets were developed based on the categories outlined in the TCFD Recommendations (Recommendations of the Task Force on Climate-related Financial Disclosures – Final Report, June 2017), the requirements set out in ESRS E1 AR 9–12, and the joint expertise and input of the external Materiality team. They were created according to a formula aimed at maintaining a similar structure and level of detail of risks and opportunities. This approach assumes that each risk and opportunity should be structured around three key elements: cause, impact, and consequence. The consequence was considered a material element of this structure, representing a direct consequence on the entity's business activities – specifically, effects that may influence its development, financial position, financial performance, cash flows, access to financing, and cost of capital. The inclusion of such financial impacts within the definition of "consequence" is based on the requirements of ESRS 1, paragraph 38. For the remaining elements – cause and impact – it was observed that in some cases these are inseparable, meaning one may be implicitly present because the cause clearly implies the impact, or vice versa.

Baseline scenarios

Two baseline scenarios, defined by their high level of generality and reflecting evolving global climate and regulatory conditions, were employed to assess climate-related risks and opportunities over multiple time horizons. The first of the developed scenarios is scenario S1: The Paris-aligned scenario envisions meeting the Paris Agreement targets through requisite regulatory and economic transformations, aiming to cap global warming at 1.5°C – or marginally higher – followed by a reduction back below this level. The scenario was created using data and conclusions drawn from authoritative sources, primarily the IPCC Working Group II Sixth Assessment Report (WGII AR6), with the SSP1-1.9 scenario serving as the basis;

- IEA – World Energy Outlook 2023 report, using the NZE scenario;
- NGFS – NGFS long-term scenarios for central banks and supervisors, using the Net Zero 2050 scenario.

The second developed scenario is scenario S2: The Paris-missed scenario assumes a lack of further policy actions toward a green and clean economic transformation, resulting in a high-emissions pathway with accelerating global temperature increases. The following source publications were used to develop this scenario:

- IPCC – in particular the WGII AR6 report, using the SSP5-8.5 scenario;
- IEA – World Energy Outlook 2023 report, using the STEPS scenario;
- NGFS – NGFS long-term scenarios for central banks and supervisors, using the Current Policies scenario.

The years 2030, 2040 and 2050 were chosen as time horizons for climate risks and opportunities to ensure that trend determination is based on the reference points, events and trends included in the baseline scenarios. By using these time horizons, it was possible to use three baseline scenarios as reference points and thus maximise the possibilities of using available data from sources recommended by the ESRS and TCFD standards. The development of trend values affecting the likelihood of each of the risk and opportunities buckets was performed through a process of matching a supporting parameter, which in most cases acted as a graphical representation of the trend associated with the risk or opportunity contained in one of the source publications. After determining the supporting parameter, baseline values were created based on the occurring trends for each of the three time horizons. The baselines were then adjusted based on the descriptions and contextual information in the source scenarios, after which they were discussed within the Materiality expert team and subjected to further adjustments. The final assessment of whether the trend in the likelihood of a bucket of risks or opportunities over a given horizon will be increasing, stable/indefinite or decreasing is made up of a quantitative representation of the factor associated with the bucket on the chart, information about the conclusions and context of the expected events and changes in the source scenarios, and the expert knowledge of the Materiality team.

E1-2 Policies related to climate change mitigation and adaptation

As at the date of publication of the report, Selena Group does not have a policy related to climate change mitigation and adaptation. In 2024, Selena Group's Sustainable Development Goals and Directions were adopted, establishing climate goals, and based on them work on the policy will begin. At the time of publication of the report, the provision on the obligation to comply with environmental regulations and limit its negative impact on the environment, including increasing the use of renewable energy and minimizing the consumption of fuel and energy, is included in the Code of Ethics (described in S1-1).

E1-3 Actions and resources in relation to climate change policies

During the reporting period, Selena Group implemented numerous activities related to climate change mitigation and adaptation, which concerned various areas, both in relation to the Group's products themselves and the optimization of the production process.

In terms of designing products introduced to the market, including:

- introducing products to the market with a lower carbon footprint than the standard available market data, including products with natural (bio) and/or recycled components, which allows for a reduction of the building's embodied carbon footprint
- conducting Life Cycle Inventory (LCI) for factories: PL Orion; PL Carina, PL Libra, ES Quilosa; Selena Insulations; Imperialum; SIT Gorlice; Selena Insulations
- determination of the carbon footprint for basic product groups foams (FMS), foam adhesives (FOAD), sealants (SEA), adhesives (ADB) based on actual data based on LCI in individual factories in Poland
- implementation of MDI raw material partially based on biocomponents for the production of PU foams in the mass balance approach. This has been confirmed by the ISCC Plus certificate in the supply chain
- implementation of Bioselenols®, our own patented biopolymer used for the production of polyurethane foams

In terms of energy:

- obtaining energy from own renewable sources, including installation of photovoltaic panels at the laboratory facility in Dzierżonów, installation of photovoltaic panels at the Libra and Orion factories in Nowa Ruda
- purchase of an energy mix based on renewable energy to power factories
- purchase of renewable energy to power the Uniflex factory in Italy and Quilosa in Spain

The following are planned for the coming years:

- implementation of short-term, medium-term and long-term goals included in the Sustainable Development Directions and Goals adopted in 2024.
- conducting LCI for additional factories in Poland, Turkey, China, Portugal
- investments in own green energy installations
- investments in reducing energy consumption for factory lighting
- modernization of production lines to reduce energy consumption
- investments related to the reduction and rationalization of waste management
- continued introduction of products with a lower carbon footprint than average market data

E1-4 Targets related to climate change mitigation and adaptation

As part of the Sustainable Development Goals and Directions, Selena Group has adopted 4 goals related to climate change mitigation, adaptation and energy, as well as a number of short-, medium- and long-term operational goals, presented below. Achievement of the goals will be monitored in half-yearly reviews. The goals were identified during a series of workshops attended by managers and directors from key areas of Selena Group's operations.

ESG topic	Strategic goal	Operational goal					
		2026		2030		2035	
		short term	measure	medium term	measure	long term	measure
Climate change adaptation	Implementation of a climate risk management system	Development of a climate risk analysis for Selena Group	0/1				
		Implementation of a climate risk management system	0/1				
				Exploring options for adapting products to climate challenges	0/1	Developing a product adaptation strategy to a changing climate	0/1
Climate change mitigation (CCM)	Reducing the carbon footprint of products	Determining the carbon footprint of own brand products	50%	Determining the carbon footprint of own brand products	100%	Carbon footprint reduction for major product groups	0/1
	Reducing the carbon footprint of Selena Group	Development of a decarbonization roadmap for Selena Group	0/1	Implementation of decarbonization policy in line with the roadmap	0/1	Implementation of decarbonization policy in line with the roadmap	0/1
Energy	Reducing energy consumption	Assessment of the level of energy consumption measurements	0/1	Development of a road map for reducing energy consumption	0/1	Achievement of goals in accordance with the roadmap	0/1

As of the date of publication of the report, Selena Group had achieved the goal related to developing a climate risk analysis. This process was completed in late 2024 and its methodology and results were described in E1 SBM-3 and IRO-1.

E1-5 Energy consumption and mix

The table below presents data on energy consumption in 2024 in Selena Group. Data on energy and utility consumption comes from invoices.

E1-5 Energy consumption and mix	Unit	2024
Fuel consumption from coal and coal products	MWh	0.00
Fuel consumption from crude oil and petroleum products;	MWh	11,972.76
Fuel consumption from natural gas;	MWh	18,266.60
Fuel consumption from other fossil sources;	MWh	-
Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources	MWh	20,611.66
Total energy consumption from fossil sources	MWh	50,851.01
Share of fossil sources in total energy consumption	%	99.11%
Consumption from nuclear sources	MWh	0.00
Share of consumption from nuclear sources in total energy consumption	%	0.00%
Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.)	MWh	0.00
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources	MWh	0.00
The consumption of self-generated non-fuel renewable energy	MWh	456.46
Total energy consumption from renewable sources	MWh	456.5
Share of renewable sources in total energy consumption	%	0.89%
Total energy consumption	MWh	51,307.47

Energy intensity per net revenue	Unit	2024
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors	MWh/1 million PLN	31.23

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

This report reports for the first time Scope 3 emissions calculated in accordance with The Greenhouse Gas Protocol Corporate Accounting and Reporting Standard (revised). Scope 1 and 2 emissions were published as part of the Non-Financial Statement which was part of the Management Report for previous years.

"Data for calculating the carbon footprint under Scope 1 and Scope 2 was collected for each company within the Selena Group, in accordance with the organizational boundaries defined in ESRS 2 BP-1 (paragraph 4), and recorded separately in dedicated Excel sheets. The sheets were placed on an internal SharePoint with access granted only to dedicated, previously designated people in each company. Each of these people only had access to the file in their company. The results were then consolidated into one excel file and recalculated according to the GHG Protocol by an external consulting firm. The files were also accessed by the external consulting firm Materiality and the Sustainability department at the parent company Selena FM SA. Persons from the EHS Department, managers of production plants, and general managers at commercial companies were responsible for collecting data at the companies.

E 1-6 GHG emissions	Unit	2024
Scope 1 GHG emissions		
Scope 1 greenhouse gas emissions	MgCO ₂ e	6,641.44
Percentage of Scope 1 GHG emissions from regulated emission trading schemes.	%	0.00%
Scope 2 GHG emissions		
Gross Scope 2 GHG emissions by location-based method	MgCO ₂ e	8,155.81
Gross Scope 2 GHG emissions by market-based method	MgCO ₂ e	10,444.81
Significant Scope 3 GHG emissions		
Total indirect gross Scope 3 GHG emissions	MgCO₂e	437,535.80
1. Purchased goods and services	MgCO ₂ e	391,168.51
2. Capital goods	MgCO ₂ e	5,701.66
3. Fuel and energy-related activities (not included in Scope 1 or Scope 2)	MgCO ₂ e	1,305.76
4 Upstream transport and distribution	MgCO ₂ e	9,682.01
5. Waste generated as a result of business activities	MgCO ₂ e	20,864.00
6. Business traveling	MgCO ₂ e	723.00
7. Employee commuting	MgCO ₂ e	0.00
8. Leased upstream assets	MgCO ₂ e	412.72
9. Downstream transport and distribution	MgCO ₂ e	0.00
10. Processing of sold products	MgCO ₂ e	0.00
11. Use of products sold	MgCO ₂ e	0.00
12. End-of-life treatment of sold products	MgCO ₂ e	7,678.14
13. Leased downstream assets	MgCO ₂ e	0.00
14. Franchise	MgCO ₂ e	0.00

15. Investments	MgCO ₂ e	0.00
Total GHG emissions		
Total GHG emissions in scopes 1+2 (location-based)	MgCO₂e	14,797.25
Total GHG emissions in scopes 1+2 (market-based)	MgCO₂e	17,086.25
Total GHG emissions in scopes 1+2 (location-based) +3	MgCO₂e	452,333.05
Total GHG emissions in scopes 1+2 (market-based) +3	MgCO₂e	454,622.05

GHG intensity per net revenue	Unit	2024
Total GHG emissions in scopes 1+2 (location-based) per net revenue	MgCO ₂ e/1 million PLN	8.32
Total GHG emissions in scopes 1+2 (market-based) per net revenue	MgCO ₂ e/1 million PLN	9.60
Total GHG emissions in scopes 1+2 (location-based) +3 per net revenue	MgCO ₂ e/1 million PLN	254.18
Total GHG emissions in scopes 1+2 (market-based) +3 per net revenue	MgCO ₂ e/1 million PLN	255.47

Net revenue	Unit	2024
Net revenue from activities in high climate impact sectors used to calculate energy intensity	PLN million	1642.80
Net revenue (other)	PLN million	136.78
Total net revenue (Financial statements)	PLN million	1779.58

Scope 1 and 2 calculation methodology

The methodology for calculating Scope 1 and 2 emissions was developed in accordance with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard. The calculations concerned seven greenhouse gases (CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃) included in the GHG Protocol. Emission values are given in tonnes (Mg) of standard carbon dioxide equivalent (CO₂e).

The global warming potential (GWP) factors used in the calculations are in line with the Fifth Assessment Report of the IPCC (AR5) and refer to GWP100 (Global Warming Potential, calculated over a 100-year time frame).

Scope 1 emissions include fuel consumption in the company's buildings and stationary machines, and fuel used in transport using Selena Group's own vehicles for the needs of its operations. Emission intensity indicators from the DEFRA database (2024 v 1.1) were used to calculate this category.

Scope 2 emissions were calculated using the location-based method and the market-based method. For Scope 2 location-based emissions, emissions were calculated using average electricity emission intensity indicators published by the National Centre for Emissions Balancing and Management (for Poland, for 2023). To calculate emissions from heat consumption using the location-based method, the emission intensity indicator for the country published by the Energy Regulatory Office was used (data for 2022). For Scope 2 market-based emissions, residual mix indicators published by the Association of Issuing Bodies (AIB) <https://www.aib-net.org/facts/european-residual-mix>) were used where available, specifically for countries within the European Union. For other countries, location-based national electricity emission factors published by the International Energy Agency (IEA) were used.

Scope 3 calculation methodology

Scope 3 emissions in the Group were calculated for all Group companies based on collected or estimated data. The identification of significant categories within Scope 3 was carried out with the support of Bureau Veritas, based on data from 2022. The carbon footprint for 2024 was calculated in accordance with the GHG Protocol standards and guidelines:

1. The Greenhouse Gas Protocol A Corporate Accounting and Reporting Standard Revised Edition (<https://ghgprotocol.org/sites/default/files/standards/ghg-protocol-revised.pdf>)
2. GHG Protocol Scope 2 Guidance (<https://ghgprotocol.org/scope-2-guidance>)
3. Corporate Value Chain (Scope 3) Accounting and Reporting Standard (https://ghgprotocol.org/sites/default/files/standards/Corporate-Value-Chain-Accounting-Reporting-Standard-EReader_041613_0.pdf)

The calculation covers significant categories that have been identified on the basis of costs incurred by the Group in individual categories, sales volume and employment level. The following categories were considered irrelevant: 3, 7, 8, 9, 10, 11, 13, 14, 15. Data reported under individual categories are grouped based on the characteristics of emission factors available in the WIOD database, as recommended by the GHG Protocol. In addition, the analysis incorporated a factor not required by the GHG Protocol — stakeholder relevance. The assessment of stakeholder relevance was made based on current regulatory trends, potential impact on the environment and the possibility of using the information by stakeholders in their value chain (CSRD, GHG Protocol, ISO 14001).

Scope 3 carbon footprinting data has been collected based on category and data access. Details are shown in the table below. The data was collected and consolidated by the Global Sustainability Manager at the parent company Selena FM SA. The Sustainability team at the parent company had access to the data.

Categories in Scope 3 include:

Emission scope	Emission category	Category description	Does the category apply to Selena Group's activities?	Is there data available?	Method of obtaining data	Factors used
Scope 3	Category 1. Upstream – Purchased goods and services	Cradle-to-gate emissions generated during the production of raw materials, semi-finished products, or services purchased by the organization. For purchased services, we take into account emissions indirectly related to their provision. The extraction, production and transportation of goods and services purchased or acquired by the reporting company during the reporting year, not otherwise included in categories 2-8.	Yes	Yes	<p>Purchased raw materials: data obtained from the internal purchase accounting system (for 2024) (OLAP cube - Online Analytical Processing). Data incomplete. They do not include all data from Companies with decentralized data management (Romania, Mexico, Kazakhstan, Hungary). Data additions are planned in subsequent reporting cycles. The reported quantities of significant raw materials and inputs recorded in the centralized data management system were used for the calculations.</p> <p>Purchased services: data obtained from the internal accounting system for records of purchased services (for 2024) Emissions were calculated using the expenditure-based method. The data covers all companies in Selena Group</p>	Emission factors used in quantitative calculations were obtained from established databases such as Ecoinvent, DEFRA, and Climatiq. Emission factors used in expenditure-based calculations were obtained from established databases such as Climatiq

Scope 3	Category 2. Upstream - Capital goods	Total emissions (cradle to gate) associated with purchased capital goods. Capital goods refer to durable finished products utilized by a business in the production of goods, delivery of services, or the sale, storage, and distribution of products.	Yes	Yes	The full list of fixed assets purchased in the 2024 fiscal year was used for the calculations. Data was obtained from the internal accounting system. Emissions were calculated using the expenditure-based method. The data covers all companies in Selena Group	Emission factors used in expenditure-based calculations were obtained from established databases such as ClimaTiq
Scope 3	Category 3. Upstream - Emissions from energy and fuels not covered by scope 1 and 2	Well-to-Tank (WTT) emissions encompass those produced during the extraction and processing of fuels and electricity generation fuels, including emissions resulting from electricity losses in transmission and distribution. Emissions calculated automatically based on data reported in Scope 1 and 2 and dedicated emission factors.	Yes	Yes	The calculations used Scope 1 emissions (amount of individual fuels) and Scope 2 emissions (amount of purchased energy), but the emission factors (factors – as in the column next to it) are different. Data related to energy and fuels (included in Scope 1 and 2) were obtained directly from each of the Selena Group companies and consolidated.	according to DEFRA 2024 (WTT and T&D). Adopted factors: – for fuels - WTT – for electricity and heat (WTT and T&D) the same as for the UK was adopted (no other factors)
Scope 3	Category 4. Upstream – Transport and distribution	Carbon footprint of supplies of purchased raw materials and emissions resulting from the implementation of transportation and distribution services purchased by the organization. Only transports carried out by	Yes	Yes	The data was obtained from the internal accounting system – records of purchased transport services in 2024. Emissions were calculated using the expenditure-based method. The data covers all companies in Selena Group	Emission factors used in expenditure-based calculations were obtained from established databases such as ClimaTiq. Due to the lack of detailed records by type of transport (road, rail, sea, air), an average

		external suppliers are taken into account – fuel consumption by the own fleet is reported in Scope 1.				emission factor from these categories was adopted.
Scope 3	Category 5. Upstream – Waste	Emissions generated during the management of waste generated by the organization's activities. Takes into account emissions generated during waste storage. In the case of recycling or reuse by external parties, only emissions resulting from transportation to the recycling/reuse site and waste pre-treatment are reported.	Yes	Yes	Quantitative data was obtained directly from all Selena Group companies as part of the internal ESG data collection system and then consolidated. The calculations were based on the reported amounts of waste generated by the Group companies in 2024, broken down by type of waste and method of its management.	Emission factors used in quantitative calculations were obtained from established databases, such as DEFRA, depending on the waste management method applied.
Scope 3	Category 6. Upstream – Business traveling	The category includes emissions generated during employees' business trips, as a result of using various modes of transport and the use of accommodation services.	Yes	Yes	The data was obtained from the internal accounting system – business travel records in 2024. Emissions were calculated using the expenditure-based method. The data covers all companies in Selena Group. Business trips by car are made using company vehicles, hence emissions are included in Scope 1	Emission factors used in expenditure-based calculations were obtained from established databases such as Climatiq. Due to the lack of detailed records by type of transport or the split of accommodation costs, an average emission factor from these categories was adopted.

Scope 3	Category 7. Upstream – Employee commuting	Emissions related to employees commuting to work. It also takes into account emissions related to remote work.	Yes	not applicable	<p>Selena Group does not have the data necessary to calculate emissions in this category. Due to the complexity of the location, the variability of the residence and the way employees commute (e.g. commuting to work from several different locations (permanent place of residence, temporary place of residence (work), business trips)), it is not possible to standardize the input data). Place of residence (available employee data kept by HR) cannot be identified as a location necessary to calculate the route and method of commuting to work. Additional variables are:</p> <ul style="list-style-type: none"> – company locations in dozens of places/ countries – division into commercial companies/ production plants – dynamic movement of employees between companies – dynamic change of modes of transport – hybrid work in variable proportions <p>The category was deemed irrelevant.</p>	not applicable
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Scope 3	Category 8. Upstream – leased assets	Emissions from the operation of assets that are leased by the reporting company. Leased assets may be included in a company's scope 1 or scope 2 inventory depending on the type of lease and the consolidation approach the company uses to define its organizational boundaries. In the case of this data is already reported in scope 1 and 2.	Yes	Yes	The full list of fixed assets leased in the 2024 fiscal year was used for the calculations. Data was obtained from the internal accounting system. Emissions were calculated using the expenditure-based method. The data covers all companies in Selena Group	Emission factors used in expenditure-based calculations were obtained from established databases such as Climatiq
Scope 3	Category 9. Downstream – transportation and distribution (to the customer)	Emissions that occur in the reporting year from transportation and distribution of sold products in vehicles and facilities not owned or controlled by the reporting company. The relevance of the category will be determined based on further consultation with the Logistics department.	No	No	Due to the impossibility of separating transport services into upstream and downstream, all emissions from these services are included in category 4	not applicable
Scope 3	Category 10. Downstream – Processing of sold products	Emissions from processing of sold intermediate products by third parties subsequent to sale by the reporting company. Intermediate products are products that require further processing,	No	not applicable	The category does not apply to Selena Group. Selena Group does not sell intermediate products that require further processing. The category was deemed irrelevant.	not applicable

		transformation, or inclusion in another product before use.				
Scope 3	Category 11. Downstream – Use of sold products	Direct emissions and optionally indirect emissions arising during the expected lifetime of the products sold. They concern products that are burned (fuels) or products that directly consume fuel or electricity during use or release greenhouse gases contained in them.	No	not applicable	The category does not apply to Selena Group. Selena Group products do not cause emissions during use. The category was deemed irrelevant.	not applicable
Scope 3	Category 12. Downstream – End-of-life treatment of sold products	Emissions from the treatment of products sold by the reporting company at the end of their life.	Yes	Yes	Quantitative data obtained from the internal sales recording system (for 2024) (OLAP cube – Online Analytical Processing). Data incomplete. They do not include all data from Companies with decentralized data management (Romania, Mexico, Kazakhstan, Hungary). Data additions are planned in subsequent reporting cycles. The reported quantities of significant products recorded in the centralized data management system were used for the calculations. Packaging waste was estimated on the basis of calculations. In each of the significant products in Selena Group (99% of sales),	Emission factors used in quantitative calculations were obtained from established databases such as Ecoinvent, DEFRA, and Climatiq

					a representative of the category with the largest share of sales was appointed. For this purpose, primary and secondary packaging was defined and then the number of packages introduced to the market was estimated.	
Scope 3	Category 13. Downstream – leased assets	Emissions from the operation of assets that are owned by the reporting company (acting as lessor) and leased to other entities.	No	not applicable	The category does not apply to Selena Group. The category was deemed irrelevant. Selena Group does not have any assets that are its property and were leased to other entities in the reporting year.	not applicable
Scope 3	Category 14. Downstream – Franchises	Emissions from the operation of franchises not included in scope 1 or scope 2 of the reporting obligation.	No	not applicable	The category does not apply to Selena Group. The category was deemed irrelevant.	not applicable
Scope 3	Category 15. Downstream – Investments	Investment-related emissions. It mainly concerns investors and companies providing financial services. Investments are classified as Scope 3 downstream because the provision of capital or financing is a service rendered by the reporting company.	No	not applicable	The category does not apply to Selena Group. The category was deemed irrelevant.	not applicable

E1-7 GHG removals and GHG mitigation projects financed through carbon credits

In 2024, Selena Group did not use any greenhouse gas removal projects or carbon dioxide emission units.

E1-8 Internal carbon pricing

In 2024, Selena Group did not have internally determined carbon pricing.

E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities

Selena Group makes use of the exemption from disclosing E1-9 in the first year of reporting, in accordance with Appendix C of the ESRS.

2.2. E2 - Pollution

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

Description of the processes to identify and assess material impacts, risks and opportunities can be found in ESRS 2 IRO-1.

E2-1 – Policies related to pollution

In 2024, Selena Group did not have a separate adopted policy related to pollution management. Selena Group has an environmental policy that generally describes the Group's assumptions to minimize its negative impact on the environment.

As part of group activities, a uniform procedure was implemented in all production plants – system for managing chemical substances and mixtures in the context of safety, which aims to harmonize the system for managing chemical substances and mixtures in Selena Group and to reduce occupational risks when working with chemicals. The scope of the procedure includes: the responsibility of the general manager, the chemicals coordinator, the employees and the central EHS department, describes the process of managing chemical substances and mixtures and provides a template for the register of chemical substances and mixtures. The person responsible for implementing and monitoring the procedure is the Global EHS Director.

E2-2 Actions and resources related to pollution

Selena Group makes every effort to reduce pollutant emissions caused by its operations. It does that through such measures as:

- conducting business in accordance with the environmental permits obtained
- regular internal audits
- legal compliance audit conducted at plants located in Poland (2023)
- ISO 14001:2015 standard for the Orion plant in Poland, ISO 9001 for the plant in Turkey and Spain
- implementation of an automated raw material dosing system for production in Quilosa (2023) and Uniflex (2024), which eliminates leaks and reduces pollutant emissions
- educating employees and engaging them in activities that support environmental protection; (webinars organized on the occasion of World Environment Days, competitions, campaigns such as tree planting, cleaning)
- use of energy from renewable sources (photovoltaics)
- The modern ChemIQ application was installed at Polish plants. Thanks to that tool, electronic registers of hazardous substances and standardized chemical risk assessment cards were introduced, which significantly improved the safety of work with chemical substances

As part of the Group's efforts to minimise emissions and pollution, Selena is implementing improvements aimed at reducing the impact of its operations on the environment. Selena's approach includes technical, organizational, and procedural solutions that enable systematic improvement in this area, including:

- modernization and optimization of processes in accordance with the best available techniques (BAT). Selena Group regularly analyses BAT conclusions and adapts installations to the latest environmental requirements
- infrastructure protecting the environment – Selena Group is gradually installing containment tanks, reducing the risk of leakage of hazardous substances into the environment
- monitoring and control of emissions – Selena Group implements solutions that allow for ongoing monitoring of emissions into the air, water and soil and their optimization
- reducing waste and hazardous substances – Selena Group implements activities that reduce the amount of waste generated and works on alternatives to more environmentally friendly substances
- optimization of raw material and energy consumption – Selena Group reduces the amount of raw materials used, including chemicals, limiting potential emissions and waste

E2-3 Targets related to pollution

Selena Group does not have any pollution-related targets and continues to operate in accordance with environmental law and the guidelines of environmental decisions and the Environmental Policy.

E2-4 Pollution of air, water and soil

In 2024, the Selena Group conducted production activities at 16 production plants that emit air pollutants such as: carbon dioxide, NMVOC, total dust, hydrocarbons, nitrogen oxides, tar substances and organic compounds.

Selena Group collects data on pollution, and the measurements are consistent with the provisions of environmental decisions. Air, water and soil pollution in 2024 does not exceed permissible thresholds.

The measurement stations monitoring air emissions are determined by environmental decisions. Emission sources with defined permissible emission levels are equipped with measurement stations in accordance with the PN-EN 15259:2011 standard – *Air quality – Measurement of emissions from stationary sources – Requirements for measurement sections and sites, measurement objectives, and measurement reports*. The measurements are performed by accredited laboratories with a specific frequency indicated in the decision, and the measurement results are submitted to the relevant decision-making bodies.

Fugitive emissions of volatile organic compounds (VOCs) are determined using mass balance calculations. In accordance with the Regulation of the Minister of Climate of 24 September 2020 on emission standards for certain types of installations, fuel combustion sources, and waste incineration or co-incineration equipment, operators of installations that use organic solvents and for which emission standards have been defined are required to prepare an annual VOC balance.

The installation operator must verify compliance with emission standards within two months after the end of the year covered by the balance, i.e., by the end of February each year. If, based on the calculations in the VOC balance, the installation operator complies with the VOC emission standards, the balance is retained on-site by the company. However, in the event of exceeding the VOC emission standards, the operator must immediately notify the competent authority responsible for issuing the permit and submit the completed balance.

Water emissions are monitored through sampling at designated measurement points by accredited laboratories, focusing on physicochemical parameters as well as total suspended solids and petroleum-derived substances.

In addition, noise emissions are also monitored through measurements conducted in accordance with applicable laws and regulations, as well as the provisions of environmental decisions. Measurements are performed by accredited laboratories.

All environmental fees are paid once a year. "In accordance with applicable legal regulations, Selena Group fulfills all environmental protection obligations, including the submission of KOBiZE reports, environmental usage statements, and the payment of environmental fees, all of which are carried out on an annual basis. Data is collected at the beginning of the year for the previous year. The branches transmit data to the Central Unit, which sends it to the appropriate administrative bodies.

Due to the provisions in emission permits, the Group is obliged to provide information on emission levels to administrative authorities. Emission measurements are performed by accredited external laboratories.

E2-5 Substances of concern and substances of very high concern

The majority of Selena's business activities are related to the production of construction materials, the production of which uses substances of concern and substances of very high concern.

At Selena Group, a priority is the responsible management of chemical substances, including substances of concern and substances of very high concern (SVHC). The Group strives to minimize risks to people and the environment by controlling, eliminating and substituting hazardous substances wherever possible. The approach includes:

- identification and monitoring – regular analysis of the composition of the substances used, comparing them with the current SVHC lists and regulations (REACH, CLP, POPs)
- elimination and substitution – searching for alternative, more environmentally friendly substitutes for substances considered hazardous
- safe management and storage – use of appropriate security systems, including containment tanks, signage, specialist ventilation systems and emergency procedures
- minimizing the risk for employees – providing training, personal protective equipment and procedures for contact with hazardous substances
- responsible waste management – ensuring safe disposal and recovery of hazardous substances, minimizing their impact on the environment
- compliance with regulations – the Group's operations are fully compliant with European and national legal regulations, and the substances used are subject to regular reviews for compliance with new requirements

The Polish companies of the Group use the chemIQ tool to manage chemical substances, which significantly supports the processes of identifying, monitoring and reporting hazardous substances. This tool allows for rapid identification of risks, control of compliance with regulations and more effective decision-making regarding risk substitution and mitigation.

Selena Group constantly improves its chemicals management processes to minimize risks to people and the environment, while ensuring full transparency and compliance with regulatory requirements.

In 2024, the Selena Group operated one increased-risk production plant, one high-risk production plant, and a finished products warehouse, all of which are subject to additional obligations under the Environmental Protection Law. These obligations include maintaining documentation such as notifications of high or increased-risk facilities, safety reports, internal operational and emergency response plans, and accident prevention programs, all approved by the competent authorities. The plants are subject to additional inspections in this regard by environmental and fire safety institutions. Plants must also have a safety management system in place.

In 2024, the production plant in Turkey was also registered as a Major Accident Hazard Establishment.

The tables below present potentially hazardous substances and substances of high concern used in Selena Group's operations. The weights of products containing substances of concern and substances of high concern were provided rather than the weights of those substances. The exact content (weigh) of the substances in the raw materials purchased by Selena Group is included in the detailed formulation of the raw materials. These formulations constitute trade secrets of the suppliers (know-how) and are not made available.

	Substances of concern [E2-5]					
	Substances that are produced or used during production processes or that are procured by the entity	Substances that leave the entity's facilities as emissions	Substances that leave the entity's plants as products	Substances that leave the entity's plants as parts of products	Substances that leave the entity's facilities as services	Substances that leave the entity's facilities as emissions, as products or as part of products or services
Period	2024	2024	2024	2024	2024	2024
Total weight	12,739,850.67 Mg	15.05 Mg	323.38 Mg	12,739,788.7 Mg	12.57 Mg	12,740,139.75 Mg
Classification (Risk Classes):						
Carcinogenesis (Carc. 1A, 1B, 2)	302,822.55 Mg	15.05 Mg	0.00 Mg	302,800.93 Mg	6.57 Mg	302,822.55 Mg
Mutagenic effect on germ cells (Muta. 1A, 1B, 2)	60,293.45 Mg	0.00 Mg	0.00 Mg	60,288.39 Mg	5.06 Mg	60,293.45 Mg
Endocrine disrupting substance with regard to human health (ED HH 1, 2)	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg
Endocrine disruption for the environment (ED ENV 1, 2)	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg
Persistent, mobile and toxic substances (PMT) Very persistent and very mobile substances (vPvM)	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg
Persistent, bioaccumulative and toxic substances (PBT) Very persistent and very bioaccumulative substances (vPvB)	2.35 Mg	0.00 Mg	0.00 Mg	2.35 Mg	0.00 Mg	2.35 Mg
Respiratory/skin sensitisation (Resp. Sense. 1, 1A, 1B)/(Skin Sens. 1, 1A, 1B)	4,448,534.84 Mg	0.00 Mg	190.00 Mg	4,448,533.62 Mg	1.22 Mg	4,448,724.83 Mg
Posing a chronic hazard to the aquatic environment (Aquatic Chronic 1, 2, 3, 4)	8,391,590.83 Mg	15.05 Mg	26.80 Mg	8,391,548.51 Mg	0.48 Mg	8,391,590.84 Mg
Hazardous to the ozone layer (Ozone)	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg
Specific target organ toxicity – single exposure STOT single exposure (STOT SE 1, 2)	92,433.11 Mg	0.00 Mg	0.00 Mg	92,433.09 Mg	0.02 Mg	92,433.11 Mg
Specific target organ toxicity – repeated exposure STOT (STOT RE 1, 2)	523,060.91 Mg	15.05 Mg	0.00 Mg	523,044.35 Mg	1.52 Mg	523,060.92 Mg

	Substances of very high concern [E2-5]					
	Substances that are produced or used during production processes or that are procured by the entity	Substances that leave the entity's facilities as emissions	Substances that leave the entity's plants as products	Substances that leave the entity's plants as parts of products	Substances that leave the entity's facilities as services	Substances that leave the entity's facilities as emissions, as products or as part of products or services
Period	2024	2024	2024	2024	2024	2024
Total weight	1,621.68 Mg	0.00 Mg	573.96 Mg	1047.68 Mg	0.07 Mg	1621.71 Mg
Classification (Risk Classes):						
Carcinogenicity (Article 57 a)	1.64 Mg	0.00 Mg	0.00 Mg	1.64 Mg	0.00 Mg	1.64 Mg
Mutagenic effect on germ cells (Article 57 b)	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg	0.00 Mg
Reproductive toxicity (Article 57 c)	12.14 Mg	0.00 Mg	0.00 Mg	12.14 Mg	0.00 Mg	12.14 Mg
Persistent, bioaccumulative and toxic substances (Article 57 d) (PBT)	1602.89 Mg	0.00 Mg	573.96 Mg	1028.86 Mg	0.07 Mg	1602.89 Mg
Very persistent and very bioaccumulative substances (Article 57 e) (vPvB)	1604.20 Mg	0.00 Mg	573.96 Mg	1030.17 Mg	0.07 Mg	1604.20 Mg
Equivalent level of concern for probable serious effects on human health (and/or) the environment (Article 57 f)	1.26 Mg	0.00 Mg	0.00 Mg	1.28 Mg	0.00 Mg	1.28 Mg

E2-6 Anticipated financial effects from pollution-related risks and opportunities

Selena Group makes use of the exemption from disclosing E2-6 in the first year of reporting, in accordance with Appendix C of the ESRS.

2.3. E5 Resource use and circular economy

E5-1 Policies related to resource use and circular economy

As of the date of publication of the report, Selena Group does not have a policy related to resource use and circular economy. At the time of publication of the report, the provision on limiting the use of natural resources and reducing quantities is included in the Code of Ethics (described in S1-1).

E5-2 Actions and resources in relation to resource use and circular economy

During the reporting period, Selena Group conducted numerous activities related to more efficient use of resources or introducing a circular economy into its operations.

Plant operations:

- Regular meetings of the Teams (established at production plants with representatives of each department) on the topic of waste reduction
- Returning laboratory samples and test series to production
- Reusing pallets, pallet containers and big bags for transport
- Reusing cardboard boxes/ cardboard separators for protection during transport
- Cooperation with an external company in the field of recycling backing materials for paper labels.
- Emergency sale of products before their expiry dates (to prevent them from expiring and incurring disposal costs)
- selective collection of used batteries and electronic waste
- press containers were purchased – reducing the volume of waste (paper and plastic)
- sale of empty pallet containers for raw materials (contract with an external company)
- change in the packaging of purchased raw materials (e.g. unit paper packages for loose raw materials – replaced by purchasing raw materials in bulk and storing them in silos)

The plan for the coming years includes, among others:

- Purchases of equipment that will reduce the amount of waste (including a machine for shredding fastening/safety belts, purchase of a distillation machine = solvent recovery).
- Changing the classification of waste into a by-product (agreements with collection companies).
- Actions regarding dirty cleaning materials (washing and reusing, changing from textile cleaning materials to industrial cleaning materials = reducing the weight of waste).
- Ongoing inspections of machines and devices – reduction of failures and leaks (reduction of pollution and waste).
- Implementation of IML printing on packaging (reduction of paper labels).
- Unification of packaging and accessories (stickers, applicators).
- Replacing lighting with LED.
- Heat recovery from compressors.
- Installation of 500 kWp photovoltaic panels.
- Reduction of inter-operational tank cleaning = reduction of waste.
- Drum rotation and recovery.

Specific directions of action in this area were identified based on the Sustainable Development Goals and Directions in 2024. At the time of publication of the report, appropriate personnel resources were allocated to implement the activities set out in the Sustainable Development Goals and Directions.

In 2024, the actions did not include:

- Higher levels of resource efficiency in use of technical and biological materials and water, particularly in relation to critical raw materials and rare earths.
- Higher rates of use of secondary raw materials (recyclates).
- Application of circular design, leading to increased product durability and optimization of use, and higher rates of: Reuse, Repair, Refurbishing, Remanufacture, Repurposing and Recycling.
- Using circular business practices.
- Actions taken to prevent waste generation in the upstream and downstream value chain of the organization.
- Optimization of waste management in line with the waste hierarchy.

E5-3 Targets related to resource use and circular economy

As part of the Sustainable Development Goals and Directions, Selena Group has adopted a goal related to the circular economy and short-, medium- and long-term operational goals, presented below. Achievement of the goals will be monitored in half-yearly reviews. The goals were identified during a series of workshops attended by managers and directors from key areas of Selena Group's operations.

ESG topic	Goal	Operational goal					
		2026		2030		2035	
		short term	measure	medium term	measure	long term	measure
Circular economy	Efficiency in waste management	Waste reduction	50% waste	reducing the amount of waste going to landfills	50% waste		
				Increase in the share of recycled, recyclable or reusable packaging	30%	Increase in recycled recyclable reusable packaging	50%

E5-4 Resource inflows

The resources flowing to Selena Group are mainly:

- Raw materials used for the production of construction chemicals.
- Products acquired for resale (TRADE).
- Technical materials used for packaging.
- Industrial water (used for production and cooling).
- Water for domestic and business purposes.
- Tangible assets such as buildings; production machines; cars; software and others.

These resources are key to maintaining production continuity and conducting production activities and have a fundamental impact on the operations of Selena Group. All raw materials are subject to a mandatory quality control system run by the Quality Control Department and meet all legal requirements regarding chemical substances. Resources do not include critical raw materials and rare earth elements.

Resource inflows [E5-4]	Unit	2024
Total weight of products inflows	Mg	30,116.59
Total weight of technical materials inflows	Mg	305,942.74
including the total mass of reused or used components, reused semi-finished products and secondary raw materials used to manufacture the company's products and services (including packaging)	Mg	0.00
Total weight of biological materials inflows	Mg	0.00
including those from sustainable sources	Mg	0.00
Total weight of technical and biological materials inflows	Mg	305,942.74
Total weight of products, technical materials and biological materials	Mg	336,059.33
Percentage of bio-based materials from sustainable sources	%	0.00%
Percentage of recycled materials	%	0.00%

In Selena Group's operations, chemical raw materials, secondary materials and commercial goods are used as resources introduced into the organization. Chemical raw materials and secondary materials are used to produce construction products in manufacturing plants. Among the secondary materials introduced into Selena Group are accessories, packaging, packaging components (such as labels), and other additives utilized in the manufacturing of construction products.

The process of introducing resources into the organization is managed centrally, but resources are introduced locally (short supply chains). All raw materials are subject to a mandatory quality control system run by the Quality Control Department and meet all legal requirements regarding chemical substances. Resources do not include critical raw materials and rare earth elements.

The range of construction products offered is supplemented by so-called complementary commercial goods (which are produced outside the Selena Group).

A separate area of activity of Selena Group is the construction of installations for the production of energy from renewable sources (photovoltaics, wind farms, biogas plants). The resources brought into the organization for this area of activity are the elements necessary to build these installations.

Resources introduced into the organization are estimated based on data available in the internal data management system (OLAP cube). Consolidated data does not include data from companies with decentralized data management systems located in Romania, Kazakhstan, Hungary and Mexico. Additions to the central data management system are planned in subsequent reporting cycles.

In Selena Group, there is no reuse or recycling of input resources, so there is no double counting.

E5-4 Resource outflows

At present, Selena Group does not have any products that can be returned to a closed-loop cycle for reuse. Due to their nature (building materials), Selena products cannot be repaired, but they can be used to repair building elements, e.g. adhesives, foams and foam adhesives.

In the case of Selena Group's operations, an important aspect of environmental impact is the waste generated. The main waste streams come from:

- production management
- logistics and warehousing work

The largest percentage of waste is packaging and production waste:

- paper packaging
- plastic packaging
- metal packaging
- post-production waste (chemical)

Most of the waste is managed by returning it to the production process or collected by specialist companies (which also recycle it).

An example is secondary packaging of raw materials (e.g. drums, containers, cartons, plastic packaging).

Selena Group monitors the waste it produces and analyses data from previous years, which helps identify sensitive areas. In order to improve the management of the efficient use of materials and raw materials, work is being carried out on projects that optimize the use of materials and reduce the amount of waste, thereby reducing its negative impact on the environment.

Selena Group does not have a dedicated waste management and waste reduction strategy, but waste-related goals are included in the Sustainable Development Goals and Directions (described in disclosure E5-3).

In the context of pre-consumer waste, some of the waste generated during production is recycled, while the rest is collected and disposed of.

Resource outflows [E5-4]	Unit	2024
Total weight of products	Mg	279863.00
Total weight of products that can be recycled	Mg	0.00
Total weight of packaging	Mg	51763.42
Total weight of recyclable packaging	Mg	51763.42
The rate of recyclable content in products	%	0.00%
The rate of recyclable content in packaging	%	100.00%

Expected durability of products placed on the market by the Selena Group [E5-5]			
Product group	Unit	Average product durability in the sector	Expected product durability in the sector
Cement	year	70	50
Bitumen	year	20	20
Plaster	year	70	50
Polyurethane	year	20	20
Acrylic	year	20	20

Fiberglass mesh	year	20	20
Silicon	year	20	20
Steel	year	70	50
SBR - Styrene Butadiene Rubber	year	20	20

Hazardous and non-hazardous waste according to the management method in Selena Group [E5-5]	Unit	2024
Waste sent for recovery	Mg	835816.91
Hazardous waste	Mg	295382.04
Preparation for reuse	Mg	0.00
Recycling	Mg	74.51
Other recovery processes	Mg	295307.53
Non-hazardous waste	Mg	540434.86
Preparation for reuse	Mg	0.00
Recycling	Mg	448634.28
Other recovery processes	Mg	91800.59
Waste sent for disposal	Mg	139966.65
Hazardous waste	Mg	102892.91
Combustion	Mg	99534.23
Landfilling	Mg	3358.69
Other disposal processes	Mg	0.00
Non-hazardous waste	Mg	37073.74
Combustion	Mg	33938.68
Landfilling	Mg	3132.19
Other disposal processes	Mg	2.88
Total amount of hazardous waste	Mg	398274.96
Total amount of non-hazardous waste	Mg	577508.60
Total amount of radioactive waste	Mg	0.00
Total amount of waste generated	Mg	975783.56
Total amount of non-recycled waste	Mg	527074.77
Percentage of non-recycled waste	%	54.02%

The main waste streams are chemical raw materials and finished construction chemical products as well as paper, metal and plastic packaging. Waste storage locations are indicated in the waste production permit.

E5-6 Potential financial effects from resource use and circular economy-related risks and opportunities

Selena Group makes use of the exemption from disclosing E2-6 in the first year of reporting, in accordance with Appendix C of the ESRS.

2.4. EU Taxonomy

Introduction

In this report, the Selena Group discloses information regarding its compliance with the EU Taxonomy for environmentally sustainable activities. The related obligations were introduced by Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment¹. The Regulation (EU Taxonomy Regulation) translates the European Union's climate and environmental goals into technical screening criteria to assess whether a given activity can be considered sustainable in relation 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.

The taxonomy is therefore a classification system that allows for examining and disclosing the extent to which the Selena Group's operations are environmentally sustainable.

All activities conducted by the Group can be assigned to one of three categories:

- A taxonomy-eligible activity and meets both the Technical Screening Criteria and the Minimum Safeguards is considered an environmentally sustainable.
- A taxonomy-eligible activity for which the Technical Screening Criteria have not been analysed or it has been found that at least one of the criteria is not met or the Minimum Safeguards have not been met – this is taxonomy-eligible activity but not environmentally sustainable;
- An activity that is not taxonomy-eligible — meaning no Technical Screening Criteria have yet been established for it — is currently not covered by the Taxonomy. This category includes, among others, activities for which criteria are expected to be developed in the future, at which point the activity may become taxonomy-eligible.

The Technical Screening Criteria (TSC) are detailed conditions that enable a clear determination of whether an activity makes a substantial contribution to one of the environmental objectives, while not causing significant harm to the others. The TSCs are contained in two legal acts:

7. Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 (commonly referred to as the Climate Delegated Act), which has since been amended twice by the following acts:
 - Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, which introduced technical screening criteria for activities related to energy generation from gaseous fuels and nuclear energy.
 - Commission Delegated Regulation (EU) 2023/2485 of 27 June 2023, which introduced new activity categories and amendments to certain technical screening criteria.

Regulation (EU) 2021/2139 sets out criteria for making a significant contribution to two environmental objectives – climate change mitigation (CCM) and climate change adaptation (CCA) – as well as the criteria of “do no significant harm” (DNSH) to other environmental objectives.

¹(EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088

8. Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023² (Environmental Delegated Act).

This Regulation defines the TSCs for making a significant contribution and DNSH to the remaining four environmental objectives: water conservation (WCR), circular economy (CE), pollution control (PPC) and biodiversity protection (BIO).

The **Minimum Safeguards (MS)**, defined in Article 18 of Regulation (EU) 2020/852, are procedures established to ensure compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Each company subject to the obligations under Regulation (EU) 2020/852 is required, pursuant to Article 8, to disclose three indicators:

- The proportion of turnover derived from products or services associated with economic activities that qualify as environmentally sustainable.
- The proportion of capital expenditure (CapEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable.
- The proportion of operating expenditure (OpEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable.

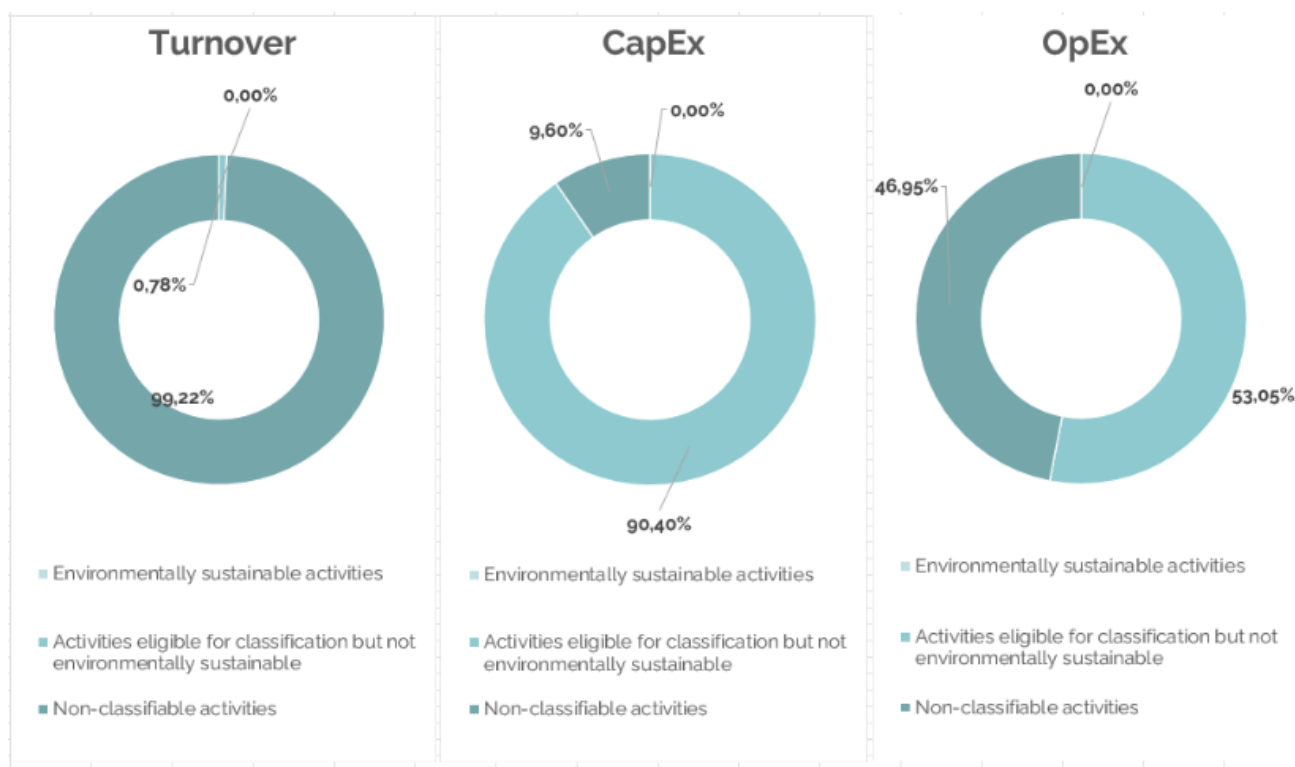
Detailed requirements for the calculation and disclosure of these indicators are specified in Commission Delegated Regulation (EU) 2021/2178³, known as the Article 8 Delegated Act.

Compliance of Selena Group's activities with the taxonomy

Based on the analyses conducted, the following proportions of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) were identified as taxonomy-compliant.

²Commission Delegated Regulation (EU) 2023/2486 of 27 June 2023 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical selection criteria to determine the conditions under which an economic activity qualifies as making a significant contribution to the sustainable use and protection of water and marine resources, to the transition to a circular economy, in preventing and controlling pollution or in protecting and restoring biodiversity and ecosystems, and determining whether those economic activities do not cause serious harm to any of the other environmental objectives, and amending Commission Delegated Regulation (EU) 2021/2178 as regards public disclosure of specific information in relation to these types of economic activities.

³Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation.



The review of the Group's activities' alignment with the taxonomy showed that:

- In 2024, sustainable activities generated: 0.00% turnover, 0.00% capital expenditure and 0.00% operating expenditure.
- In 2024, the following originated from taxonomy-eligible but non-aligned (environmentally unsustainable) activities: 0.78% of turnover, 90.40% of capital expenditure and 53.05% of the Group's operating expenditure.
- In 2024, the following originated from non-taxonomy-eligible activities: 99.22% of turnover, 9.60% of capital expenditure and 46.95% of the operating expenditure of the Group.

	Turnover	CapEx	OpEx
value in 2024 [PLN million]	1,779.58	55.23	2.13
sustainable activity (taxonomy-aligned)	0.00	0.00	0.00
unsustainable activity (taxonomy-eligible but not taxonomy-aligned)	13.82	49.93	1.13
neutral activity (not taxonomy-eligible)	1,765.76	5.30	1.00

The chapter further describes the process of testing alignment with the Taxonomy, the accounting principles applied and a detailed discussion of the three performance indicators together with tables prepared in accordance with the delegated act to Article 8, i.e. Commission Delegated Regulation (EU) 2021/2178.

The process of testing alignment with the Taxonomy

To test compliance with the taxonomy, a four-step process was conducted:

9. Identification

This stage consisted in reviewing all activities conducted by Selena FM S.A. and the Group's subsidiaries and determining whether, and if so, which types of activities were taxonomy-eligible. The review covered the companies' revenues, capital expenditure and operating expenditure. To identify individual types of activities, their descriptions contained in the annexes to Commission Delegated Regulation (EU) 2021/2139 and 2023/2486 were used, which were compared to the actual activities carried out. In cases where the description of the activity was not sufficiently clear, the NACE⁴ statistical classification of economic activities was used as an aid.

10. Allocation

This stage consisted in assigning the values of turnover, capital expenditure and operating expenditure to the individual activities identified in the first stage. Details of the allocation methods used are described in the *Accounting Principles* chapter.

11. Verification

This stage involved conducting two types of analyses:

- For all identified types of activities, an assessment of the substantial contribution and do-no-significant-harm (DNSH) criteria was conducted using the Technical Screening Criteria set out in the annexes to Commission Delegated Regulations (EU) 2021/2139 and 2023/2486. Details of the assessment are presented in the section *Verification of Compliance with the Technical Screening Criteria*.
- An assessment was carried out to determine whether the Minimum Safeguards were met. Details of the assessment are presented in the section *Minimum Safeguards*.

12. Calculation

This stage involved using the output data from stages two and three to prepare tables containing the required information and to develop this supplementary information, in accordance with the requirements of Annexes I and II to Commission Delegated Regulation (EU) 2021/2178.

The process was carried out by a team consisting of representatives of Group companies with the support of an external consulting company and was supervised by the Global Sustainability Director and Global Sustainability Manager.

Minimum Safeguards

Pursuant to Article 18 of Regulation 2020/852:

"The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the principles and rights set out in the eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work and the International Bill of Human Rights."

The Minimum Safeguards compliance analysis was conducted in accordance with the recommendations contained in the Final Report on Minimum Safeguards⁵ by Platform On Sustainable Finance. According to the recommendations, non-compliance with the Minimum Safeguards is identified when one of the following four conditions is met:

1. Inadequate or non-existent due diligence processes in the areas of human rights, including labor rights, corruption, taxation, and fair competition.
2. The company was ultimately held liable or found to have violated labor law or human rights in certain types of court cases related to labor or human rights law.

⁴Regulation (EC) No 1893/2006 of the European Parliament and of the Council of 20 December 2006 establishing the statistical classification of economic activities NACE Rev. 2 and amending Council Regulation (EEC) No 3037/90 and certain EC Regulations on specific statistical domains

⁵https://finance.ec.europa.eu/system/files/2022-10/221011-sustainable-finance-platform-finance-report-minimum-safeguards_en.pdf

3. Lack of cooperation with the OECD National Contact Point (hereinafter referred to as the OECD NCP) regarding a complaint accepted by the OECD NCP.
4. The Business and Human Rights Resource Centre (BHRRC) raised an allegation against the company, and the company did not respond within three months.

As part of the verification process within Selena Group, non-compliance with the above-mentioned indicators was assessed in the following manner:

- **Indicator 1:** The verification of the completeness of due diligence processes was carried out through an internal review of the existence and functioning of the elements of the due diligence process, as defined in the frameworks outlined in the documents referenced in the definition of Minimum Safeguards. The structure of due diligence processes, as defined in Article 3(c) of Regulation (EU) 2020/852, is primarily influenced by the provisions of the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. The compliance verification was conducted using an assessment tool based on the methodology proposed by the Platform on Sustainable Finance: World Benchmark Alliance Core UNGP indicators. As a result of the analysis conducted, it was determined that the organization has an existing but incomplete due diligence process that partially fulfills the guidelines' requirements.
- **Indicator 2:** The second indicator was verified during the process of supplementing responses to the first indicator by checking whether any final convictions were issued against the individuals mentioned in the indicator during the period under review. As a result of the verification conducted, no information was found that would qualify the Group as meeting indicator 2.
- **Indicator 3:** A review of the OECD NCP complaint database was conducted, which showed no complaints filed against the Group during the period under review. [<http://mneguidelines.oecd.org/database/>].
- **Indicator 4:** A review of the Business and Human Rights Resource Centre (BHRRC) complaint database was conducted, which showed no complaints filed against the Company/Group during the period under review. [<https://www.business-humanrights.org/en/companies>].

As a result of the verification process conducted, it was determined that the activities of Selena Group are not compliant with the Minimum Safeguards.

Verification of compliance with the Technical Screening Criteria

Compliance verification with the Technical Screening Criteria was conducted for all types of taxonomy-eligible activities. This involved analyzing the individual criteria for substantial contribution and do-no-significant-harm, as well as assessing the extent to which each activity complies with the Technical Screening Criteria set out in Commission Delegated Regulations (EU) 2021/2139 and 2023/2486.

The table below presents the actions carried out as part of the Technical Screening Criteria assessment for activity 4.1. *Electricity generation using photovoltaic technology*. Due to the length of the report, detailed descriptions of the Technical Screening Criteria assessments for each type of activity have been omitted. The table below is intended to illustrate the approach and level of detail of the analysis conducted; the same methodology was applied to each taxonomy-eligible activity.

Substantial contribution criterion	
Climate change mitigation	The activity involves the generation of electricity from photovoltaic energy.
Do No Significant Harm (DNSH) criteria	
Climate change adaptation	No climate risk analysis has been carried out for individual photovoltaic farm facilities.
Sustainable use and protection of water and marine resources	Not applicable
Transition to a circular economy	During the investment process and the construction of photovoltaic farms, selection was not based on the durability criterion.
Pollution prevention and control	Not applicable
Protection and restoration of biodiversity and ecosystems.	In the case of photovoltaic farms with an area of 1.3 hectares, it was agreed that they do not constitute projects likely to have significant environmental impacts in accordance with §3 point 54a letter b of the

Regulation of 10 September 2019 on projects likely to have significant environmental impacts (Journal of Laws 2019, item 1839). For this reason, it was not necessary to carry out an environmental impact assessment.

Accounting Principles

The following principles were applied to calculate the proportion of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) that are taxonomy-eligible and taxonomy-aligned.

Turnover

For turnover, the denominator consisted of Selena Group's consolidated revenue for 2024, excluding revenue related to incidental sales of tangible assets, as disclosed in the consolidated financial statements under Note 3. Operating segments and information on revenues The numerator comprised revenues from activities that are both taxonomy-eligible and taxonomy-aligned.

Capital expenditure (CapEx)

For capital expenditures (CapEx), the denominator consisted primarily of investments in the acquisition of tangible assets and intangible assets. CapEx is included in the consolidated financial statements under the line item "Acquisition" and described in Note 6.2.1. Changes in the value of tangible assets and intangible assets and Note 6.2.3. Intangible assets. The numerator included the portion of CapEx related to activities that are both taxonomy-eligible and taxonomy-aligned.

Operating expenditure (OpEx)

For operating expenditure (OpEx), the denominator consisted of all costs incurred for the ongoing operation and maintenance of the company's assets to keep them in proper condition. These included costs such as technical service, installation, repairs, security, rent and lease expenses, as well as other costs related to maintaining the proper functioning of buildings, equipment, and vehicles used by the Group. The numerator included the portion of OpEx related to activities that are both taxonomy-eligible and taxonomy-aligned.

The data used for the calculations were sourced from Selena Group's financial and accounting system, as well as from the financial and accounting systems of the individual subsidiaries within the Group.

The Group avoided double counting when attributing turnover and capital expenditures by applying appropriate consolidation exclusions in accordance with applicable accounting regulations. In the case of operating expenditure, which is defined in Commission Delegated Regulation (EU) 2021/2178 in a manner not aligned with international financial reporting standards, a review of all accounts in the Group's accounting system was conducted. Subsequently, identified items meeting the definition of OpEx were assigned either to the respective taxonomy-eligible activity or to the category of other operating expenditure (not taxonomy-eligible).

The Group discloses in this report the share of taxonomy-aligned activities and the share of taxonomy-eligible activities. The disclosure in this report relates to the last financial year, i.e. the period 01.01.2024-31.12.2024.

The analysis did not identify activities contributing to more than one environmental objective. There was therefore no need to apply special procedures to avoid double counting.

Compliance verification with the Technical Screening Criteria was conducted for all types of activities eligible under the taxonomy and involved analyzing the individual criteria for substantial contribution and do-no-significant-harm. For other types of activities not exceeding the materiality threshold, no analysis was conducted, and such activities were classified as taxonomy-eligible but not taxonomy-aligned.

The analysis showed no need for detailed disaggregation of key performance indicators between individual operating units of the Group in accordance with point 1.2.2.3. of Annex I to Commission Delegated Regulation (EU) 2021/2178. More information on this topic can be found in the comments on the individual key performance indicators.

Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	NO
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

Due to the fact that Selena Group does not conduct any activities related to the types of business listed in the table above, the report does not include tables accompanying the disclosure of key performance indicators for activities 4.26-4.31, as indicated in the provisions of Article 8 paragraphs 6-8 of Regulation (EU) 2021/2178, as all of them would only report zero values.

Turnover

Fiscal year 2024		Year		Criteria for a significant contribution						DNSH criteria						Minimum safeguards	Proportion of taxonomy-aligned turnover, 2023	Category (enabling activity)	Category (transition activity)
Economic activity	Code or codes	Turnover (absolute value)	Part of the turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems				
		million PLN	%	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/ N	%	E
A. TAXONOMY-ELIGIBLE ACTIVITY																			
A.1. Types of environmentally sustainable activities (taxonomy-aligned)																			
Turnover from environmentally sustainable activities (taxonomy-aligned) (A.1)		0.00000	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%										
Including enabling activity				0.00%	0.00%	0.00%	0.00%	0.00%	0.00%									E	
Including transitional activity				0.00%															T
A.2. Taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned)																			
		million PLN	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation using photovoltaic technology	CCM4.1_CCA4.1	0.01961	0.001%	0.00%	0.00%	N/EL	N/EL	N/EL	N/EL										
Cogeneration of heat/cool and electricity from bioenergy	CCM4.20_CCA4.20	4.24160	0.24%	0.24%	0.00%	N/EL	N/EL	N/EL	N/EL										
Installation, maintenance, and repair of renewable energy technology systems	CCM7.6	9.56022	0.54%	0.54%	N/EL	N/EL	N/EL	N/EL	N/EL										
Turnover from taxonomy-eligible but environmentally unsustainable (non-taxonomy-aligned) activities (A.2)		13.82144	0.78%	0.78%	0.00%	0.00%	0.00%	0.00%	0.00%										
Total (A.1.+A.2.)		13.82144	0.78%	0.78%	0.00%	0.00%	0.00%	0.00%	0.00%										
B. TAXONOMY NON-ELIGIBLE ACTIVITY																			
Turnover from non-taxonomy-eligible activities		1,765.75944	99.22%																
Total (A+B)		1.779.58087	100%																

Selena Group generated PLN 1,779.58 million in revenue in 2024. The vast majority of the revenue (PLN 1,765.76 million) concerned activities that were non-taxonomy-eligible.

The remaining part of the revenue consisted of turnover that was taxonomy-eligible but was taxonomy-aligned:

Turnover from business activities 7.6. Installation, maintenance and repair of renewable energy technology systems: PLN 9.56 million (0.54% of total turnover).

Turnover from business activities 4.20. Cogeneration of heating/cool and electricity from bioenergy amounted to PLN 4.24 million (0.24% of total turnover).

Turnover from activities 4.1. Production of electricity using photovoltaic technology amounted to PLN 0.02 million (0.001% of total turnover).

	Part of the turnover/Total turnover	
	Taxonomy-alignment by goals	Taxonomy-eligibility by goals
CCM	0.00%	0.78%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Capital expenditure (CapEX)

Fiscal year 2024			Year		Criteria for a significant contribution						DNSH criteria									
Economic activity	Code or codes	Capital expenditure in absolute terms	Proportion of CapEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy-aligned CapEx, 2023	Category (enabling activity)	Category (transition activity)	
		million PLN	%	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	T	
A. TAXONOMY-ELIGIBLE ACTIVITY																				
A.1. Types of environmentally sustainable activities (taxonomy-aligned)																				
Capital expenditure for environmentally sustainable activities (in taxonomy-aligned) (A.1)		0.00000	0.00%	0.00%	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %											
Including enabling activity				0.00%	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %								E			
Including transitional activity				0.00%														T		
A.2. Taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned)																				
		million PLN	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL											
Electricity generation using photovoltaic technology	CCM4.1_CCA4.1	24.38752	44.16%	44.16 %	0.00 %	N/EL	N/EL	N/EL	N/EL											
Cogeneration of heat/cool and electricity from bioenergy	CCM4.20_CCA4.20	17.87254	32.36%	32.36 %	0.00 %	N/EL	N/EL	N/EL	N/EL											
Installation, maintenance, and repair of renewable energy technology systems	CCM7.6	7.67015	13.89%	13.89 %	N/EL	N/EL	N/EL	N/EL	N/EL											
Capital expenditure for taxonomy-eligible but environmentally unsustainable (non-taxonomy-aligned) activities (A.2)		49.93021	90.40%	90.40 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %											
Total (A.1.+A.2.)		49.93021	90.40%	90.40 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %											
B. TAXONOMY NON-ELIGIBLE ACTIVITY																				
Capital expenditure for non-taxonomy-eligible activities (B)		5.30010	9.60%																	
Total (A+B)		55.23031	100.00%																	

In 2024, Selena Group spent capital expenditure of PLN 55.23 million. The vast majority of the CapEx concerned taxonomy-eligible, activities including (activities are listed in order of having the largest share in CapEx):

- Capital expenditure related to activity 4.1. Production of electricity using photovoltaic technology amounted to PLN 24.39 million (44.16% of total CapEx)
- Capital expenditure related to activity 4.20. Cogeneration of heat/cool and electricity from bioenergy amounted to PLN 17.87 million (32.36% of CapEx)
- Capital expenditure related to activity 7.6. Installation, maintenance and repair of renewable energy technology systems: PLN 7.67 million (13.89% of CapEX)

During the examination of the technical screening criteria, it was found that none of the activities were taxonomy-aligned, i.e. did not constitute an environmentally sustainable activity.

	Part of CapEx/Total CapEx	
	Taxonomy-alignment by goals	Taxonomy-eligibility by goals
CCM	0.00%	90.40%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%

Operating expenditure (OpEx)

Fiscal year 2024	Year			Criteria for a significant contribution						DNSH criteria									
Economic activity	Code or codes	Operating expenditure in absolute terms	Proportion of OpEx	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Proportion of taxonomy-aligned OpEx, 2023	Category (enabling activity)	Category (transitional activity)
		million PLN	%	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y; N N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E
A. TAXONOMY-ELIGIBLE ACTIVITY																			
A.1. Types of environmentally sustainable activities (taxonomy-aligned)																			
Operating expenditure for environmentally sustainable activities (taxonomy-aligned) (A.1)		0.00000	0.00%	0.00%	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %										
Including enabling activity				0.00%	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %								E		
Including transitional activity				0.00%														T	
A.2. Taxonomy-eligible but not environmentally sustainable (non-taxonomy-aligned)																			
		million PLN	%	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL	EL; N/EL										
Electricity generation using photovoltaic technology	CCM4.1_CCA4.1	0.44449	20.87%	20.87%	0.00 %	N/EL	N/EL	N/EL	N/EL										
Cogeneration of heat/cool and electricity from bioenergy	CCM4.20_CCA4.20	0.68525	32.18%	32.18%	0.00 %	N/EL	N/EL	N/EL	N/EL										
Operating expenditure for taxonomy-eligible but environmentally unsustainable (non-taxonomy-aligned) activities (A.2)		1.12973	53.05%	53.05%	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %										
Total (A.1.+A.2.)		1.12973	53.05%	53.05%	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %										
B. TAXONOMY NON-ELIGIBLE ACTIVITY																			
Operating expenditure for non-taxonomy-eligible activities (B)		0.99978	46.95%																
Total (A+B)		2.12951	100.00 %																

In 2024, Selena Group incurred operating expenditure of PLN 2.13 million, and only a small portion of it concerned taxonomy-eligible activities, including (activities are listed in order of having the largest share in OpEx):

- Operating expenditure related to activity 4.20. Cogeneration of heat/cool and electricity from bioenergy amounted to PLN 0.69 million (32.18% of total OpEx)
- Operating expenditure related to activity 4.1. Production of electricity using photovoltaic technology: PLN 0.44 million (20.87% of total OpEx)

During the examination of the technical screening criteria, it was found that none of the activities were taxonomy-aligned, i.e. did not constitute an environmentally sustainable activity.

	Proportion of OpEx/Total OpEx	
	Taxonomy-alignment by goals	Taxonomy-eligibility by goals
CCM	0.00%	53.05%
CCA	0.00%	0.00%
WTR	0.00%	0.00%
CE	0.00%	0.00%
PPC	0.00%	0.00%
BIO	0.00%	0.00%



Society

3. Social information

3.1. S1 Own workforce

SBM-2 Interests and views of stakeholders

Described in ESRS 2 SBM-2.

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

As part of the materiality analysis conducted in 2023, topics with significant impacts, risks and opportunities were identified, including those relating to Selena Group employees. These parameters are included in the pillars of the IFEEC Sustainable Development Goals and Directions and in the Sustainable Development Goals and Directions. The global operations of Selena Group mean that employees come from all over the world and perform various activities related to the operations of the Group's companies. Selena Group distinguishes 4 specific groups of employees:

- White-collar workers, including specialists, managers, senior and junior managers, and directors who are required to have secondary or higher education, international employees mostly from the country where the company belonging to the Selena Group is based
- Interns, mostly students, working in paid and unpaid internships
- Blue-collar workers with primary or secondary education, employees originating from the country where the company is based
- Employees cooperating under contracts other than an employment contract, most often on B2B contracts, who are usually consultants, maintenance technicians and some managers

In 2024, Selena Group began the Human Rights Impact Assessment, a project aimed at examining the impact on human rights across the Group's entire value chain. In 2024, the possibilities for effective remediation were analyzed, a comprehensive analysis of the Group's policies was conducted, and a representative sample within the Group's structure was identified to be analyzed in the first cycle of the exercise. The activities completed are stages of the Human Rights Impact Assessment that contribute to the final determination of impacts on stakeholders. The final results of the assessment will be presented in next year's report.

At the time of publication of the report, Selena Group identified 6 risks and 1 opportunity related to workers (described in ESRS 2 SBM-3).

At this time, Selena Group does not identify any operations or locations that are exposed to a significant risk of incidents of forced or compulsory labor and child labor.

Selena Group does not identify any group of workers that would be exposed to greater risk than others, with the exception of risks related to discrimination related to disability, gender, sexual orientation or views.

S1-1 Policies related to own workforce

Selena Group shapes its work environment through a number of policies and procedures. The most important of them are:

Code of Ethics of Selena Group

The Selena Group Code of Ethics reflects its values and regulates relations with employees, business partners and consumers. The Code is intended to be a model of conduct in professional relationships, both internal and external. It is used in all countries where the Group operates. It covers topics such as:

- Values and ethical principles: Highlighting key values such as leadership, simplicity, responsibility, satisfaction and innovation, which constitute the foundation of Selena Group's organizational culture
- Standards of conduct in internal relations: Guidelines for cooperation between employees, promoting respect, honesty and counteracting discrimination and mobbing
- Standards of conduct in external relations: Principles for dealing with consumers, suppliers, business partners and the local community, emphasizing honesty, transparency and social responsibility
- Anti-corruption policy: Determining prohibited activities, such as corruption and bribery, along with procedures to be followed in case of suspected misconduct.

- Protection of confidential information: Principles for securing sensitive data and responsible management of corporate information
- Conflict of interest policy: Guidelines to identify and avoid situations where employees' private interests may conflict with the interests of the company
- Procedures for reporting wrongdoing: Mechanisms that enable employees to anonymously report violations of the Code of Ethics and ensure protection for whistleblowers.
- Commitment to the environment: Principles promoting+E2 pro-ecological activities and sustainable development in business activities

It covers issues such as:

- Prohibition of the use of child labor and forced labor
- Equal treatment in employment, no harassment
- Dialogue
- Privacy protection
- A fair and stable workplace

The Code of Ethics applies to impacts related to all ESRS topics.

The Management Boards of individual Group companies inform their employees about the content of the Code, and a dedicated team educates employees on the principles adopted therein. Managers and directors at all levels oversee the implementation of the Code and lead by example in applying its principles through their own conduct. Any violations or observations in relation to this Code may be reported in accordance with the Whistleblowing Management Procedure (described in G1-1).

As part of the Code of Ethics, Selena Group is committed to respecting and promoting international principles regarding the observance of human rights and international labor standards; however, at the moment, the Group's Policies do not refer to respecting employee rights in accordance with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work or the OECD Guidelines for Multinational Enterprises.

The Code of Ethics prohibits discrimination on the basis of gender, age, disability, race, religion, nationality, political beliefs, trade union membership, ethnic origin, religious denomination, sexual orientation, and employment status.

Code of Conduct for Selena Group

The Code of Conduct is an internal set of principles and values that guide the entire Selena Group. The primary purpose of the document is to define the desired values and patterns of behavior of employees towards employees and employees towards counterparties. The document explains: The document provides explanations such as: "What is a violation?", "What should I do if I identify a violation?", and "Where should a violation be reported?" The Code of Conduct covers areas related to employee conduct, cooperation with counterparties, information protection, and indicates where to seek help in the event of identifying a violation. The Code of Conduct is based on the regulations, procedures, and policies in force within the Group and serves as a summary of the principles that employees are expected to follow.

The Code defines the views that should guide Selena Group employees, including areas related to fundamental employee rights and the general scope of the most important policies, procedures and regulations. It covers areas such as relationships with counterparties, information security, the handling of violations, and the dress code.

The Code of Conduct is based on the provisions of the policies, procedures and regulations in force in Selena Group, such as:

- Work Regulations
- IT Policy
- Anti-mobbing Procedure
- Anti-Money Laundering Procedure
- Procedures for Reporting Wrongdoing
- Recruitment and Selection Policy
- Personal Data Security Policy
- Information Security Policy
- Anti-corruption Policy

The Code of Conduct applies to impacts related to all ESRS topics.

The person responsible for implementing and monitoring the Code of Conduct is the Global Legal & Compliance Director.

Selena Group Anti-Corruption Policy

Described in disclosure G1-1.

Whistleblowing Management Procedure of Selena Group

Described in disclosure G1-1.

Anti-mobbing Procedure

The purpose of the Procedure is to ensure that all employees of the Group work in a friendly environment that develops their competences and allows them to carry out the tasks assigned to them as effectively as possible. The procedure describes ways to respond quickly in the event of mobbing, by taking preventive measures, in particular by monitoring the issue of mobbing and applying anti-mobbing measures in practice. The procedure covers topics such as: the definition of mobbing, the procedure for reporting incidents, the scope of employer and employee responsibilities, a description of the investigation procedure, a description of preventive and educational measures, ways of protecting whistleblowers and the expected consequences of violations.

The procedure contributes to the management of impacts related to the prevention of violence and discrimination in the workplace.

The person responsible for implementing and monitoring the procedure is the HR Director.

Internal Anti-Money Laundering Procedure

The procedure aims to define the principles of counteracting money laundering and terrorism financing, including the principles, powers and competences, the method of identifying and assessing risk, the method and principles of applying financial security measures, and the principles of raising employee awareness. The scope of the procedure includes: risk identification and assessment, financial security measures, employee responsibilities, internal supervision structures, and a description of documentation and reporting.

The persons responsible for implementing and monitoring the procedure are the senior management personnel at each of the Group companies. The Management Board, by way of a resolution, appoints a Supervisor responsible for ensuring compliance of the activities of the Group and its employees with the provisions of the relevant legal act and the procedure. The procedure is available to employees on the BMS (Business Management System) platform and on the intranet platform in the Compliance Department.

Selena Group Health and Safety Policy

The purpose of the Policy is to ensure safe working conditions for employees, subcontractors and all persons visiting the plants, compliance with legal provisions and other requirements, prevention aimed at minimizing accidents at work, occupational diseases and near-misses, creating internal regulations, raising employee awareness of hazards through actions taken, including awareness programs and training, improving qualifications and increasing employee involvement in activities for occupational health and safety, implementing, maintaining and improving safety programs, and improving results in the area of health and safety. The Policy covers risk identification and assessment process, employee training system and awareness-raising, methods of monitoring and controlling working conditions, management buy-in and methods of continuous improvement.

The Management Board is responsible for implementing and monitoring the Policy, and the guidelines are then cascaded to subsidiaries. The Selena Group Occupational Health and Safety Policy is available to all interested parties in the internal BMS system and is communicated to workers during onboarding, in accordance with the Employee Induction Procedure.

The documents supplementing the Occupational Health and Safety Policy are:

- Procedure – hazardous works
- Procedure for the allocation of personal protective equipment
- Procedure for reporting accidents and their circumstances and causes
- Procedure for reporting observations

Work Regulations

Work Regulations establish the organization and order in the work process and the related rights and obligations of the Employer and Employees. The scope of the Work Regulations includes: work organisation, system and distribution of working time, basic information on occupational health and safety (OSH), rights and obligations of employees and the employer, anti-mobbing procedures, diversity policy, rules on justifying absences, rules on the protection of property and business secrets, and information on the introduction of changes to the regulations, their validity and procedures related to their acceptance by employees.

The Work Regulations apply to all Selena Group employees, regardless of the type of employment contract, position or employment type (full or part time). It may also refer to persons working on the basis of civil law contracts to the extent relating to the organization of work.

The Work Regulations govern the impacts and risks associated with S1.

The HR Director is responsible for implementing and monitoring the Work Regulations.

Selena also has a number of policies and procedures in place to manage the impact of personal data and information security, including:

- Personal Data Security Policy
- Information Security Policy
- Confidential Information Protection Policy
- Procedure for granting authorizations to process personal data
- Personal Data Protection Incident Reporting Policy

S1-2 Processes for engaging with own workforce and workers' representatives about impacts

Selena Group employees are among the most important stakeholders. The Group engages with employees on an ongoing basis on matters relating to its impacts, primarily through reporting channels. This helps avoid conflicts and other undesirable situations.

Selena Group regularly monitors employee engagement by conducting the Gallup Engagement Survey. Once results are achieved, each manager works with their team to improve engagement, guided by the results for their team. Actions are introduced, such as updating the job description, giving praise at the weekly meeting, arranging workshops, making changes in work assignments, organizing talent planning workshops, and other activities. Following the study, summary workshops are conducted among individual stakeholder groups and enabling actions are taken to minimise negative impacts.

Group employees also took an active part in the materiality study and participated in most stages of the process (workshops, working group survey, expert group survey).

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Selena Group has implemented the Whistleblowing Management Procedure of Selena Group, which describes how employees can report their concerns and needs to the Management Board and managers. Additionally, white-collar employees have regular meetings with HR partners. Blue-collar employees can report their needs directly to foremen, who then pass them on to the HR Partner. Employees are aware of the possibility of reporting needs and concerns and the applicable system thanks to notices displayed in the workplace and information provided during onboarding.

Additionally, white-collar employees have regular meetings with HR partners. The e-learning platform contains compliance training that each employee must complete. The training ends with a test and is registered by the HR department.

Providing a safe and hygienic work environment is one of the priorities for Selena Group. Thanks to consistent and well-thought-out actions, 2024 brought further significant achievements in the field of occupational health and safety and environmental protection, proving continuous improvement and commitment to improving working conditions. The Group Occupational Health and Safety Policy, developed and implemented in previous years, has been consistently bringing positive results in Selena Group companies. It is updated to reflect analysis of accident rates, implemented activities and planned initiatives aimed at raising employee awareness and striving for excellence in the field of occupational health and safety.

Since 2020, an innovative observation program has been in operation for all production plants, including international ones. It enables employees at all levels to report unsafe conditions and behaviors, which steadily leads to the elimination of potential threats. A breakthrough step in 2024 was the implementation of the Selena EHS App,

which replaced the paper-based observation reporting system with a modern electronic solution. The process of its implementation and improvement involved employees from various levels of the organization, which proves a strong sense of shared responsibility for safety in Selena Group. The application can also be used to record accidents, good practices and monthly reporting of health and safety and environmental protection issues as well as generating monthly OHS, Environmental Protection and Fire Protection statistics, creating the BI EHS Report, which significantly improves safety management.

For years, Selena Group has been investing heavily in the education of its employees, organizing awareness training for managers and blue-collar workers. Regular thematic training courses and webinars effectively increase team involvement in health and safety issues. In addition, the Group actively cooperates with government institutions such as the National Labor Inspectorate, the National Sanitary Inspectorate and the Social Insurance Institution, enabling annual training for employees.

Selena Group's occupational health and safety specialists are members of the Polish Association of Occupational Health and Safety Employees, where they can expand their knowledge and represent the company at prestigious industry conferences. Moreover, the Group's employees often act as speakers at industry meetings, which confirms their high level of competence.

In addition to group activities, individual companies implement their own innovative programs and technical solutions aimed at minimizing the number of accidents and increasing the level of safety. Key initiatives include:

- Modern training and webinars on occupational safety and environmental protection aimed at increasing employee awareness.
- Courses organized by the Office of Technical Supervision (UDT) relating to aerial work platforms and industrial trucks (forklifts).
- Investments in the modernization of machines and infrastructure (including the construction of a fire tank, adoption of LED lighting and upgrading fire alarm systems).
- Elimination of dangerous cutting tools and replacing them with safe knives at all production plants.
- An extensive system for reporting observations and improving safety.
- Creating response groups and adapting workstations to current requirements.
- Adaptation of workstations equipped with screen monitors in accordance with the updated regulation.

Regular internal inspections, carried out with the support of the Gemba Walk module in the Selena EHS App, facilitate ongoing monitoring of compliance with occupational health and safety requirements. At most production plants, the inspections are carried out at least once a month, often extending the scope to include fire safety and environmental aspects.

In 2024, Selena became an official partner of the European edition of the “Safe and Healthy Work in the Digital Age” campaign, organized by EU-OSHA. To make training more attractive, the company purchased modern VR goggles that allow for more engaging employee education in the field of occupational health and safety.

Additionally, Selena Group continues its fruitful cooperation with the University of Environmental and Life Sciences in Wrocław, enabling the exchange of knowledge and experiences between students and health and safety experts. Thanks to this cooperation, future specialists have the opportunity to learn about the realities of the industry, and Selena Group can attract the best talents to its team.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions.

As part of the identified impacts on Group employees, Selena conducted activities to mitigate negative impacts and strengthen positive impacts:

- The positive impact on the form of employment of employees is reinforced by the preference for employing employees on the basis of an employment contract and by adapting the form of employment to the employee's needs, established during individual interviews.
- The Group strengthens its positive influence on regulating employees' working hours and compliance with labor law by respecting employees' time and setting and adhering to pre-agreed working hours. Working hours are established in consultation with employees based on applicable legal provisions, organizational principles

and work regulations. Selena Group monitors and adapts to new trends in the labor market that respond to employee needs, e.g. through partial remote work.

- Positive impact on standardizing employee remuneration in accordance with the adopted regulations, reinforced by making payments on time and in accordance with employment contracts.
- The impact of internal regulations on the protection of the rights of employees to have representation. Selena Group complies with all requirements covered by law. Additionally, meetings are organized with employee representatives; Protection of employees representing employees in accordance with the applicable local law. Selena Group's internal regulations define the principles of operation of the company, including the rights and obligations of employees and their ability to participate in decision-making processes. An important aspect of these regulations is the impact on the protection of the rights of employees to have representation, i.e. their right to participate in employee organizations, social dialogue and consultation processes. The cooperation is carried out by trade unions, works councils and representatives (HR partners).
- Positive influence on shaping a culture promoting work-life balance through internal programs and regulations supporting activity outside the workplace, supported by limiting work in an extended range of hours to exceptional situations, access to sports benefits, and periodic social gatherings.
- Selena Group mitigates the potential negative impact on employee health and safety through regular health and safety training and ongoing inspections of the correctness of existing conditions and installations. All persons employed in Selena Group undergo mandatory occupational health and safety training with the frequency specified by law. The EHS department's goals include continuous monitoring and reducing the accident rate.
- Positive impact on internal Policies and Codes regulating gender equality, reinforced through the internal culture of the organization and the code of ethics and transparent recruitment processes: introducing transparent and gender-neutral criteria for candidate selection, giving preference to candidates of the underrepresented gender where candidates have equal qualifications.
- The positive impact on improving individual employee qualifications is reinforced by the internal e-learning platform available to all employees, and the P&P employee ocean process for white-collar employees, which mobilizes employees to improve their qualifications.
- The negative impact on the employment of people with disabilities, related to the production nature of the Group, is not mitigated for the time being.
- The Group shapes the impact on internal Policies and Codes prohibiting violence and discrimination and the operating channels for reporting violations through compliance training on the e-learning platform and information in the form of information posters.
- Impact on fostering a work environment that ensures equal opportunities through internal policies and regulations and the P&P (Performance and Potential Review) system, which ensures equal opportunities for promotion.
- The impact on eliminating the possibility of child labor is monitored by the HR department.
- The impact on eliminating the possibility of forced labor is monitored by the HR department.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of the Sustainable Development Goals and Directions, Selena Group has adopted two goals related to its own employee resources and short-, medium- and long-term operational goals, as presented below. The goals were created, among others, during a series of workshops with the Group's employees. Achievement of the goals will be monitored in half-yearly reviews.

ESG topic	Goal	Operational goal					
		2026		2030		2035	
		short term	measure	medium term	measure	long term	measure
Own workforce	Increased employee satisfaction levels	Conducting an employee engagement survey	100% (white collar workers)	Conducting an employee engagement survey	100% (blue collar workers)		
	Reducing the number of accidents	Reduction in the number of accidents	<1.15 accident rate	Reduction in the number of accidents	<1 accident rate	Reduction in the number of accidents	<0.5 accident rate

S1-6 Characteristics of the undertaking's employees

The tables below present a summary of basic information about Selena Group employees for 2024. All data in disclosure S1 refer to the status as of 31 December 2024.

In 2024, the employment structure in the Group was as follows:

- **1,683** employees;
- Over **39%** of the Group's employees were women;
- Over **60%** of the Group's employees were men;
- **94% (1,590)** of employees were employed for an indefinite period of time;
- **284** people left during the reporting period, with a turnover rate of **16.87%**.

Gender	Number of people employed under employment contracts
Period	2024
Women	665
Men	1018
Other	0
Not disclosed	0
Total	1683

The only country where Selena Group employs more than 50 people, which constitutes at least 10% of the Group's workforce, is Poland.

S1-6 Characteristics of the undertaking's employees – breakdown by country with significant employment levels for persons employed under employment contracts

Country	Number of people employed under employment contracts
Period	2024
Poland	943

S1-6 Characteristics of the undertaking's employees – breakdown by type of contract for persons employed under employment contracts

Period	2024				
Gender	Women	Men	Other	Not disclosed	Total
Number of people employed under employment contracts	665	1,018	0	0	1,683
Number of people employed under employment contracts for an indefinite period	632	958	0	0	1,590
Number of people employed under fixed-term employment contracts	33	60	0	0	93
Number of people employed under employment contracts who have no guaranteed working hours	0	0	0	0	0
Number of people employed under full-time employment contracts	642	997	0	0	1,639
Number of people employed under part-time employment contracts	23	21	0	0	44

S1-6 Employee turnover

Period	2024
Number of people employed under employment contracts who left the organization during the reporting period	284
Turnover rate	16.87%

S1-7 Characteristics of non-employee workers in the undertaking's own workforce

In addition to persons employed under an employment contract, Selena also cooperated with persons under other legal forms. The structure of the relationships is presented below.

S1-7 Characteristics of non-employees in the undertaking's own workforce				
Period	2024			
Number of people	Women	Men	Other	Not disclosed
Total number of persons cooperating with the entity on the basis of contracts other than an employment contract	50	126	0	0

S1-8 Collective bargaining coverage and social dialogue

Selena Group ensures full, uninterrupted freedom of association and is committed to complying with the legal provisions regarding collective agreements and is open to dialogue with employee communities. In 2024, the Selena Group had collective agreements and arrangements in force for employees of Matizol in Poland and Selena Iberia. In the case of social dialogue, the table below presents the percentage of employees represented by employee representatives.

S1-8 Collective bargaining agreements and social dialogue	Collective agreements and arrangements				Social dialogue
Percentage share	People with employment contracts – EEA (for countries where the entity has >50 employees constituting >10% of the total workforce)	People with employment contracts – outside of EEA (estimate for regions where the entity has >50 employees constituting >10% of the total workforce)	Persons on contracts other than an employment contract – EEA	Persons on contracts other than an employment contract – outside of EEA	Representatives of persons employed under an employment contract (EEA only) (for countries where the entity has >50 employees constituting >10% of the total workforce)
Period	2024				
0-19%	Poland				
20-39%					
30-59%					
60-79%					Poland
80-100%					

S1-9 Diversity metrics

The table below presents the age diversity structure in Selena Group. The Group employs mostly men. This share is similar across the different age categories of employees. The greatest disproportion was observed in the group over 50 years of age. The majority of male employees is related to the Group's business model, as men perform work in production plants.

S1-9 Information on diversity among persons employed under employment contracts

Period	2024				
Persons employed under employment contracts	Women	Men	Other	Not disclosed	Total
Total number of people, including:	665	1,018	0	0	1,683
Age group: over 50 years old	115	299	0	0	414
Age group: 30-50 years	471	604	0	0	1,075
Age group: under 30	79	115	0	0	194

S1-9 Information on the total number of persons employed under employment contracts, broken down by salary grade

Period	2024			
Gender	Women	Men	Other	Undisclosed
Number of people in senior management	16	59	-	-
Percentage of senior management	21.33%	78.67%	0.00%	0.00%

S1-10 Adequate wage

In 2024, all employees received remuneration above the adequate remuneration level set individually for each country.

S1-11 Social protection

All persons employed under an employment contract are covered by legal protection with public programs provided in accordance with local law. In all countries where Selena Group operates, the social protection system provides employees with protection against loss of income due to unemployment, illness, accidents at work and acquired disability, parental leave, and retirement based on local regulations.

S1-12 People with disabilities

S1-12 People with disabilities employed under employment contracts

Period	2024
Percentage of people with disabilities in the total number of people employed under employment contracts	1.49%

S1-13 Training and skills development metrics

S1-13 Training and performance reviews				
Period	2024			
Average training hours per person	Women	Men	Other	Not disclosed
Average number of training hours per person	11.39	9.68	-	-
Number of performance reviews proportional to the agreed number of performance reviews for a given period	Women	Men	Other	Not disclosed
Number of completed performance reviews per planned performance reviews	0.69	0.58	-	-

Number of performance reviews per person employed under an employment contract	Women	Men	Other	Not disclosed	Total
Number of performance reviews per person employed under an employment contract	0.47	0.31	-	-	0.37

S1-14 Health and safety metrics

S1-14 Accident statistics	
Accidents among persons employed under an employment contract	
Period	2024
Light accidents	18
Serious accidents	0
Fatalities	0
Collective accidents	0
Total number of accidents	18
Accidents among persons under contracts other than an employment contract	
Light accidents	1
Serious accidents	0
Fatalities	0
Collective accidents	0
Total number of accidents	1
Accidents among people employed by subcontracting companies working on the plant premises	
Light accidents	2

Serious accidents	0
Fatalities	0
Collective accidents	0
Total number of accidents	2

S1-14 Other health and safety data
People employed under an employment contract

Period	2024
Number of cases of registered occupational diseases	0
Number of days of incapacity for work due to accidents at work	565
Occupational accident rate	7.33
People employed under contracts other than employment contracts	2024
Number of cases of registered occupational diseases	0
Number of days of incapacity for work due to accidents at work	21

S1-15 Work-life balance metrics

In most countries, all people employed under an employment contract are entitled to parental leave.

S1-15 Basic data on parental, carers' and childcare leaves

Period	2024			
Gender	Women	Men	Other	Not disclosed
% of people with employment contracts entitled to parental leave in the total number of people employed under employment contracts	96.99%	84.18%	-	-
% of people with authorized employment contracts who took parental leave	6.02%	2.06%	-	-

S1-16 Remuneration metrics (pay gap and total remuneration)
S1-16 Detailed information on the unadjusted pay gap

Period	2024
Gender Pay Gap, including:	Gender Pay Gap
Unadjusted pay gap in total employment	10.90%

The following formula was used to calculate the Gender Pay Gap Ratio:
(Average gross hourly pay of male employees – average gross hourly pay of female employees)/ Average gross hourly pay of male employees.

The CEO Pay Ratio expresses the ratio of the highest paid person in the organization to the median salary of all other employees during the reporting period.

Period	2024
CEO Pay Ratio	20.34

S1-17 – Incidents, complaints and severe human rights impacts

During the reporting period, there were 3 reports of employment-related irregularities reported in Selena Group. Each report was verified and steps were taken to address it in accordance with the Whistleblowing Management Procedure of Selena Group. The reports did not concern discrimination, mobbing or human rights violations.

3.2. S2 Workers in the value chain

SBM-2 Interests and views of stakeholders

Described in ESRS 2 SBM-2.

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

In its business model, Selena Group cooperates with various groups of employees in the value chain who support the Group's activities in the construction and production areas.

Characteristics of employees in the value chain:

Downstream:

- In the construction area:
 - owners and employees of trading companies
 - owners and employees of general construction and specialist contractors
 - owners and employees of design and architectural firms
- In the production area:
 - technical directors/ managers
 - chief technologists
- In the area of construction of renewable energy installations:
 - owner of building facilities
 - technical directors

Upstream:

- In the construction and production area:
 - employees of the following departments: sales, R&D, marketing; logistics and finance
- In the area of construction of renewable energy installations:
 - employees of the following departments: sales, logistics and finance
 - owners and employees (technical and physical) of construction contractors.

Significant risks and opportunities for workers in the value chain will be presented in next year's report after the Human Rights Impact Assessment is completed.

At this time, Selena Group does not identify any regions or product lines that are exposed to a significant risk of incidents of forced or compulsory labor and child labor.

Impacts on workers in the Selena Group value chain are related to individual incidents or specific business relationships that are related to cooperation with suppliers employing employees who may potentially be exposed to negative impacts related to failure to maintain appropriate occupational health and safety standards or discrimination.

S2-1 Policies related to value chain workers

At the time of publication of the report, Selena Group does not have a policy related to value chain workers.

S2-2 Processes for engaging with value chain workers about impacts

In 2024, Selena Group did not engage with value chain workers about impacts.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Selena Group is committed to taking remedial action in connection with any significant negative impacts on value chain workers. All value chain workers are required to report irregularities in order to identify and mitigate any negative impacts. To this end, they may use a dedicated platform: <https://zgloszenia.selena.com/>. A detailed description of the reporting and handling process, including how confidentiality is ensured and how monitoring and tracking is done, is described in disclosure G1-1.

In relation to value chain workers, Selena Group does not have a procedure for introducing corrective measures. Selena also does not have a non-retaliation policy.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those action

As part of the identified impacts on the Group's value chain workers, Selena did not conduct any activities in 2024 to mitigate negative impacts or support positive impacts.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of the Sustainable Development Goals and Directions, Selena Group has adopted a goal related to value chain workers and a number of short-, medium- and long-term operational goals, presented below. Achievement of the goals will be monitored in half-yearly reviews. Those goals were identified based on the results of a materiality analysis in which representatives of Selena Group's suppliers and subcontractors participated.

ESG topic	Goal	Operational goal					
		2026		2030		2035	
		short term	measure	medium term	measure	long term	measure
Workers in the value chain	Raising safety standard requirements	Introducing to the supplier code an indicator on accidents at key suppliers	0/1	Monitoring the number of accidents	0/1	Monitoring the number of accidents	0/1

3.3. S3 Affected communities

SBM-2 Interests and views of stakeholders

The communities affected by Selena's business model are overwhelmingly those in whose vicinity Selena plants and factories operate. Their functioning has a significant impact on residents because, on the one hand, they offer employment, but on the other hand, it may pose a risk of negative environmental impact.

Local communities can influence the activities of Selena Group through direct dialogue and participation in social consultations. The company strives to respond to the needs and concerns of local residents that may result from planned investments. Selena actively participates in meetings with community representatives, which allows for early identification of potential problems and addressing them in development plans.

Engagement with affected communities takes place both directly and through representatives who are considered credible by both parties. Selena Group focuses on transparency and open communication, using various channels to ensure that all parties are properly informed and that their voices are heard. If necessary, the company can work with local leaders or non-governmental organizations that act as mediators.

Collaboration with local communities begins at the early stages of investment planning and continues at each subsequent stage – from design, through construction, to project completion. Selena Group strives to maintain regular contact by organizing regular meetings, information sessions and consultations, which enables ongoing adjustment of activities to changing conditions and community expectations. The frequency of these interactions depends on the size of the project and emerging needs.

Selena Group does not operate in proximity to indigenous peoples.

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

Selena Group is in the process of conducting a Human Rights Impact Assessment to identify actual and potential impacts on communities.

For the time being, the affected communities include those living in the vicinity of the Group's manufacturing facilities who could potentially be affected by a spill or increased noise levels, or who may use the Group's facilities as a potential source of employment. Risks and opportunities related to local communities are related to the Selena Group business model, which assumes the implementation of production processes in factories located close to places of residence.

Selena Group conducts the required environmental impact assessments (EIA) for plants and investments. It does not identify specific groups in the community that are particularly vulnerable to significant impacts.

S3-1 Policies related to affected communities

As of the date of publication of the report, Selena Group does not have a dedicated policy for affected communities.

S3-2 Processes for engaging with affected communities about impacts

In 2024, Selena Group did not engage with affected communities about impacts.

S3-3 Processes to remediate negative impacts and channels for affected communities to raise concerns

Selena Group, as a manufacturer of construction chemicals, applies a systemic approach to remediation when it determines that its activities have had or contributed to a significant negative impact on affected communities. Corrective action encompasses several key pillars: problem identification, dialogue with communities, implementation of corrective actions, and evaluation of effectiveness and monitoring of outcomes.

If the impact is environmental (e.g. air, water, soil pollution), the most common actions are:

- Cleaning the contaminated areas – removing harmful substances, soil remediation
- Modernization of production processes – reduction of VOC emissions, air filtration
- Cooperation with environmental protection institutions – consultations and compliance with regulations

If the impact concerns local communities (e.g. conflicts, protests, lack of acceptance for the company's activities), the most common actions are:

- Dialogue and mediation with the community – consultation meetings, negotiations with local leaders
- CSR programs - support for local entrepreneurs, initiatives to improve the quality of life

- Revision of plant development plans – minimizing negative impact on residents, changing investment locations, compensations

Selena Group has a publicly available reporting channel through which affected communities can express their concerns and needs (described in disclosure G1-3). At the time of publication of the report, Selena Group does not know whether the affected communities are aware of the existence of ways to report their concerns or needs.

S3-4 Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions

At the time of publication of the report, Selena Group did not take any actions to mitigate the negative impact on people in the local community resulting from the current operations of entities in Selena Group's own operations.

An action plan and resource allocation for managing significant impacts, risks and opportunities related to affected communities will be developed and adopted by 2030.

Selena Group production plants operate in accordance with local laws regarding environmental protection and respect for human rights. The plants have the required environmental permits, which reduces negative impacts on affected communities.

By consistently implementing the IFEEC sustainable development pillars and actively supporting local communities, Selena Group strives to ensure that its business practices do not cause negative impacts on the environment.

In response to the dramatic effects of the flood that affected many regions of Poland in September 2024, Selena Group provided aid in the form of products of its leading brands Tytan Professional and Matizol worth PLN 1 million, including mounting foams and foam adhesives, primers and products for waterproofing, insulating and construction foils, bituminous masses for waterproofing foundations, as well as silicones, adhesives and sealants.

Additionally, Selena Group has launched two support models:

- Free distribution of construction chemical products
- A significant reduction in the prices of construction chemical products

In 2024, no serious violations or incidents involving human rights abuses of communities affected by the Group were reported in Selena Group.

S3-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of its Sustainable Development Goals and Directions, Selena Group has adopted a goal related to impacted communities and a number of short-, medium- and long-term operational goals, presented below. Achievement of the goals will be monitored in half-yearly reviews.

ESG topic	Goal	Operational goal					
		2026		2030		2035	
		short term	measure	medium term	measure	long term	measure
Affected communities	Identifying and mitigating human rights risks	Conducting a Human Rights Impact Assessment	0/1	Implementation of the Human Rights Impact Assessment results	0/1	Regularly repeating the Human Rights Impact Assessment	Affected communities

3.4. S4 Consumers and end users

SBM-2 Interests and views of stakeholders

The largest group of consumers and end users of Selena Group are people who use the Group's products in their daily work on construction sites.

Consumers of Selena's activities include:

- Wholesalers
- Retail chains (Modern Trade)
- Building contractors
- Customers who buy Selena Group products under Selena brands
- Manufacturing companies that use Selena products for their own production

The end users of Selena products may be both individuals using the products during renovation and construction work as well as construction companies and general contractors.

End users:

- Contractors, e.g. construction companies
- Individual wholesale customers
- Individual customers of retail chains (modern trade)
- Customers of manufacturing companies

Selena Group consumers are one of the most important stakeholder groups and constitute an important element of the Group's operations. Selena provides products and solutions for modern, environmentally sustainable construction, created for and in collaboration with professional contractors. Every new product introduced to the market is validated with end users through direct on-site product testing by cooperating professional contractors. The end user of Selena products is included in the IFEEC Pillars as one of the key pillars.

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

Impacts related to consumers and end users are described in ESRS 2 SBM-3. They all result from the business model and shape the Group's internal policies. The identified impacts are both positive and negative and result mostly from the Group's activities and the directions it has adopted.

Selena Group identified 3 risks and 2 opportunities related to consumers and end users (described in ESRS 2 SBM-3). Since the impacts of most risks include the loss of the consumer, Selena makes every effort to eliminate these risks.

The key group of consumers and end users of the Group are construction contractors using the Group's products and Selena regularly collects feedback from them in order to improve the quality of the products offered.

S4-1 Policies related to consumers and end-users

As at the date of publication of the report, Selena Group does not have an adopted policy for managing the significant impacts of products or services on consumers or end users.

All products introduced to the market are marked in accordance with legal requirements, e.g. REACH, if they are identified as containing a hazardous or potentially hazardous substance. Additionally, the products have certifications/tests regarding VOC (Volatile Organic Compounds) content and emissions such as: Emicode, Eurofins, Eco Instytut, M1, O2 (no MDI emissions during application).

Consumer and end-user safety is ensured by, among others, hygiene certificates, food contact approvals, national technical assessments, European technical assessments; fire tests; seismic tests; ageing tests; acoustic tests; tightness tests and others.

All products put on the market have an MSDS (Material Safety Data Sheet) and a TDS (Technical Data Sheet). Both documents contain detailed information on chemical compositions, safety of use, applications and technical parameters.

S4-2 Processes for engaging with consumers and end-users about impacts

Selena Group's activities focus on the needs of professional construction contractors (End User), as the main decision-makers in selecting solutions for construction, shaping its future. All of the Group's products, solutions and services are created to improve the working conditions of construction professionals. Selena Group gives end users the certainty of professional, modern work and a job well done and has the knowledge to improve their work by offering professional construction knowledge, practical innovations and reliable products. The Group supports professional contractors by offering a range of specialist training courses that cover both theoretical knowledge and practical skills. It creates technologically advanced products, systems and solutions that provide answers to most challenges on the construction site. The Group's products are designed to ensure reliability, durability and highest performance in various operating conditions.

The End User Centricity organizational culture is aimed at increasing customer satisfaction and loyalty, as well as increasing financial results and improving operational efficiency of Selena Group. By constantly striving to understand and meet the needs of professional construction contractors, Selena Group maintains its position as an industry leader, contributing to the development of sustainable construction and improving working conditions on construction sites around the world.

Selena Group conducts regular NPS (Net Promotore Scoring) surveys to continuously improve brand recognition, product adequacy to consumer requirements and service quality.

NPS is a research method used to measure consumer loyalty to a brand, product or service. It is one of the most commonly used metrics in marketing and customer service, helping companies understand how likely customers are to recommend a company to others.

The NPS survey is based on one main question to which the recipient responds on a scale of 0 to 10:

"How likely are you to recommend our company/product/service to a friend or colleague?"

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Selena Group attaches great importance to responsibility towards consumers and end users of its products. If it is found to have had a significant negative impact or contributed to such an impact, the company will take the following steps:

- Problem identification and analysis: After identifying a potential problem, Selena conducts a detailed analysis of the causes and scope of the negative impact
- Implementation of corrective measures: Depending on the results of the analysis, the company takes appropriate corrective actions, which may include:
 - Modification of products: Adjusting the composition or properties of products to eliminate negative impacts
 - Education and training: Providing users with information on the safe and correct use of products
 - Withdrawal of products: If necessary, temporary or permanent withdrawal of the product from the market
- Monitoring and evaluating effectiveness: Once corrective measures have been implemented, Selena monitors their effectiveness by:
 - Collecting feedback from consumers: Analysis of user feedback on the changes introduced
 - Quality controls: Regular tests and internal audits to ensure product compliance with applicable norms and standards conducted by the Quality Control Department

In addition, Selena Group has clearly defined complaints procedures that enable consumers to report comments and issues related to products. This allows the company to quickly respond to any irregularities and minimize negative consequences for end users. The Procedure for Handling and Documenting Problems defines the process of filing complaints about all products supplied by the Selena Group and ensures that complaints will be handled in a reliable and conscientious manner. It also ensures objective identification/ analysis of the causes of product defects reported by consumers. The process applies to all product groups and all complaints regarding products/ services supplied by Selena Group.

The procedure is binding on each commercial company/production plant in Selena Group. Every employee of a company from Selena Group is obliged to apply/ comply with it. The procedure applies to external complaints (from end users) as well as to the processing of internal complaints (between companies in the Group).

The complaint process begins with the registration of the complaint in the Customer Claims Management system, hereinafter referred to as CCM, by the person acting as the Initiator. The system is available at we.selena.com/ccm. Registration of a complaint means completing the "Reg Form" complaint form with all required data that will allow the complaint to be processed at further stages.

All complaints recorded in the CCM system are supervised by the Central Quality Department. In the event of any disputes in the complaint procedure, the final decision is made by the Quality Director of the Central Quality Department of Selena Group.

Each product label provides a website with detailed contact details. In addition, the label provides a telephone number and email address for contacting the company.

Selena Group attaches great importance to ethical standards and responsibility towards its consumers and end users. As part of the Code of Conduct, the company sets out principles regarding the protection of personal data and information security, which aim to ensure the confidentiality and protection of consumer data. For the time being, there is no commitment to prohibit retaliatory actions.

Selena Group has a Whistleblowing Management Procedure of Selena Group. Any person outside the organizational structure of Selena Group who has become aware of or suspects the occurrence of any wrongdoing may report it. Reports can be submitted via the dedicated Whistlink platform: www.zgloszenia.selena.com. Reports can be made anonymously.

S4-4 Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions

Actions related to the impact on consumers and end users most often concern users of the Group's products and focus on several stages:

5. When developing a new product:

- Product validation, i.e. obtaining opinions, feedback and data from real users in order to evaluate and improve the product. Validations are performed as:
 - User interviews:
 - In-person or remote interviews with product users to better understand their needs, problems, expectations, and suggestions for the product. Interviews allow for more detailed information and a deeper understanding of the users' perspective.
 - User testing: Organizing testing sessions in which users are asked to perform specific product-related tasks and their interactions and reactions are observed. User testing allows usability issues, failures, or difficulties in use to be identified.
 - Focus groups: Organizing group meetings with users, where they discuss the product, share their experiences and ideas for improving it. Focus groups can be useful for exploring specific product-related issues.
 - Beta testing: Making a beta version of the product available to select users to gather feedback before the official launch. Beta testing allows us to identify bugs, issues and suggestions for a product in real-world use.
- Carrying out regular and varied validation activities with product users is crucial to continuously improve the product and adapt it to the changing needs and expectations of consumers.

Selena Group conducts regular validations of newly designed products with its professional contractors.

- Training for contractors on the construction site
- Webinars with Q&A sessions
- Work of sales departments in the field
- Work of technical advisors with contractors and providing training on construction sites

6. After applying the products:

- Surveys
- Complaints department

As part of the identified impacts on Group value chain workers, Selena conducted activities to mitigate negative impacts and strengthen positive impacts:

- Selena manages the multidimensional impact of information policy on the consumer and end user through:
 - Information Policy (websites; social media; printed marketing materials; product labels; technical and safety data sheets; training; webinars, conferences and trade fairs)
 - Actions aimed at eliminating greenwashing, through the Sustainability Department's control over marketing campaigns and external communications, and cooperation with the Marketing and PR departments.
- Selena Group mitigates the impact on the security of personal data through the adopted information protection and security policies.

Based on feedback from training courses, webinars and direct contacts with consumers and end users, actions are taken to ensure or enable the application of corrective measures (e.g. R&D work – adapting technical and operational parameters to consumer needs).

In 2024, the “End User Centricity” program was also implemented.

As part of the Selena Group's program, the activities focus on the needs of professional construction contractors (“End Users”). The End User Centricity organizational culture is aimed at increasing customer satisfaction and loyalty, as well as increasing financial results and improving operational efficiency of Selena Group. By constantly striving to understand and meet the needs of professional construction contractors, Selena Group maintains its position in the industry, contributing to the development of sustainable construction and improving working conditions on construction sites around the world.

The effectiveness of this activity is analysed based on the analysis of surveys received from consumers/ end users. The surveys are repeated periodically to monitor progress in implementing the “End User Certification” culture in Selena Group.

The above activities will be continued in the following years.

In 2024, Selena Group did not record any reports of serious violations or incidents involving violations of the human rights of end users or consumers.

S4-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

As part of the Sustainable Development Goals and Directions, Selena Group has adopted a goal related to consumers and a number of short-, medium- and long-term operational goals, presented below. Achievement of the goals will be monitored in half-yearly reviews. The goals were identified based on the results of a materiality assessment in which a consumer representative from Selena Group participated.

ESG topic	Goal	Operational goal					
		2026		2030		2035	
		short term	measure	medium term	measure	long term	measure
Consumers and end-users	Increased access to reliable information	Development and implementation of a technical skills improvement plan	0/1	Implementation of the plan to improve technical qualifications	0/1	Implementation of the plan to improve technical qualifications	0/1



Corporate Governance

4. Information on Corporate Governance

4.1. G1 Business conduct

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

Described in ESRS Disclosure 2 GOV-1.

G1-1 Business conduct policies and corporate culture

Selena Group operates in an ethical and legal manner, and the implementation of the principles of sustainable development is of primary importance for Selena Group. The Group ensures that values always follow business development, and this process is supported by internal regulations.

Selena Group shapes its corporate culture thanks to a complete set of corporate documents, which include:

Code of Ethics of Selena Group

Described in disclosure S1-1.

Code of Conduct for Selena Group

Described in disclosure S1-1.

Selena Group Anti-Corruption Policy

The purpose of the Policy is to eliminate any activities that may constitute corruption and to ensure conduct in accordance with the highest ethical standards set out in this Policy. The Policy applies to all employees and in accordance with it, all Selena Group Companies are obliged to act in accordance with applicable laws, internal regulations and accepted customs, provided they are consistent with law. The Policy covers the types of corruption risks, methods of communicating the assumptions of the Policy to Group employees, the obligations imposed by the Policy, and the methods of reporting wrongdoing. The Policy is not consistent with the United Nations Convention against Corruption.

The Policy applies to all contracts, transactions and agreements concluded, conducted and implemented by Selena Group in all countries in which Selena Group carries on any operations. There are no factors that may trigger exemption from compliance with the Policy. It is an absolutely mandatory document and any violations thereof constitute a violation of employee duties and the basic principles of cooperation used in practice.

The Policy contains sections such as:

- Purpose and scope of application
- Definition and types of corrupt activities
- Rules of conduct
- Areas of particular risk
- Responsibilities of employees and collaborators
- Training and communication
- Monitoring and enforcement

The Policy addresses impact on corruption and bribery and manages risks associated with incidents of corruption or bribery.

The person responsible for implementing and monitoring the Policy is the Global Legal & Compliance Director.

Whistleblowing Management Procedure of Selena Group

The purpose of the procedure is to regulate the rules for managing reports concerning actual and potential wrongdoing in a way that ensures the anonymity and security of the person making the report. The procedure takes into account the responsibility of the Management Board and the person in charge of the report, and a general description of the process, including the principles of making reports, actions taken by PR, actions taken by Selena's management board, recording and documenting reports, the method of protecting the personal data of persons covered by the report and the principles of confidentiality. Reports may be submitted by both employees and collaborators as well as persons from outside the Selena Group's organisational structure. Internal Anti-Money Money Laundering and Terrorism Financing Procedure.

The purpose of the Procedure is to manage the risks associated with breaches across all ESRS topics.

The persons responsible for implementing and monitoring the Procedure are the members of the Management Board. From amongst them, one person is assigned to deal with a reported case. The Procedure protects whistleblowers in accordance with the methods of personal data protection described in it, by maintaining their anonymity. The Procedure does not contain a provision prohibiting retaliatory actions.

The above documents apply to all companies in the Group and allow for the development of the main areas of focus and values of the Group, drive the direction of their development, and help in the identification of any violations and wrongdoing.

Additional documents implemented at Selena Group include:

- Car Policy – rules for using company cars
- Non-Compete Policy
- Offboarding Procedure
- Recruitment and Selection Procedure
- Business Trip Procedure

In 2024, the Group did not have a policy concerning the conduct of training on business activities or indicating the target group, frequency of training and topics.

Selena Group operates in accordance with the provisions of the above policies and promotes its values, which include:

- **User Satisfaction** – users are at the heart of our activities. We provide them with the highest quality solutions that cater to their needs. We build lasting relationships based on trust and loyalty.
- **Innovation** – we create innovative products and solutions that provide users with significant value and significantly change their work, influencing the way it is performed. We observe the market and trends. We ensure the constant development of our competencies.
- **Responsibility** – we are responsible for our daily tasks and projects. We work together, we act transparently and consistently so that we can achieve our goals.
- **Leadership** – leaders set the direction of development, engage and motivate people and create an inspiring vision of the future! They help others do the right thing! We are the leaders!
- **Simplicity** – we look at Selena from a global perspective and create solutions that impact our organization as a whole. We simplify and standardize processes to achieve our goals and provide users with the best possible solutions.

Members of Selena Group bodies play a key role in creating, implementing and promoting corporate culture in the organization. They use both a strategic management approach and practical operational activities that help maintain consistent values and ethical standards and pursue long-term company goals.

The Management Board and Supervisory Board translate these values into specific goals and directions of development of Selena Group, e.g. development of innovative products, care for employee safety, and others. Members of management bodies act as leaders of the organizational culture through communication and actions in accordance with adopted principles. They promote ethical attitudes and transparency, which builds internal and external trust in the organization. Regular meetings of the management board with employees in the form of: “coffee talks” with members of the management board, during which topics related to the current directions of development of the Selena Group and aspects of corporate culture are presented and discussed.

Show&Tell meetings are also organized to present current affairs of Selena Group and current activities of individual companies and departments. Regular research on organizational culture through employee surveys assessing the level of engagement, satisfaction and identification with company values (Gallup Survey). Benchmarking is conducted against other industry leaders in terms of management standards and organizational culture.

Selena Group motivates employees to promote corporate culture thanks to the employee reward system in the form of the TYTANY program. The reward system includes various categories, e.g. Tytan of Agility, Tytan of Performance, Tytan of User Satisfaction, Tytan of End User Centricity and others. Nominations for those categories are submitted by managers and directors.

The functions in Selena Group identified as the most exposed to corruption and bribery incidents are the Purchasing and Supply Department, Sales and Customer Service, Logistics and Distribution, Finance and Accounting, and Administration Department.

G1-2 Management of relationships with suppliers

Suppliers of raw materials and consumables are a key element in the further development of Selena Group's operations. Building relationships based on trust, close cooperation and respect is extremely important from the perspective of the supply chain and timely order processing.

Selena Group does not have a Code of Conduct for Suppliers and as at the date of publication of the report it does not take into account social and environmental criteria when selecting suppliers.

Selena Group has a Procurement Risk Management Policy in place. Selena Group effectively manages purchasing risk, and in particular takes actions aimed at its reduction and elimination. It also chooses to accept risk in specific situations. The approach to risk is closely linked to threat analysis and risk assessment. An interdisciplinary project team is appointed to identify, assess risks and determine how to deal with risks. The basis of risk management is the identification of areas of business activity in which risks may arise. The areas of activity are related to quality management processes. As Selena Group operates in global markets, it takes into account both internal and external areas.

G1-3 Prevention and detection of corruption and bribery

Activities related to corruption and bribery, including specific types of activities that have hallmarks of corruption and that are prohibited by Selena Group, are described in the Anti-Corruption Policy. The Policy also includes training and awareness-raising systems for employees and contractors.

In accordance with the Policy, any person who is aware of or suspects the occurrence of an incident related to corruption at any of the Group companies must report this via a dedicated website (<https://zgloszenia.selena.com/>). The description of the process in the event of a report of a wrongdoing is included in the Whistleblowing Management Procedure of Selena Group and the Internal Anti-Money Laundering and Terrorism Financing Procedure.

The Whistleblowing Management Procedure of Selena Group covers such aspects as the responsibility of the Management Board and the Controller, who reports the investigation to the authorities. The investigator is appointed from the Group's management. According to the document, the Management Board, by way of a resolution, nominates from among its members a person responsible for receiving the report.

- If possible, the report should be received the Member of the Management Board in charge of finance or the President of the Management Board (CEO).
- Where IT tools are to receive and manage reports, the Management Board decides on access (logins) to the selected reporting platform, in particular for the recipient of the report, the verifier and other persons performing duties arising from this Procedure, while respecting the principles of anonymity and security.
- The Management Board, by ways of a resolution, appoints from among the employees/ collaborators a person responsible for the verification and control of the reports received.

If possible, the Company's verifier should be the Head of the Management Board Office or the Head of the Legal Department.

In accordance with the Anti-Corruption Policy, each new employee of Selena Group must become familiar with the Policy and the Procedure. The Compliance Department is responsible for organizing anti-corruption training. The training is available on the e-learning platform and is voluntary. In 2024, Selena Group did not conduct mandatory training on counteracting corruption and bribery.

G1-4 Incidents of corruption or bribery

In 2024, Selena Group was not fined or convicted on the grounds of violating anti-corruption laws regarding combating bribery. Likewise, no public court case regarding corruption or bribery was filed against Selena Group. During the reporting period, there were no incidents related to corruption or bribery in Selena Group.

G1-6 Payment practices

Selena Group is identified as a large enterprise under European Union guidelines, which means that it must meet specific payment terms in transactions with its suppliers:

- Electricity suppliers – 90 days
- Media providers – 14 days
- Service and maintenance contracts – up to 30 days
- Raw material suppliers – up to 90 days

The current average time it takes for all Group companies to settle an invoice from the date of delivery of the product or service is 66 days.

In 2024, Selena Group was not a party to any unresolved legal proceedings in connection with late payments.

SUSTAINABILITY STATEMENT

The Management Board of Selena FM S.A. declares that, to the best of its knowledge, the annual Sustainability Statement has been prepared in accordance with the applicable accounting principles, the CSRD and ESRS, and gives a true and fair view of the Sustainable Development situation of Selena Group.

Management Board President

Sławomir Majchrowski

Chief Commercial Officer

Walter Brattinga

Chief Financial Officer

Krzysztof Ościłowicz

Chief Operating Officer

Marek Rościszewski

Chief Product & Innovation Officer

Michał Specjalski

Chief Corporate Development

Andrzej Zygałło