



2023

ESG Report

Elemental Group



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Letter from the President of the Management Board

Ladies and Gentlemen,

Another intense and challenging year is behind us. The Elemental Group operates in the sector of recycling and green production of metals that are strategic for the economy. We are one of the world leaders in recycling platinum group metals and electrical and electronic equipment, the so-called e-waste. Our focus is on recovering critical metals of which only limited natural resources are available worldwide. The technologies we develop and use provide sustainable solutions for low-emission industries and the development of innovations, including e-mobility and recycling.

Recent years have been a time of unprecedented turbulence. The COVID-19 pandemic has forced us to take a different look at ensuring security, both

at the level of business process continuity and at the level of safety of our colleagues. We do not forget about the conflict taking place behind our eastern border and we are looking at events in the Middle East with concern. For that reason, 2023 was a further test of our responsibility and adaptation to changes.

Therefore, not only to achieve the ambitious goals of the business strategy, but also to do it in compliance with the idea of sustainable development, we have developed and improved our social and environmental impact management processes. We have implemented, among other things, new solutions in the area of supply chain management and stakeholder engagement. Not only do we adhere to the highest industry standards, but also set new ambitious goals. All this requires work of many teams and intensive activities undertaken in all companies. I am proud to say that 2023 was a year of many new initiatives, but also improvements to existing ones, in the environmental, social and corporate governance areas. More companies joined the Elemental Group and we also continued our strategic investment project – construction of a recycling plant in Zawiercie.

We cooperate closely with our partners – suppliers and contractors – to ensure that we all take every possible action to recover valuable metals in a sustainable manner, both in environmental and economic terms. We share our knowledge, promote the implementation of ecological solutions, but most of all, we educate about how our industry has a real impact on building and strengthening the circular economy. We are not only an important part of it, but also its driving force.

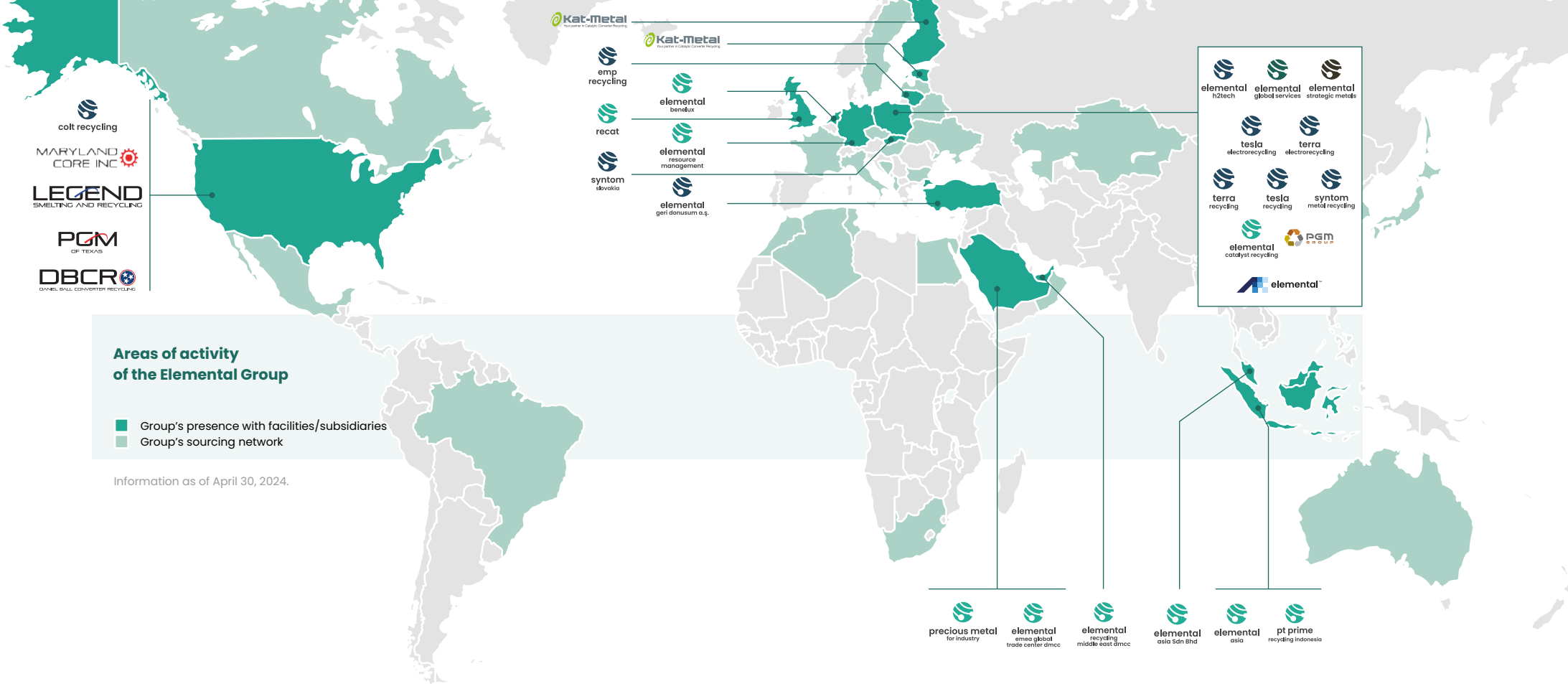
We cannot present the results and achievements of 2023 without looking at a future perspective. Only then is a deeper and more complete understanding of our development possible. We are about to open a strategic investment that reflects our thinking about ESG. The plant in Zawiercie is an integrated PGM refinery that will recover 100 percent recycled raw materials. Thus, it will significantly contribute to increasing the raw material independence of the European Union and Poland will play a key role in the circular economy for the entire continent. The new investment will provide us, as the entire Ele-

mental Group, with full control over the process and therefore we will be able to even further improve the standards of our operations, with attention to every possible detail.

I would like to emphasize that despite many reasons to be proud and glad, the years 2023 and 2024 are not without challenges and concerns that influence our actions. As the Elemental Group, we strive to strategically manage and mitigate risks in order to continue growth based on respect for our environment and our stakeholders. We always operate in compliance with the highest ethical standards, we take a cautious look at our supply chains and choose solutions that support environmental protection and human rights. We perceive this as our duty.

Have an inspiring reading of the next ESG Report of the Elemental Group.

Paweł Jarski
President of the Management Board
Elemental Holding SA



Areas of activity of the Elemental Group

- Group's presence with facilities/subsidiaries
- Group's sourcing network

Information as of April 30, 2024.

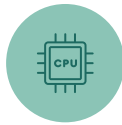
We see value where others see waste

Elemental Group in 2023

The Elemental Group is a global group originating from Poland dealing with recycling and urban mining. It was established in 2010 in Grodzisk Mazowiecki, Poland and its parent company is currently based in Luxembourg. Elemental operates in dozens of countries all around the world.



Pillars of Action:



recycling of waste electrical and electronic equipment and printed circuit boards (WEEE + PCB)



recycling of metals from spent automotive catalysts (SAC)



non-ferrous metal waste management



lithium-ion battery recycling (under development)

Prizes and Awards

- **Zielony Orzeł award of the Rzeczpospolita** daily in the “Company” category
- **WNP Awards** for the most important recycled raw materials
- **Eko Firma – Social Responsibility Leader**
- **Honorable mention in the BrandMe CEO plebiscite** for Paweł Jarski, President of the Management Board
- **CEO of the Year Award in the Innovation Diamonds competition organized by Executive Club** for Paweł Jarski, President of the Management Board

Our values

— honesty and responsibility

— partnership based on respect

— development

Elemental Group in Numbers



1,299

employees and collaborators¹



nearly **6,200**

hours of training



11,732.27 t

CO₂e of carbon footprint (scope 1 and 2 emissions in total)



175,075.65 t

of waste subjected to recovery processes



43%

of members of the Supervisory Board are women

25%

of members of the Management Board are women

22%

of women employed in the Group



10

Group companies with ISO:14001 certification

9

Group companies with ISO:9001 certification

8

Group companies with ISO:45001 certification



About the Report

The Elemental Capital Group (also: Elemental Group; Group; Elemental; Organization) has been reporting data on ESG management since 2022. Reports are prepared on an annual basis. Reports published so far are available on the [Organization's website](#).

This publication is the third of its kind. The data presented in the report relate to the period from 1 January to 31 December 2023, unless otherwise stated herein. The report presents operations of the entire Group, hence it includes Elemental Holding SA, as the parent company, and subsidiaries forming part of the Group as of 31 December 2023. In terms of the Group's structure, data of subsidiaries that were taken over in 2023 is presented for the first time: Daniel Ball Converter Recycling, Inc; Colt Recycling, LLC; Colt Recycling Southeast. Therefore, the presented data cannot be fully comparable on a year-to-year basis. Apart from the changes in structure mentioned above, no other significant changes were introduced in the reporting period. The Report contains adjustment of the carbon footprint calculations for 2022; the change was caused by incomplete data and, as a result, data on energy and fuel consumption was corrected. Water consumption has also been adjusted. The Group also prepares annual consolidated financial statements. Data regarding the implementation of the ESG strategy and other numerical data presented in this report comes from the following companies (companies conducting operational activities, generating consumption, employing employees):

- Colt Recycling LLC
- Colt Recycling Southeast LLC
- Daniel Ball Converter Recycling, Inc
- Elemental Asia S.A.
- Elemental Asia SDN BHD
- Elemental Benelux B.V.
- Elemental Catalyst Recycling Sp. z o.o.
- Elemental EMEA Global Trade Center DMCC
- Elemental Geri Dönüşüm Anonim Şirketi
- Elemental Global Services S.A.
- Elemental Group Consulting Sp. z o.o.
- Elemental Holding SA
- Elemental h2tech Sp. z o.o.
- Elemental New Technologies Sp. z o.o.
- Elemental Strategic Metals Sp. z o.o.
- Elemental Resources Management Ltd.
- Elemental Recycling Middle East DMCC
- E-Market Sp. z o.o.
- Kat Metal Estonia Oü
- Kat Metal Oy
- Legend Smelting and Recycling LLC
- MD Core LLC
- Metal Holding s.r.o PGM Group Sp. z o.o.
- PGM of Texas LLC
- PT Prime Recycling Indonesia
- RECAT GmbH
- Syntom Metal Recycling Sp. z o.o.
- Terra Electrorecycling Sp. z o.o.
- Terra Recycling Sp. z o.o.
- Tesla Electrorecycling Sp. z o.o.
- Tesla Recycling Sp. z o.o.
- UAB EMP Recycling

The report has been prepared in the following stages:

1

identification of key areas

covered by reporting, taking into account the materiality criterion (GRI). At this stage, the Group also took into account the requirements of stakeholders, including primarily shareholders, and the guidelines of EU regulations. Industry trends were also summarized based on reports of competitive companies and industry organizations.

2

prioritization and confirmation

of important business issues and areas in the field of sustainable development, assigning them importance in the light of the Group's activities;

3

collection of data

for 2023;

4

preparing a report

based on the collected data.

Important topics were identified in stages 1 and 2:

● E (environmental)

- Waste management and circular economy
- Climate change and CO₂ emissions
- Energy efficiency
- Water resources management
- Pollution prevention

● S (social)

- Safe working conditions
- Training and development
- Employee engagement
- Equal opportunities and working conditions
- Responsible supply chain
- Engaging stakeholders
- Local communities

● G (governance)

- Responsible management (including ESG risk monitoring and management)
- Ethics
- Prevention of corruption



The Group's ESG report has been drawn up taking into account the best market practices, norms and standards for reporting information on sustainable development used in the European Union and globally. In the process of preparing the report, such guidelines as follows were taken into account: Global Reporting Initiative (GRI) Standards 2021; selected EU regulations on sustainable development; OECD Due Diligence Guidelines for Responsible Business Conduct; Environmental and Social Policy of the European Bank for Reconstruction and Development, and IFC Performance Standards.

In the process of creating the report, the Group's operations, its internal policies and procedures, including those regarding due diligence and risk management, as well as other important elements, were analyzed. The report presents information on strategy, governance, results, and prospects. The presented data, both quantitative and qualitative, has been developed with due care so that the information presented is transparent, complete, accurate, and presents the context of sustainable development. The information presented in the publi-

cation is intended to be useful, understandable and comparable to stakeholders. The report has not been subject to external verification.

At the development stage, the report was opinioned by selected members of the highest corporate bodies of the Group and was then adopted by the Management Board. Employees from all Group companies, from various levels of the Organization, were involved in the work on the ESG Report. In order to ensure an optimal level of internal and risk management in relation to the sustainability reporting process in the Group, tasks and responsibilities were assigned to respective organizational units. The project was coordinated by the Department of Sustainable Development.

Thank you for reading the ESG Report of the Elemental Group. Please send any questions or comments regarding the presented content to:

Martyna Strupczewska
Head of Sustainability
sustainability@elemental.biz

An aerial photograph of a park area. On the left, a river flows through the scene. To the right of the river is a large, open grassy area with several people sitting on the grass. Further right, there are dense green trees and a playground structure. The overall scene is lush and green.

BUSINESS MODEL AND DEVELOPMENT STRATEGY



Market Description

At the end of 2019, when the European Commission presented the European Green Deal¹, it became clear that goals related to the impact on the climate and the environment are becoming priority assumptions not only for the Member States, but also for all other stakeholders – businesses, organizations, cities, or simply inhabitants.

Europe is supposed to become the first climate-neutral continent. The subsequent Commission Communication: A New Industrial Strategy for Europe² and the European Parliament Resolution on a New Industrial Strategy for Europe³ focused on the development of a competitive, sustainable industry, in which building a circular economy is very important.

The European institutions have strongly emphasized their concern that Europe has become on other parts of the world as regards the supply of many minerals and is therefore losing security in key areas of the economy. Additionally, the COVID-19 pandemic has shown how delicate supply chains are and how important it is to build Europe's autonomy in strategic sectors. That is why it is so important to strengthen the circular economy, which, especially through processes such as recycling, smelting, refining and other processing methods, can return to circulations materials, minerals and metals necessary for development.

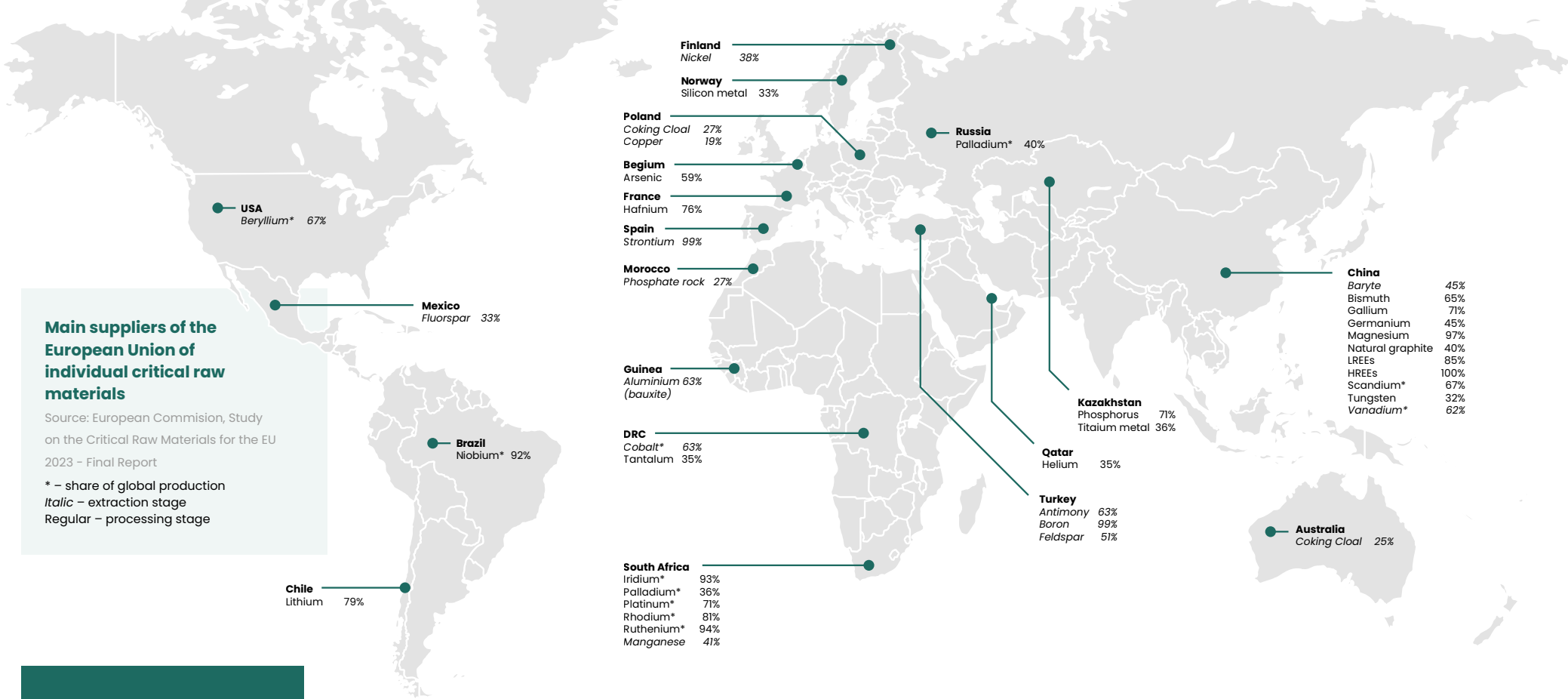
The current transformation of the European industry towards climate neutrality, for example through the development of the electromobility sector, shows the transition from fossil fuels to non-energy raw materials. A large part of these raw materials is obtained from outside EU member states. Therefore, recycling and the use of secondary raw materials should be increased to strengthen Europe's independence.

A special place among these raw materials is given to critical raw materials, which are crucial for sectors such as: electromobility, energy from renewable sources, defense, aviation, and space industry.

¹ Communication from the European Commission of 11 December 2019 on the European Green Deal (COM(2019)0640) [EUR-Lex - 52019DC0640 - FN - EUR-Lex \(europa.eu\)](#)

² Communication from the European Commission of 10 March 2020 entitled 'A new industrial strategy for Europe' (COM(2020)0102) [EUR-Lex - 52020DC0102 - FN - EUR-Lex \(europa.eu\)](#)

³ European Parliament resolution of 25 November 2020 on a new industrial strategy for Europe 2021/C 425/06 [EUR-Lex - 52020IP0321 - FN - EUR-Lex \(europa.eu\)](#)



Why are critical raw materials so important?

- Connection with industry at all stages of the supply chain
- Modern technologies
- Clean technologies¹

Critical Raw Materials

To meet the challenge of ensuring access to key raw materials for the European economy, the European Commission has created a list of critical raw materials (CRM), which is regularly reviewed and updated. The first list was published in 2011, the most current one is from 2020.

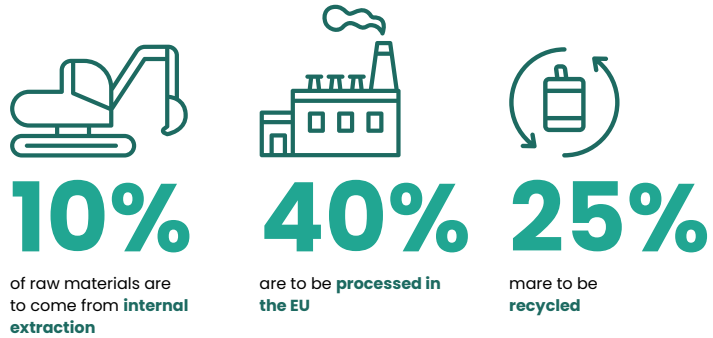
Critical raw materials are linked to all industries, at all stages of the supply chain. At the same time, access to them may be difficult or disrupted. They are used in modern and clean technologies. Examples include smartphones whose production uses 50 different types of metals, solar panels or wind turbines.



Supply chains of critical raw materials are highly concentrated in a limited number of countries, where China, for example, still has significant market power. The demand for resources will continue to grow, equally in connection with global demographic changes, as well as with digitalization, industrialization, and the growing demand for clean and modern technologies.

The European Commission, aware of the risks in the supply chain, even more justified in the context of the geopolitical situation, proposed a regulation establishing a framework for ensuring safe and sustainable supplies of critical raw materials. The regulation itself largely focuses on establishing conditions enabling the use of national capacities to obtain primary and secondary raw materials in the EU, including recycling capacities. The European Union Critical Raw Materials Act entered into force in May 2024¹.

The Act introduces three benchmarks for the annual consumption of raw materials in the EU:



The Joint Research Center predicts that increasing EU battery production capacity alone will lead to an increase in lithium consumption from 9 to 12 times by 2030 and almost 21 times by 2050. Another example is the EU's demand for platinum – used, for example, in electrolyzers, fuel cells and data transmission networks. Demand is expected to increase from less than 1 ton to 2–3 tons in 2030 and further to 10–20 tons in 2050².

Recycling is a very competitive method of obtaining raw materials as compared to primary mining. Especially taking into account environmental aspects – primary metal mining causes much greater pollution than secondary (recycled) raw materials. Recycling is also a more economically viable solution and provides greater recovery of elements than from waste rock and ores. Additionally, the amount of waste generated is not decreasing. European Union countries generate 2.15 billion tons of waste from all their activities³. Putting critical and strategic raw materials back into circulation is therefore of key importance.

The recycling industry faces a number of challenges, including increasing regulatory requirements for waste management and environmental protection, growing global demand for metals, including for rare and valuable metals, and the need for technological innovations to improve the efficiency of recycling processes. In addition, geopolitical tensions and barriers in the supply of critical raw materials increase the need to ensure higher recycling capacity at local and global levels.

The Group operates in the dynamically developing recycling industry, which faces many challenges related to the growing demand for raw materials, the need to protect the environment, and the need to counteract climate change. The industry plays a key role in promoting a circular economy, reducing dependence on primary raw materials, and limiting greenhouse gas emissions through more efficient use of resources in the economy.

¹ Regulation of the European Parliament and of the Council of 11 April 2024 establishing a framework for ensuring a secure and sustainable supply of critical raw materials and amending regulations (EU) No 168/2013, (EU) 2018/858, (EU) 2018/1724 AND (EU) 2019/1020 [EUR-Lex - PE_78_2023_REV_1 - EN - EUR-Lex \(europa.eu\)](#)
² Source Ceps in-depth analysis, Reducing supply risks for critical raw materials, January 2024
³ Source Statistics | Eurostat (europa.eu) data for 2020



Examples of technologies using selected critical raw materials:

Metals from the PGM group (platinum group metals)

Ir
iridium

Os
osmium

Pd
palladium

Pt
platinum

Rh
rhodium

Ru
ruthenium

Li
lithium

Cu
copper

Lithium-ion batteries

Fuel cells

Electrolysers

Wind turbines

Traction engines

Solar photovoltaics

Heat pumps

Data transmission networks

Servers and data storage devices

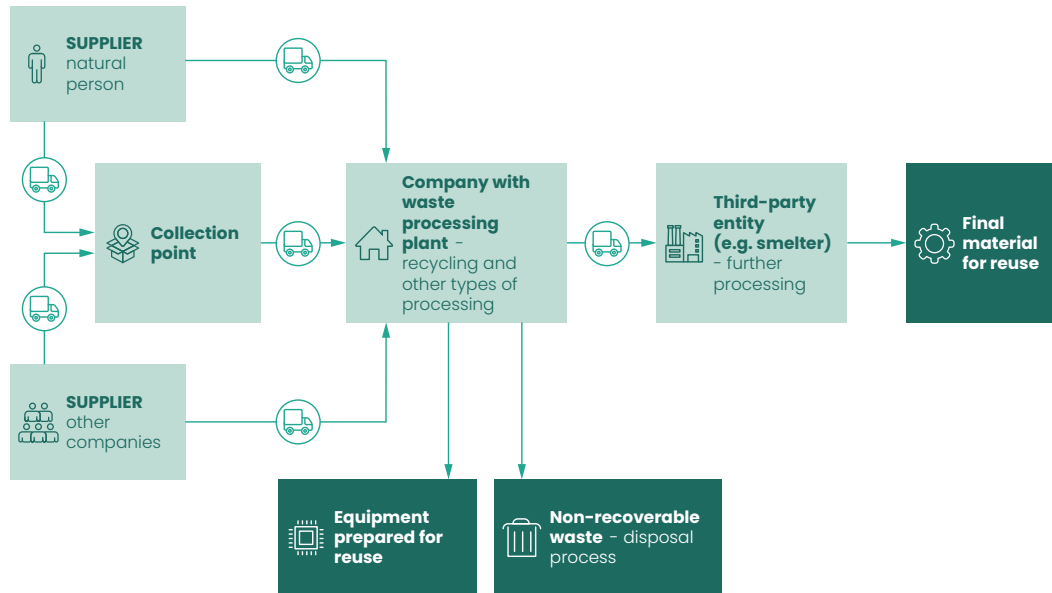
Smartphones, tablets, laptops

Robots

Drones

Space launchers and satellites¹

The path from waste to raw material



The Elemental Group collects and processes a wide range of waste in order to recover valuable precious metals and other raw materials that can be reused and which are obtained in the waste recycling process within various business segments:

- recycling of waste electrical and electronic equipment (WEEE)
- recycling of printed circuit boards (PCBs)
- recycling of spent automotive catalysts (SAC)
- recycling of lithium-ion batteries (a growing segment in the Group)
- recycling of non-ferrous metals.

Waste is collected from various types of entities – both other companies and natural persons. Materials go to collection points or directly to a waste processing plant. In the case of waste electronic and electrical equipment, if its condition allows it, it is also possible to prepare it for reuse and thus return it to the market, reducing the amount of electronic waste. Waste that cannot be recycled is subjected to relevant processing. The processed material then goes to entities specializing in final recovery, which involves obtaining the final raw material in the form of precious metals for low-emission and innovative industries. Waste that cannot be recovered is handed over for disposal.

Elemental obtains waste containing non-ferrous metals and precious metals from entities collecting waste in the countries where group companies conduct business activities or neighboring countries in accordance with the principle of proximity, while ensuring economic efficiency.

Business Model and Development Strategy



Recycling of Waste Electrical and Electronic Equipment and Printed Circuit Boards (WEEE + PCB)

E-waste is treated as a source of raw materials for reuse, containing gold, silver and copper, which can be successfully recovered. For example, from one ton of mobile phones, approximately 150 g of gold, 3 kg of silver and 100 kg of copper can be obtained. In addition to these raw materials, electronics and PCBs can also contain platinum, palladium, rhodium, iridium, and rare earth metals such as neodymium, gadolinium or terbium, which are widely used in the modern technology industry. Their recovery from electronic waste is becoming more and more important for economic and environmental reasons.

Waste equipment and its components are delivered to plants both by Group's own means of transport and by external means of transport. Waste is collected from points run by chain stores, manufacturers, and service technicians; directly from natural persons as part of cooperation with recovery organizations (e.g. ElektroEko) and municipalities, as well as from local collection points where inhabitants deliver waste equipment themselves. Some of the Group's companies offer natural persons a free collection service (e.g. EMP Recycling's Waste Taxi service in selected locations in Lithuania).

First, the equipment is weighed and separated by type and waste code. Recycling technology includes several stages, starting from selective disassembly of devices, through division into fractions (metals, plastics, etc.), fragmentation of the metal fraction, magnetic, electrostatic and eddy current separation, up to the processing of the metal fraction by pyrometallurgical and hydrometallurgical methods in order to recover precious metals.

Respective fractions of materials obtained from waste electrical and electronic equipment are recycled in external companies or in a given company or companies from the Group carrying out recycling activities.

Plastics and metals are sold to external entities. Waste that cannot be recovered, including recycled, is disposed of. It should also be added that waste is stored in the Group companies only for the period needed to achieve the logistic minimum required for transport, so as to maximize the optimization of the means of transport used and leave the smallest carbon footprint.

Group companies carrying out the WEEE and PCB recycling:

Europe



Asia



North America





Recycling of Spent Car Catalysts (SAC)

The recycling process of spent automotive catalysts includes recovery of platinum group metals (PGM), such as platinum, palladium, and rhodium, which are used in many industrial sectors, including in the production of new catalysts. A typical catalyst consists of blocks of ceramic or metal feedstock covered with a layer of precious elements. Due to the small amounts of these metals, their recovery process requires specialized methods and is time-consuming, but thanks to it, the extraction of hundreds of tons of ore can be avoided.

Recovery of metals from catalysts is a technologically advanced process that begins with selective collection (they are collected in delivery trucks from suppliers or delivered directly to plants by external entities) and sorting of catalysts. The catalysts are then cut and the ceramic or metal material is separated from the metal casing. The separated insert is further processed by grinding and homogenization, which enables more precise determination of the precious metal content. Analysis of the precious metal content can be performed using an XRF spectrometer or chemical analysis (ICP). The value of recovered metals is determined based on current prices of respective metals on world stock exchanges.

Companies also receive a monolith created from an already ground ceramic insert directly from suppliers. Then, after achieving the logistical minimum, the ground ceramic inserts are transported by land (trucks), sea or mixed transport to refineries and smelters located in Asia, the United States and Europe. Metals left after the mechanical processing of catalysts, not containing precious metals (catalyst casing), are sold for recycling to external entities.

Catalyst recycling processes are aimed at maximization of the recovery of metals, by returning them for reuse. Recycling efficiency, allowing recovery of up to 95% of the platinum content, which indicates not only economic but also environmental added value, minimizes the need for intensive extraction of natural raw materials.

The automotive sector is currently the dominant customer of platinum group metals, generating approximately two-thirds of overall demand. Increasing restrictions on exhaust emissions motivate vehicle manufacturers to implement more and more advanced technologies, which may result in an increased demand for PGMs. Additionally, platinum plays a key role in innovative hydrogen production methods, where it is used as a catalyst in the water electrolysis process, which highlights its importance in the pursuit of sustainable development and green energy solutions.

The platinum group metals (PGM) market is unique due to its limited flexibility, making diversification of sources in the event of disruptions to both demand and supply extremely difficult. A significant part of the world's resources of platinum group metal ores are located in two locations – South Africa and Russia. Therefore, not only does recycling reduce dependence on mining, but also contributes to environmental protection, by, inter alia, reducing greenhouse gas emissions and water consumption during mining processes. Moreover, recovery of metals from post-consumer materials, such as car catalysts, leads to more efficient use of available resources and supports the concept of a circular economy, which is crucial in the light of growing environmental, raw-material and geopolitical challenges in the world.



Companies in the Group dealing with catalyst recycling:

Europe



Asia



North America





Management of Non-ferrous Metal Waste

Waste is collected at small collection points located in many regions of the country, where it is segregated into respective material fractions. Waste is segregated mainly to obtain uniform metal fractions. In the vast majority of cases, no additional processes are used here, except for grinding, magnetic separation and eddy current separation. Waste is brought to collection points by suppliers. Only in the case of larger production plants, waste is collected using the company's own means of transport (trucks). After achieving the logistical minimum, metals are transported to recipients (smelters) for melting, using the company's own means of transport or hired external means of transport (in each case it is heavy transport). Polish companies from the Group have implemented and certified the process of losing the waste status (End-of-Waste certification) for the following non-ferrous metals: aluminum, copper and iron scrap.

Companies in the Group dealing with the processing of non-ferrous metal waste:

Europe



Recycling of Lithium-ion Batteries

Faced with the rapidly growing popularity of mobile devices and electric vehicles, recycling of lithium-ion batteries is becoming a key element in securing access to important raw materials. This process allows the recovery of valuable materials such as lithium, cobalt, nickel, and other metals that are necessary in the production of new batteries and devices.

Poland, as one of the leaders in the production of lithium-ion batteries in Europe, has an opportunity to become an important recycling center of these batteries. Apart from increasing access to important elements, it would contribute to GDP growth and creation of new jobs. Recycling technology is now so advanced that it allows the recovery of up to 95% of the material left after processing of the lithium-ion batteries and up to 98% of the reprocessing of the battery material.

Elemental is developing the first comprehensive car battery recycling plant in the EU. The facility intended for recycling of lithium-ion batteries for electric vehicles, as well as other waste containing precious metals, was built in Zawiercie in southern Poland. As part of the project, dedicated technology is being developed in cooperation with leading Polish technological universities from Wrocław and Gliwice, as well as the Łukasiewicz Research Network – Institute of Non-Ferrous Metals, and leading global suppliers of advanced production equipment.

The Elemental Group is one of 18 European entities notified by the European Commission under the European Industrial Policy, whose goal is to create a sustainable value chain in the EU.

Europe





Development of the Capital Group

Strategic goals of the Elemental Group include:

- world leader position in the segment of recycling of spent automotive catalysts (SAC);
- European leader position in the segment of recycling of printed circuit boards (PCB);
- strengthening the Group's position as a regional leader in the segment of recycling of waste electrical and electronic equipment (WEEE);
- strengthening the Group's position as a regional leader in the segment of recycling of non-ferrous metals;
- improving profitability by implementing modern tools for managing the supply chain, prices and risk of changes in metal prices and exchange rates, achieving added value as a result of more advanced processing of waste from processing plants..

The Elemental Group consistently pursues its goals. It is developing by strengthening its position in key regions through the acquisition of subsequent companies. During the reporting period, the following companies in North America were acquired – Daniel Ball Converter

Recycling, Inc; Colt Recycling, LLC and Colt Recycling Southeast, LLC (hereinafter referred to as: Colt Recycling). Colt Recycling is a leading US e-waste recycling and IT asset disposal (ITAD) group. This is Elemental's first acquisition on the American market in the e-waste and ITAD sector. Colt Recycling plants are R2v3 and ISO certified and process a total of 36,000 tons of electronics per year. Owing to these acquisitions, the Group has recorded a strong increase in market share over the last few years (especially in the PCB and SAC segments). The structure based on acquisitions has great potential for volume growth. The Group is also entering new market segments, such as lithium-ion battery recycling.

In addition to that, the Group is strengthening its existing business lines. An example of such action is building synergy between subsidiaries, but also investing in new plants and technological solutions. In 2024, a new plant designed for processing of e-waste will start operating in Grodzisk Mazowiecki, with a target capacity of 70,000 tons per year. Nearly 30% of equipment to be received by the newly opened plant will be refrigeration equipment. As much as 99% of raw materials obtained from waste processing will be reused.

The shareholding structure of the parent company as at 31 December 2023.

Shareholder	Share in the share capital
EFF B.V.	73.62%
PFR Fundusz Inwestycyjny Fundusz Inwestycyjny Zamknięty aktywów Niepublicznych	11.00%
International Financial Corporation (IFC)	7.92%
European Bank for Reconstruction and Development (EBRD)	6.60%
Others institutional shareholders	0.86%
Total	100%

Corporate Governance

The Elemental Capital Group consists of companies located in Europe, the United States and Asia. The Group's operations also cover Australia and Africa. Elemental Holding SA having its registered office in Luxembourg is the parent company consolidating sustainability reporting.



The Group's companies conduct wholesale collection and purchase of waste, as well as initial recycling, i.e. dismantling, division into fractions, separation, grinding, and then metal recovery through smelters and refineries. The Group also has shared service centers. The Group's operations have a global reach.

The Group's corporate governance is based on compliance with legal regulations, international standards, as well as the principles of transparency and due diligence. This approach is reflected in internal regulations (policies, procedures, regulations) and strategies that ensure compliance with the above-mentioned principles and an appropriate management and supervisory structure with responsibilities assigned to respective areas and positions (Management Board, Supervisory Board, General Meeting, Management Boards of subsidiaries, other bodies/organizational units). In the hierarchy of internal regulations of the Elemental Group, the Code of Ethics has a superior position.

LEVEL 1

- Code of Ethics

LEVEL 2

- Environmental management strategy
- ESG strategy
- Human resources management strategy
- Occupational health and safety management strategy

LEVEL 3

- Policies and procedures, such as in the areas of supply chain management; preventing corruption and anti-mobbing; engaging stakeholders; reporting irregularities; people management, and occupational health and safety.

In the reporting period, the Group adopted new regulations at the headquarters level:

- Subsidiary Management Policy,
- Responsible Supply Chain Management and AML Policy,
- Supplier Code of Conduct,
- Occupational Health and Safety Procedure,
- Stakeholder Engagement Strategy,
- ESG Strategy,
- Work Council Election Regulations,
- Financial Resources Management and Debt Financing Management Procedure.

In 2023, the implementation of respective regulations at the level of subsidiaries continued. Additionally, a review of the policies adopted so far took place at the beginning of 2023, and no significant changes were introduced.

In the area of strengthening corporate governance, the Subsidiary Management Policy adopted in 2023 is an extremely important document, describing obligations in the field of sustainable development, including reporting obligations.



Strategic Leadership

Management Board

The highest management body is the Management Board of the parent company. The Management Board manages the Group's affairs and represents Elemental towards the outside, sets development directions, is responsible for the implementation of the development strategy, manages assets and strategic risks. Members of the Management Board are appointed and dismissed by the General Meeting. In the reporting period, the Management Board consisted of four members. None of members of the Management Board represented employees or other persons providing work. All members of the Management Board have relevant competence and knowledge to perform their functions, including in the field of ESG. Members of the Management Board expand their ESG knowledge by participating in meetings with experts, conferences and by knowledge sharing within the Organization. Remuneration of members of the Management Board is not related to ESG goals.

Composition of the Management Board as at 31 December 2023.

- **Paweł Jarski** – President of the Management Board
- **Adam Kłapszta** – Member of the Management Board
- **Jakub Łomacz** – Member of the Management Board
- **Anna Maria Sergiel** – Member of the Management Board

25% **75%** **100%**

of members of the Management Board are **women**

of members of the Management Board are **men**

of the Management Board members fell into the age group of **30-50 years**



Supervisory Board

The Supervisory Board exercises constant supervision over the Group's activities in all areas of its operations. The Supervisory Board consists of seven members appointed and dismissed by the General Meeting. In order to perform its duties, the Supervisory Board may request reports and explanations from the Management Board and employees. Qualifications and biographies of the members of the Supervisory Board are available on the Organization's website. All members have the required competence and knowledge, including in the field of sustainable development. The chairman of the supervisory body is not a member of the management staff. Remuneration of Supervisory Board members is not related to ESG goals.

The following committees were established within the Supervisory Board:

- Audit Committee
- Risk Committee
- ESG Committee

43%

of the members of the Supervisory Board are **women**

57%

of the members of the Supervisory Board are **men**

86%

of the members of the Supervisory Board fell into the age group of **30-50 years**

14%

of the members of the Supervisory Board fell into the age group **over 50**

Composition of the Supervisory Board as at 31 December 2023.

Name and surname	Audit Committee	Risk Committee	ESG Committee
Lidia Banach-Hoheker	✓		
William Thomas Bird		✓	
Agata Jarska		✓	✓ Chairwoman
Tomasz Malinowski		✓ Chairman	
John Mantzavinatos	✓		✓
Paweł Szaja			✓
Zofia Szewczuk	✓		

General Meeting

Competences of the General Meeting include, among other things: electing and dismissing members of the Management Board and the Supervisory Board, and establishing remuneration principles



Risk Management

The Elemental Group systematically builds and strengthens a risk assessment and management system, including in relation to ESG risks. Comprehensive management of environmental and social impact is the key to ensure business continuity, as well as maintain competitiveness and create market advantages.

In the Elemental Group, the Management Board organizes and ensures the functioning of the risk, impact and opportunity management system, and constantly monitors their potential scale and probability of occurrence. Management boards of individual subsidiaries are responsible for risk management in the entities they manage. Managers of organizational units or other persons designated by the Management Board are the owners of risks identified in respective management areas. The Supervisory Board supervises this process as part of its duties and through the Audit Committee and the Risk Committee.

To ensure the achievement of the Organization's goals, it is necessary to manage and properly mitigate risks, which will minimize potential effects or probability of events that could affect the achievement of the Group's goals. To this end, an internal control system is also being built and improved in the Group, which is subject to regular review by the internal audit function.

Five main risk areas have been identified in the Group. Compared to the previous ESG report, the risks in the operational and social areas have been clarified:

1. ecological risk (environmental and climate):

this area includes risks related to environmental pollution, energy consumption and impact on biodiversity and climate change;

2. regulatory risk:

this area includes risks arising from changes in recycling and waste management laws, including waste transport, as well as requirements regarding sustainable development and ensuring compliance with regulations in the Group;

3. operational risk:

this area includes risks related to maintaining key business processes, as well as risks related to the availability of raw materials and maintaining high quality of recycling processes. It also includes risks related to the efficiency of IT infrastructure and cybersecurity, as well as other processes implemented by the Group that enable it to conduct business activities;

4. financial risks:

this area includes risks related to providing capital for planned and implemented investments and current operational activities;

5. social risk:

this area includes risks related to expectations of the local community, customers, business partners, and society. This risk is also related to the area of HR - attracting and retaining talents, building an engaged and safe workplace.



Monitoring of these risks continued during the reporting period. Risk analysis in the supply chain was also continued by screening individual entities in the area of both social and environmental impact.

Management of the sustainability risks requires a proactive approach to minimizing potential negative impacts or probability of their occurrence. The Group companies have developed risk management methods in each of the areas discussed:

1. environmental risk management

The Group focuses on minimizing these risks through the consistent use of cutting-edge technologies and practices. It prioritizes minimizing the negative impact on the environment through effective waste processing methods. It also assesses risks related to climate change that could impact the business, but currently these risks are not at a high level. The Group regularly assesses its activities in terms of their impact on biodiversity. It establishes cooperation with reliable, global business partners.

2. regulatory risk management

The Group focused on effective management of regulatory risk by building strong internal structures that ensure, among other things: legal and compliance support for its subsidiaries. Additionally, in the case of issues requiring specialized knowledge, companies consult legal advisors and external experts to best understand potential consequences of changes in regulatory provisions and take adequate actions.

3. operational risk management

The Group constantly strives to expand its network of suppliers of catalysts, waste equipment and non-ferrous metals in order to minimize the risks related to the availability of raw materials. The Group's companies are expanding their presence to new markets and the Group's Management Board is also actively involved in acquisition processes. Elemental also manages technological risks by building relevant internal structures, systems and tools that ensure security in this area and enable better data management and making quick and effective business decisions. In addition, it actively improves business and support processes to increase the effectiveness of operational activities.

4. financial risk management

The Group manages this risk by developing and improving the ESG management system, which translates into the possibility of obtaining financing for investments and current operations.

5. social risk management

The Group's companies focus on building positive relationships with local communities, employees and contractors through active cooperation. Additionally, they place great emphasis on transparent communication regarding activities related to sustainable development. The Group has also adopted the Stakeholder Engagement Strategy and the Human Resources Management Strategy, which define the Group's goals in these areas and, consequently, facilitate the management of risks in this area.

The risk assessment and management process is cyclical and requires regular monitoring and review.



Ethics

The overarching regulation applicable throughout the Group is the Code of Ethics adopted in 2022, updated at the beginning of 2023. It is a key document that clearly presents the values and principles on which all companies belonging to the Group base their activities.

Elemental's values:

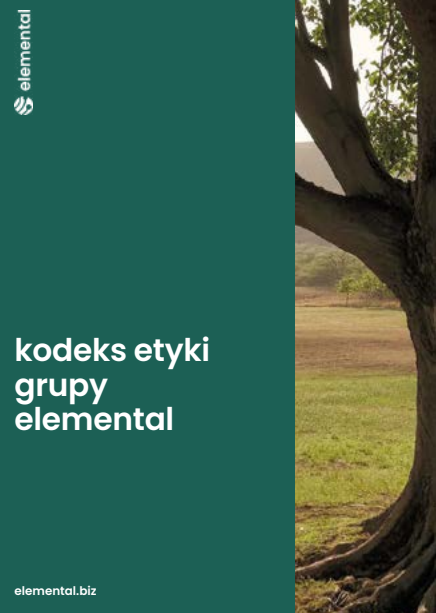
- honesty and responsibility
- partnership based on respect
- development

The Code of Ethics was developed on the basis of international standards and legal regulations, in particular those resulting from the International Charter of Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labor Organization's Declaration on Fundamental Principles and Rights at Work, and the Ethical Trade Initiative (ETI) Basic Code.

In the Elemental Group, the most important rights include:

- the right to life
- the right to human dignity
- the right to freedom and personal security
- the right to health care
- the right to freedom of thought, speech, religion and political opinions,
- equality of women and men
- employee rights, among which the following are particularly important: freedom to take up employment, the right to fair, favorable and safe working conditions, the right to fair remuneration and adequate rest, and the right to assemble and participate in works councils.

Within the Group, the greatest care is taken to ensure that human rights are consistently protected and respected. Particular emphasis is also placed on ensuring that the principles of the Code of Ethics are properly communicated and followed by employees, collaborators and business partners.



Every employee and collaborator in the Group is obliged to read and comply with the provisions of the Code. Newly hired people do this during the onboarding process. Internal communication devoted to this topic is carried out throughout the year. Additionally, managers within the Elemental Group are expected to support building awareness and knowledge in their teams. Employees cooperating with business partners should also brief them on the principles of the Code of Ethics and verify whether they are complied with.

Provisions of the Code are divided into four sections:

1. human rights (covering topics such as: employee rights; dialogue, freedom of association and the right to collective negotiations, health and safety at work in the workplace, prohibition of child labor, fair pay and remuneration principles, work-life balance, prohibition of discrimination and mobbing),
2. external relations (covering topics such as: relations with business partners, relations with public administration organizations and non-governmental organizations, fair competition, anti-corruption activities, conflicts of interest),
3. protection of natural environment,
4. protection of information, business property, and personal data.

Group companies consequently do not engage in political activities, including lobbying. If any involvement of employees or collaborators in political activities takes place, it is their individual and private initiative. In accordance with the Code of Ethics, Elemental brand cannot be used in any way for political purposes and the fact of being employed by the Group cannot be used for political purposes. All forms of Group's support for social activities, including for associations and organizations, are transparent and open.

In case of any doubts or becoming aware of an actual or potential violation of the Code's principles, each employee should immediately notify the Organization in the manner provided for in the Whistleblowing Procedure.

Prevention of Corruption

In 2022, Elemental Group adopted the Anti-Corruption Policy, which, together with the Code of Ethics, the Whistleblowing Procedure, the Anti-mobbing Policy, and other regulations, creates a compliance management system.

The Policy aims at detecting and preventing cases of corruption in the Organization. The Group does not tolerate any form of corruption, regardless of the scale. The Policy is made available to all employees and members of management boards of subsidiaries via internal communication channels adopted in a given Company, and to collaborators at the time of signing with them an agreement on the provision of services to the Company. Every employee, collaborator and member of the management board of a subsidiary company must read, understand and apply it in the performance of their daily duties. Compliance with its provisions is a prerequisite for employment, establishing and maintaining cooperation. Any violation of the provisions set out in the Policy by employees, collaborators or members of the management boards of subsidiaries may lead to disciplinary sanctions, resulting in termination of the contract in accordance with the internal regulations applicable in the Group.

The Group maintains registers of benefits received and spent, as well as a central register of donations and sponsorship. Accepting and offering gifts is accepted as an element of culture and custom, although they should have a symbolic financial value. It is a good practice in the Group to educate and remind people about the rules regarding gifts, e.g. during the holiday season.

There were no cases of corruption recorded in the reporting period.



Mechanism of Reporting Violations

In accordance with the principles of the Elemental's Code of Ethics and taking into account best international practices and the implementation of the principle of due diligence, a system designed for reporting violations has been introduced in the Elemental Group.

The process of reporting irregularities detected by whistleblowers is systematized in the form of a procedure that is available to everyone on the Organization's website. The procedure describes the thematic scope of internal reports, whereas external reports result from applicable laws and information posted on websites of competent public authorities.

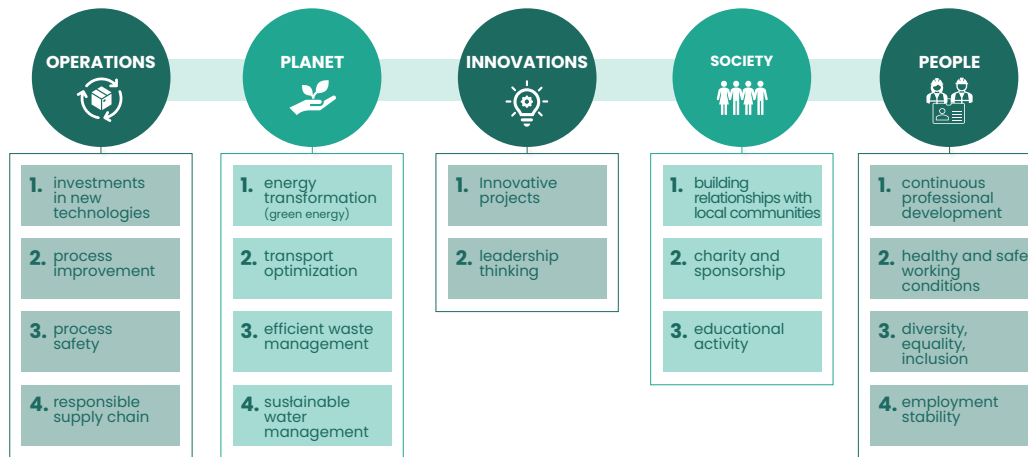
A report may be submitted by any person who is to some extent involved in cooperation with the Group and has become aware of a violation or possible violation. The report may be anonymous or revealing one's identity. It is at the discretion of the reporting person. The whistleblower can choose one of the following channels:

- in the form of a letter sent to the mailing address of the parent company with an annotation enabling the letter to be identified as confidential;
- in the form of a letter dropped directly into the whistleblowing box created at the workplace of a Group company;
- using e-forms available on the Company's website;
- by email sent to whistleblowing@elemental.biz

Reports are received by the Ethics Officer, unless they concern the Compliance Department and/or HR Department, in which case they are addressed directly to the Management Board of the parent company. The report is reviewed by the Irregularity Committee, which includes the Ethics Officer and a representative of the HR Department from a given region, separated in legal and cultural terms. After completing the investigation activities, the Irregularity Committee prepares a report summarizing the findings made during the investigation activities, conclusions whether the report was justified, proposals for further corrective actions and recommendations regarding the resolution of the given case. The report is submitted to the Management Board of the subsidiary or to the Management Board of the parent company if the matter concerns the Management Board of the subsidiary, along with a recommendation for further actions, except for matters relating to minor, less significant violations. Based on the received report, the Management Board decides on actions to be taken in connection with the irregularity. The Ethics Officer provides the Whistleblower with feedback on the actions taken after the investigation is completed.

The procedure assumes providing whistleblowers with effective protection, also against retaliatory actions. Each newly employed person is obliged to familiarize themselves with the principles of the Code of Ethics, including the path for reporting irregularities. In 2023, there was one report.

Pillars of the ESG strategy at Elemental:



ESG Strategy and Social and Environmental Impact Management System

From the very beginning of its existence, the Elemental Group has been contributing with its activities to building an economy based on circularity, care for the natural environment and the social environment. To better manage risks, impacts and opportunities in 2023, the Group’s Management Board adopted the ESG Strategy. This strategy is intended to be a tool for building and developing an effective organization that is aware of its impact and, where there is a risk of negative impact, can take relevant steps to mitigate such impact.

Elemental’s goal is to improve its sustainability performance based on a solid strategy and well-established framework to support business agility and become an ESG leader in the metals industry.

Work on the Strategy took into account perspectives of both external and internal stakeholders. This enabled identifying key areas for the stable development of the Organization in accordance with previously established strategic business goals. Areas that may require improvement were also identified, e.g. transport, use of green energy, increasing environmental awareness, occupational safety.



OPERATIONS



1. Investments in new technologies

we invest in technologies increasing efficiency and safety of our processes:

- metal analysis laboratories
- installations for environmentally safe processing of bulky waste
- industrial sewage treatment plants
- investments in recycling technologies dedicated to Li-Ion batteries and spent catalysts, as well as waste electrical and electronic equipment

2. Process improvement

- we have created an interdisciplinary team called "Cooperation Platform", which brings together specialists from various departments in order to improve operational processes, increase the efficiency and effectiveness of our activities and develop regulations common for the whole Group

3. Process safety

- we are implementing the Personal Data Security Policy common for the Group
- we are implementing the IT Security Policy common for the Group
- we are implementing the Occupational Health and Safety Policy common for the Group

4. Responsible supply chain

- when ordering products used in offices and plants, we check whether the supplier applies the principles of circular economy
- in our Group, we have implemented environmental and social assessments of suppliers, we assess whether they comply with the requirements of our Code of Ethics, e.g. whether they not use child labor or forced labor, whether they hold environmental permits required by law and whether purchased materials do not come from areas affected by armed conflict
- by the end of 2023 we will develop a Supply Chain Management Policy, by the end of 2024 we will implement it in the Group
- by the end of 2024, we will implement solutions aimed at regular improvement of qualifications of our employees responsible for the supply chain to ensure an in-depth understanding of our sustainability transformation plan with regard to cooperation with suppliers and service providers in the light of the Code of Ethics of Elemental



PLANET



1. Energy transformation
(green energy)

- we are moving towards zero greenhouse gas emissions (in scopes 1 and 2) and we strive to gradually reduce GHG emissions by 10% per year in relation to a ton of processed waste
- we will strive to improve energy efficiency by 5% by 2025
- we will strive to achieve 100% use of energy from renewable energy sources (RES) by 2030
- we will continue to invest in photovoltaic infrastructure in the plants

2. Transport optimization

- when modernizing the fleet, we invest only in new vehicles that meet the EURO 6 emission standard, by 2026 - 100% of our fleet will meet the EURO 6 standard
- when hiring an external transport service, we make sure that their vehicles meet at least the EURO 6 standard
- we modernize the fleet of passenger cars to replace them with vehicles with a smaller engine capacity (up to 1.6 l) or electric vehicles
- we train employees in economical and safe driving
- we have our means of transport regularly serviced

3. Efficient waste management

- we increase the levels of waste collection, taking care of environmentally safe recovery of secondary materials
- we increase the level of waste recycling
- we reduce the level of waste handed over for disposal
- we reduce the use of non-recyclable materials in production processes
- we care about the segregation of municipal waste
- we strive to increase the level of processed waste by min. 5% per year

4. Sustainable water management

- we increase the level of dirty rainwater treatment
- we return clean rainwater to the natural environment
- we will conduct environmental audits of our plants to identify equipment requiring replacement
- by 2025, we will modernize the equipment used for treatment of dirty rainwater in our plants



INNOVATIONS



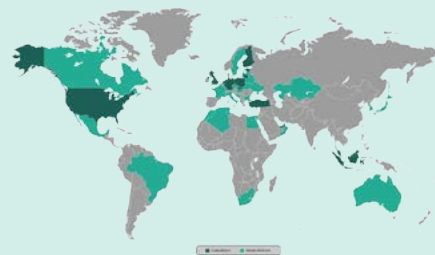
1. Innovative projects

- construction of a plant in Zawiercie – investment in technologies designed to recycle Li-Ion batteries, spent catalysts and printed circuit boards
- Zawiercie – a plant that will be provided with innovative technologies and advanced environmental protection systems, with RES installations, advanced sewage treatment stations, located in an industrial zone, and with respect for the rights of the local community



2. Leadership thinking

- the development of our Group is to a large extent based on the acquisition of companies that are leaders on local markets. We offer our partners access to new sales markets, shared logistic solutions and access to capital. We offer them our know-how in the field of sustainable development and we strive to build a circular economy together





SOCIETY



1. Building relationships with the local community

we cooperate with local communities and international organizations

- Elemental Group companies are members of numerous international organizations: Institute of Scrap Recycling Industries (ISRI), Automotive Recyclers Association (ARA); European Clean Hydrogen Alliance (ECHA); International Precious Metals Institute (IPMI); Bureau of International Recycling (BIR). Acting with a great level of commitment in such entities creates an opportunity to share experiences and facilitates exerting a real impact on the change of practices towards sustainable development and circular economy.
- we invest in dialogue with the local community and cooperation with local authorities

2. Charity and sponsorship

as part of deployment of our ESG strategy, we strive to implement a coherent and solid charity strategy. Elemental, as a company coming from Poland, has been supporting the Polish triathlon and outstanding Polish athletes for years. Owing to the involvement of the Management Board in activities of the Polish Triathlon Association, the European Triathlon Championships have been held in Poland for several years.

- Group companies get involved in numerous local initiatives responding to the needs of the communities in which they operate
- we make efforts to develop a common charity strategy for the Group, therefore:
 - in 2023, we are holding an audit of charity activities carried out by the Group companies
 - in 2023, we are conducting research among the Group's employees to identify what activities are of the greatest value to our community
 - by mid-2024 we will develop a strategy of social activities for the Group for 2025-2030
 - we will continue to support our employees in voluntary work initiatives so as to achieve 500 hours of voluntary work in the Group per year

3. Educational activity

- we act pro-actively in educating about waste management and its positive impact on environmental protection
- by mid-2024, we will open a center of knowledge on the recycling of strategic metals in Grodzisk Mazowiecki



PEOPLE



1. Continuous professional development

- we conduct regular and various trainings for our employees
- we support the education and development of our employees through subsidies and flexible working hours
- we participate in government HR development programs
- we monitor how many trainings and workshops have been conducted, as well as what they were devoted to
- starting from 2024, we are implementing annual training plans in each company of the Group

2. Healthy and safe working conditions

- we create a safe working environment, open to dialogue and differing viewpoints
- by the end of 2023, we will implement an employee satisfaction survey across the Group
- in 2024, we will develop a list of benefits that we guarantee to our employees in each company of the Group, adapted to the cultural and economic specificity in the region

3. Diversity, equality, inclusion

- we support and respect the diversity of our employees. We promote recruitment and management of human resources based on their competence and performance, regardless of age, ethnicity, gender or cultural background
 - we collect data on equal pay for women and men, the number of employees broken down by age and gender. By the end of 2023, we will develop a methodology to analyze the collected data, taking into account the nature of respective positions and companies
 - we investigate the number of reports of discrimination or harassment in the organization
- our goal is to:
- increase the level of diversity both in terms of age and gender (with full respect for origin or religion)
 - achieve at least 30% level of employment of women in relation to men in managerial positions
 - achieve a wage gap of no more than 5% by the end of 2026
 - implement mandatory training in the field of unconscious bias for all employees and additional training for employees performing leadership and managerial functions

4. Occupational safety

- we will increase the level of safety of our employees by reducing the number of accidents and injuries at work
- we will introduce internal audits in the field of occupational health and safety. We will implement the Occupational Health and Safety Policy
- we investigate causes of accidents and plan preventive actions
- we strive to reduce the accident rate in our plants by 30% by 2025, by 50% by 2027
- we measure the accident rate in our plants per man-hour
- we will increase the number of plants in the Group that have implemented the ISO 45001 system



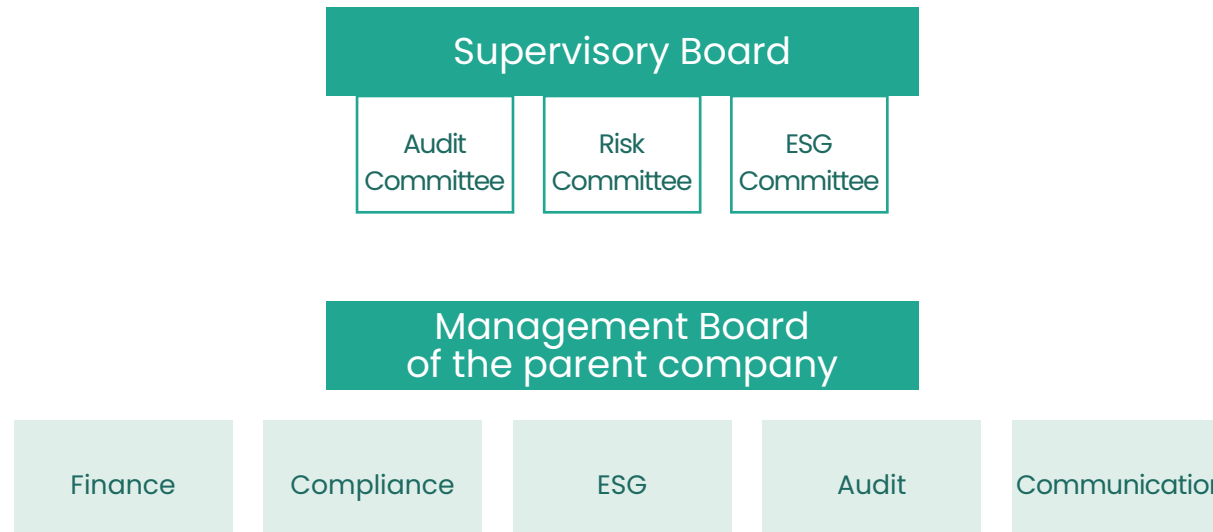
Management Structure in Terms of Sustainable Development

To ensure comprehensive and effective implementation of the assumptions of the Group's ESG Strategy, an organizational structure was developed in which roles were assigned to respective corporate bodies of the parent company and service companies in the field of supervision and management of social and sustainable issues, while providing them with access to expert knowledge.

Management of the sustainable development strategy is supervised at the level of the Supervisory Board, controlled by the Management Board, and implemented by the ESG Management Team. The ESG Management Team is responsible for ensuring continuous development of this area, by maintaining, reviewing and improving the ESG strategy and its full implementation. The Team sets stakeholder expectations in light of Elemental's broader commitments. The ESG

Management Team includes: Financial Director, Sustainable Development Director, Internal Audit Director, Compliance Department Director, and Communication Director.

The Team reports to the Management Board. The Management Board takes climate and social issues into account when reviewing and managing the Group's strategy and projects. The Management Board also monitors the implementation and achievement of climate and social goals. The Supervisory Board supervises the implementation of the Strategy within the Group. Committees have also been established at the Board level to ensure effective management of sustainable development issues: Risk Committee, ESG Committee and Audit Committee.





Engaging Stakeholders

At Elemental, effective communication with stakeholders and their engagement in the activities of the Capital Group companies is extremely important and effectively influences the management of the impact of the entire Group on the environment. This approach, taking into account multilateral exchanges, brings benefits for the Organization, as well as the regions and local communities where it conducts its operations.

The Group has mapped the stakeholders and periodically verifies the list of stakeholders and methods of engaging them. Each stakeholder category may have a different level of interest in the Group's activities and exert a different impact on the Group. In order to choose the best way of communication, these aspects are analyzed. While working on the 2023 report, the stakeholder map was verified and there were no significant changes in comparison to the previous analysis. Among all the stakeholders, those of key importance are presented below.

The Group also develops its operations by entering new markets. Its expansion strategy is always guided by the principle of respect for the rights of indigenous peoples in accordance with the UN Declaration on the Rights of Indigenous Peoples and the European Parliament resolution of 3 July 2018 on violations of the rights of indigenous peoples around the world, including land grabbing (2017/2206(INI)).

The real estate acquisition process is supervised by the Group's Management Board and also analyzed to ensure that there is no conflict and no acquisition occurs without the prior consent of indigenous and local communities, or with disregard for their rights. In 2023, the Group adopted a Stakeholder Engagement Strategy, which is a confirmation of the implementation of these principles in its activities. Before and during the investment, relevant communication and development of a stakeholder engagement plan are required, also in the field of real estate acquisition.

Additionally, the Group strives to ensure that the ownership of real estate is not acquired through expropriation or other permitted national procedures that would be of a compulsory nature. Negotiations with owners leading to a settlement cannot take place in situations where failure to reach an agreement would result in expropriation or other mandatory procedures. In none of the projects implemented by the Group has there been an involuntary restriction of land use or access to natural resources, which could lead to the loss of access by a community or its groups. It was not necessary to expropriate people occupying land without formal, traditional or recognized use rights. There were no cases of restriction of access to land or other resources, including communal property and natural resources such as marine and water resources, timber and non-timber forest products, fresh water, medicinal plants, hunting and gathering areas, pastures and cultivated areas.

Investments and strategic projects, such as the Zawiercie Plant, are carried out with respect for rights of local communities and with their participation. As part of the process of obtaining building permit decisions and permits to conduct waste management activities, an environmental impact assessment report was developed. This document has been prepared in a non-technical language and is publicly available to everyone on the [website](#).



Key Stakeholders of the Elemental Group

Stakeholder group	Engagement goals	Engagement method
Employees	Building an engaging and safe workplace that cares about the needs of employees and promotes equality and diversity.	Regular communication, using both face-to-face meetings and digital communication channels. The process of examining engagement and needs has begun. Supporting social activities through volunteering actions.
Shareholders, investors	Transparent and open communication supporting the development and growth of the Organization. Compliance of the Organization's operations with the requirements and standards of the capital market.	Constant contact through reporting and regular communication.
Suppliers (upstream and downstream)	Building business activities based on transparent and honest relationships with business partners.	Regular, direct contact, surveys and questionnaires for suppliers, meetings during fairs and events.
Public administration bodies	Conducting operations in accordance with regulations and standards.	Direct communication, events, conferences. Reporting in accordance with the requirements of relevant bodies.
Local communities	Building a positive impact on society.	Direct communication, educational activities and activities promoting care for the natural environment.
Media	Communication with the media expands access to information for many groups of stakeholders.	Communication by answering questions, distributing press releases, meeting with journalists.
Industry organizations	Sharing knowledge, co-creating solutions and initiatives important for the industry.	Membership in organizations, communication within working groups, conferences and events.



Membership in Organizations

Elemental Group companies are members of many organizations and associations. Considering the importance of ESG and environmental protection topics, membership in the following organizations is crucial:

- **Automotive Recyclers Association**

- an organization supporting the car recycling industry in building awareness of the importance of recycling. A space for exchanging knowledge, also in the field of environmental impact management.

- **Bureau of International Recycling**

- within which the Group shares knowledge with other industry sectors and political groups about the latest trends (including trade and environmental regulations) in the field of recycling,

- **EIT RawMaterials**

- is a space for cooperation of over 300 partners from the world of industry, R&D and academic environments. It supports Europe on its path to a sustainable economy, through initiatives ranging from educating students to improving qualifications for industry professionals.

- **Electronics Recyclers Association**

- an association connecting entities from the European Union operating in the WEEE area, working to build fair competition in the value chain, supporting innovation, building economic stability and growth and supporting the implementation of the objectives of the EU Green Deal.

- **European Clean Hydrogen Alliance**

- the alliance aims at supporting the large-scale implementation of clean hydrogen technology by 2030. Its members include representatives of the industry, public authorities, civil society and other interested parties.

- **International Precious Metals Institute**

- provides a platform for exchanging important information on issues related to precious metals. As part of activities of this organization, the Group participates in, among other things: awarding students, promoting science and new technologies, and supporting important educational and research programs.

- **Recycled Materials Association**

- (formerly: Institute of Scrap Recycling Industries)

- is a space for knowledge exchange, education in the field of safety and compliance, it also builds social awareness of the important role recycled materials play in sustainable development.



The Group pursues a transparent policy towards suppliers, based on respect for good practices and fair market principles. In accordance with the Code of Ethics, the Organization avoids any activities violating antitrust regulations, including prohibited agreements, it does not accept agreements regarding prices, sales conditions, division of markets or customers, or other activities limiting the principles of fair competition, both in relations to sellers and buyers. As regards its suppliers, the Group companies apply a uniform purchasing policy with equal payment practices, in particular not delaying payments to small and medium-sized companies. In the waste management industry, where certainty of payment is a competitive advantage, the Group places great emphasis on timely payments, which increases purchasing opportunities and the volume of purchased waste.

Supply Chain Management



Elemental believes that economic, social and environmental aspects should be taken into account throughout the entire supply chain. Ignoring or failing to respond to undesirable situations may result in financial loss, loss of reputation or customer trust. Therefore, in 2023, the Group adopted the Responsible Supply Chain Management and Anti-Money Laundering Policy together with the Supplier Code of Conduct. This is an expression of maturity and readiness to even better manage relationships with suppliers.

The Policy is communicated to employees, suppliers, and all entities from the business and social environment of the Elemental Capital Group. It should be understood and applied consistently with the Code of Ethics and other procedures adopted in the Organization.

The Group carries out a process of identifying and analyzing key counterparties and the risks associated with them. Elemental Group companies are obliged to verify their counterparties, based on the supplier mapping, in terms of meeting the minimum requirements specified in local legal regulations, including counteracting money laundering and terrorist financing, the Policy, as well as the Code of Ethics and other principles and procedures applicable in the Group. Depending on the type of transactions conducted, forms of cooperation or geographical and cultural conditions, the Organization uses different methods of carrying out this verification.

The principles adopted in the Policy should be applied to all suppliers of the Companies, with particular emphasis on the metal acquisition supply chain, where compliance with its provisions is a prerequisite for establishing and maintaining cooperation. Failure to do so may in some cases result in the automatic termination of business relations and exclusion of such a partner from the circle of entities with whom companies can cooperate as part of their business activities.

The Group has also adopted the Supplier Code of Conduct, which sets out the standards and guidelines that business partners and subcontractors should follow when cooperating with the Elemental Group. Subsidiaries are obliged to ensure that all business partners and subcontractors of the Group are familiar with this Code and accept its content before starting cooperation. The Code is a publicly available document that anyone can read it on the Organization's website.

The Supplier Code of Conduct includes key areas for cooperation with the Elemental Group. The principles of the Code refer, inter alia, to:

- Compliance with applicable local, national and international laws and regulations.
- Conducting business activities in an ethical way, including preventing corruption and not cooperating with high-risk countries.
- Supporting sustainable development, minimizing the negative impact of activities on the environment, managing environmental impact.
- An absolute ban on the use of child labor and forced labor in any way whatsoever.
- Respecting diversity and ensuring a work environment free from discrimination and harassment.
- Providing all its employees and collaborators with safe and healthy working conditions in accordance with applicable occupational health and safety standards.
- Managing the impact of one's activities on the health and safety of the local community.
- Ensuring the security of personal data and confidential information.

Elemental Group reserves the right to conduct audits to verify compliance of the Supplier's activities with this Code.



2 ENVIRONMENTAL IMPACT



In accordance with the ESG Strategy, impact on the natural environment is one of the key areas in which the Elemental Group takes a pro-active approach.

Due to the specific nature of the industry and operational activities, the following areas have been mapped as key:

- Waste management and circular economy
- Climate change (including CO₂ emissions and energy efficiency)
- Water resources management

To manage these areas in the best possible way, strategic environmental goals have been set until 2026, which are a continuation of activities carried out in previous years.

Environmental Goals:

1. Increasing the weight of recycled waste
2. Reduction of greenhouse gas emissions
3. Reduction of energy consumption
4. Increasing the share of green energy in the Organization
5. Reduction of water pollution
6. Increased investment in the latest waste recovery technologies
7. Increasing ecological awareness

Activities aimed at achieving the above-mentioned goals in the reporting period will be described further in the report.

2 Environmental Management Strategy of the Elemental Group



The Management Board has adopted a structure for managing climate-related opportunities and risks, thanks to which the Organization can monitor, report and take appropriate actions in the environmental area. The Management Board of Elemental analyzes reports prepared by the Risk Management Committee regarding climate-related threats and opportunities and the implementation of the adopted strategy. It also updates strategic goals once a year. The Risk Management Committee develops the strategy, strategy implementation plan, monitors and analyzes the implementation, and reports to the Management Board. The Risk Management Committee consists of: Director of the Sustainable Development Department, Director of the Mergers and Acquisitions Department, Director of the Financial Department, Director of the Trading and Market Risk Management Department, and Director of Internal Audit. The Risk Management Committee is headed by the Management Board Member in charge of the Finance.

10 companies of the Elemental Group have implemented and are certified in the ISO 14001 quality management system. 9 companies

have implemented and are certified in the ISO 9001 quality management system.

In 2022, the Management Board of Elemental identified key areas in which the Group's activities meet environmental goals and can be qualified as sustainable in relation to the environmental goals announced at that time, provided for in the EU Taxonomy:

- mitigation of climate change;
- adaptation to climate change;
- transition to a circular economy;
- prevention and control of pollution

In 2024, the Group plans to thoroughly analyze its activities in terms of compliance with the EU Taxonomy, taking into account all six goals. Previous analyzes regarding the Taxonomy can be found in the previous ESG report and on the [website](#).



Mitigation and Adaptation to Climate Change

The Group's strategy focuses not only on the global reduction of greenhouse gas emissions through the development of recycling activities that are more environmentally sustainable than traditional mining, but also on managing its own impact. Climate changes taking place on Earth require comprehensive business actions. Therefore, the Elemental Group undertakes various activities in areas that are key to its operations.

All Elemental Group plants are located in areas transformed by humans that do not have significant natural value and at the reasonable distance from areas with significant natural value. When considering new locations for conducting business activities, an assessment of the state of the environment and the necessary level of interventions during a given project is always made. If the law requires preparation of an environmental impact assessment report before starting the investment process, a natural survey is always commissioned, which is aimed at checking the state of the environment, the occurrence of potential habitats of protected species, or the number of respective individuals.

None of the operational facilities owned, leased or managed by the Group are located in or adjacent to protected areas or are outside protected areas of high biodiversity that could be characterized according to a protected status list (such as the IUCN Management Categories Protected Areas, Ramsar Convention) or in accordance with national legislation. It should also be emphasized that there are no habitats of protected species in the areas belonging to the Elemental Group.



The Group companies try to minimize their impact on biodiversity. One of the methods used in plants, also when they are located in industrial zones, is to establish “green zones” around the facilities, which are to, to some extent, offset the conversion of land for industrial activities.

The Group monitors its carbon footprint in terms of scope 1 and scope 2 and, on this basis, plans its activities to minimize the impact on the environment. From 2022, the Elemental Group will calculate its carbon footprint. Calculations for 2023, as well as for the previous reporting period, were prepared in accordance with the following standards: the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard revised edition, and the Greenhouse Gas Protocol: Scope 2 Guidance Amendment to the GHG Protocol Corporate Standard (collectively hereinafter referred to as: GHG Protocol). Greenhouse gas emissions covered the activities of Elemental Group companies that generate consumption, as listed below. The results were consolidated according to operational control at the level of the Elemental Group, thus taking into account 100% of emissions generated in the analyzed companies.

- Colt Recycling LLC
- Colt Recycling Southeast LLC
- Daniel Ball Converter Recycling, Inc
- Elemental Asia S.A.
- Elemental Asia SDN BHD
- Elemental Benelux B.V.
- Elemental Catalyst Recycling Sp. z o.o.
- Elemental EMEA Global Trade Center DMCC
- Elemental Geri Dönüşüm Anonim Şirketi
- Elemental Global Services S.A.
- Elemental Group Consulting Sp. z o.o.
- Elemental New Technologies Sp. z o.o.
- Elemental Strategic Metals Sp. z o.o.
- Elemental Resources Management Ltd.
- E-Market Sp. z o.o.
- Kat Metal Estonia Oü
- Kat Metal Oy
- Legend Smelting and Recycling LLC
- MD Core LLC
- Metal Holding s.r.o PGM Group Sp. z o.o.
- PGM of Texas LLC
- RECAT GmbH
- Syntom Metal Recycling Sp. z o.o.
- Terra Electrorecycling Sp. z o.o.
- Terra Recycling Sp. z o.o.
- Tesla Electrorecycling Sp. z o.o.
- Tesla Recycling Sp. z o.o.
- UAB EMP Recycling

Operating boundaries of the calculations.

Scope 1 – Direct GHG emissions	Scope 2 – Indirect energy GHG emissions
Combustion Of petrol, diesel, light fuel Oil, LPG and natural gas.	Consumption of purchased electricity and heat,
Emissions related to refrigerants.	



The sources of emission factors and calorific values used to convert the units were publications by KOBIZE (National Center for Balancing and Management of Emissions), the DEFRA database (Department of Environment, Food and Rural Affairs in the UK Government), AIB (Association of Issuing Bodies European Residual Mixes 2022), Green-e® Residual Mix Emissions Rates, Our World in Data - Carbon intensity of energy production. GWP factors (Global Warming Potential factor) for refrigerants were adopted in accordance with the 6th IPCC (Intergovernmental Panel on Climate Change) Report. For electricity covered by Guarantees of Origin for energy from renewable energy sources, the emission factor is 0.

Calculations were made for scopes 1 and 2 according to two methods: location-based and market-based. In the case of the location-based method, electricity consumption was multiplied by the average emission factor for the country. However, in market-based calculations, energy consumption was multiplied by the residual mix factors for a given country. For electricity from renewable energy sources, the emission factor is 0.

It should be emphasized that compared to the previous reporting period, the number of companies in the Elemental Group increased, as well as a larger volume of waste was subjected to recovery processes in 2023 in comparison to 2022, which translated into higher fuel and energy consumption.

Carbon footprint emissions by type of GHG 2023 (t CO₂e) using the market-based method

GHG scope	Emissions 2023	% emissions	Emissions CO ₂ *	Emissions CH ₄ *	Emissions N ₂ O *
Scope 1	7,465.85	63.64%	7,288.78	5.48	73.83
Scope 2	4,266.42	36.36%	4,266.09	0.10	0.04
Total	11,732.27	100.00%	11,554.87	5.59	73.87

Carbon footprint emissions using the market-based method (t CO₂e)

GHG range	Broadcast 2022	% of emissions 2022	Broadcast 2023	% of emissions 2023
Scope 1	6,619.75	64.05%	7,465.85	63.64%
Scope 2	3,715.44	35.95%	4,266.42	36.36%
Total	10,335.19	100.00%	11,732.27	100.00%



Carbon footprint emissions using the location-based method (t CO₂e)

GHG range	Broadcast 2022	% of emissions 2022	Broadcast 2023	% of emissions 2023
Scope 1	6,619.75	69.60%	7,465.85	67.70%
Scope 2	2,892.02	30.40%	3,561.22	32.30%
Total	9,511.78	100.00%	11,027.07	100.00%

Share of individual emission sources in the carbon footprint (market-based)

Source of GHG emissions	Emissions 2022 [t CO ₂ e]	% of emissions 2022	Emissions 2023 [t CO ₂ e]	% of emissions 2023
Diesel	5,397.76	52.23%	5,382.28	45.88%
Electricity	3,700.88	35.81%	4,251.10	36.23%
Petrol	442.39	4.28%	892.81	7.61%
LPG	292.51	2.83%	408.49	3.48%
Natural gas	269.71	2.61%	523.19	4.46%
Heating oil	177.17	1.71%	161.32	1.38%
R410a	40.21	0.39%	97.46	0.83%
Heat	14.56	0.14%	15.32	0.13%
R32	0.00	0.00%	0.31	0.00%
Total	10,335	100.00%	11,732.27	100.00%



GHG emission intensity index for 2023 amounted to - 0.0630 Mg of emissions per ton of waste subjected to recovery processes¹, so it increased slightly compared to 2022 - 0.0624. The Group will continue to monitor its consumption and implement new solutions to reduce its footprint in the coming years.

In addition to managing GHG emissions, the Group undertakes activities related to energy efficiency and increasing the share of green energy in the Organization.

In the reporting period, the share of energy from renewable sources increased significantly and accounted for 18.75% of total consumption. One of the companies continued to produce its own energy (solar energy) in 2023. A photovoltaic power plant was built in the newly built facility in Zawiercie, which will be primarily used to supply power to the production plant. In the future, it is planned to expand the plant with additional parts. The photovoltaic power plant is also equipped with an system designed for storing electricity based on lithium-ion cells.

Annual consumption of electricity and fuels in the Elemental Group (GJ)

	2022	2023
Electricity	30,532.71	31,383.63
including energy from renewable sources	713.14	5,883.20
Diesel	66,731.04	77,389.68
Gas	8,516.69	14,236.79
Natural gas	4,822.70	9,320.69
LPG gas	4,707.17	6,573.35
Heating oil	213.79	1,835.29
Heat consumption	179.56	306.95

Intensity of energy and fuel consumption per ton of waste subjected to recovery processes

	2022	2023
Electricity	0.2700	0.1793
Diesel	0.5901	0.4420
Gas	0.0753	0.0813
Natural gas	0.0426	0.0532
LPG gas	0.0416	0.0375
Heating oil	0.0019	0.0105
Heat	0.0016	0.0018



Due to the increase in the volume of processed waste, energy and fuel consumption also increases. The Group takes numerous initiatives to minimize this increase. Actions aimed at extending the life of materials that ultimately become waste is the standard. Therefore, we regularly carry out such activities as inspections and maintenance of machines and devices. In most Group companies, the lighting has been replaced with LEDs and external lighting at night is limited. In the summer season, information campaigns are carried out reminding people not to open windows when the air conditioning is on, and, where possible, limited room cooling to a temperature of 24-25 degrees C in summer has been introduced. Similarly, in winter, the temperature

in rooms is limited to 19-20 degrees Celsius. Several companies have modernized their buildings to achieve energy efficiency.

Various activities are also undertaken in the context of transport. For example, when choosing vehicles to transport waste, the following criteria are taken into account: permission to transport waste (including hazardous waste), vehicle size, use of environmentally friendly vehicles, quality of service, price, availability of means of transport. Most companies have adopted a Fleet Policy that sets the directions for action.



Circular Economy, Including Waste Management

The Group's activities in the waste management sector consisting in collection and recovery, in particular recycling of waste containing precious metals, including those from the platinum group (PGMs), are an extremely important element of building a circular economy. It has a strategic impact on reducing the consumption of natural resources by putting raw materials back into circulation. Additionally, the environmental impact in recycling processes is lower than in traditional extraction from primary sources (mining).



Hierarchy of waste management



The Elemental Group operates in the area of the economy called urban mining, which deals with recovery of raw materials from waste generated in urban areas, such as various types of products and devices – e.g. computers, televisions, mobile phones, and household appliances.

The Elemental Group manages waste that is obtained from contractors and processed, and this is its core business activity. Elemental also manages internal waste, i.e. waste generated during its own operational activities. The Group takes all possible actions to ensure that the largest possible percentage of waste is subjected to recovery processes, in accordance with the waste management hierarchy.



Most waste is recycled and subjected to other recovery processes. There are also two stores in Poland and Lithuania that offer the purchase of devices and equipment prepared for reuse.

Elemental aims at increasing the amount of waste recycled. With the exception of the USA, all countries where Elemental operates have regulations regarding keeping waste records. All companies keep such records through dedicated systems or in other accepted ways. The volume of waste collected by category and the method of its processing are monitored.

The volume of collected waste is increased by:

1. development of waste collection networks;
2. acquisition of entities specializing in waste collection and recovery;
3. increasing public awareness;
4. investments in modern recycling technologies.

Elemental Group companies operate in accordance with local regulations governing waste management, and depending on the type of business they conduct, they hold the necessary permits, such as for example: decision permitting waste collection, decision permitting

Waste generated (in ton)

	2022	2023
Total waste generated, including:	199,141.38	268,743.18
Non-hazardous waste	171,342.59	249,023.89
Odpady niebezpieczne	27,786.29	19,719.30

recycling, decision permitting waste recovery processes other than recycling, integrated permit, decisions permitting storage, permits required under Water Act, decisions permitting the transport of hazardous waste, including international transport.

Waste subjected to processes other than disposal (in tons)

	2022	2023
Waste subjected to processes other than disposal, including:	113,081.45	175,075.65
Non-hazardous waste	99,754.42	158,568.62
Hazardous waste	13,327.03	16,507.02
Total waste prepared for reuse, including	2,870.42	2,235.22
Non-hazardous waste	2,869.43	2,229.28
Hazardous waste	1.00	5.94
Total recycled waste including	39,534.39	103,008.15
Non-hazardous waste	39,297.39	93,191.22
Hazardous waste	237.00	9,816.93
Waste subjected to recovery processes other than recycling and preparation for reuse, including	70,676.63	69,832.27
Non-hazardous waste	57,587.60	63,148.12
Hazardous waste	13,089.03	6,684.16



Waste sent for disposal (in tons)

	2022			2023		
	Non-hazardous waste	Hazardous waste	In total	Non-hazardous waste	Hazardous waste	In total
Total waste sent for disposal, including:	5,155.06	1,170.05	6,325.06	3,938.84	11.90	3,950.74
Combustion with energy recovery	11.36	1,167.00	1,178.36	3,446.98	8.52	3,455.49
Combustion without energy recovery	0.00	0.00	0.00	0	0.25	0.25
Storage	159.20	3.00	162.20	328.16	1.82	329.98
Other disposal operations	4,984.50	0.00	4,984.50	163.71	1.31	165.02

In order to implement the principles of circular economy, companies in the Elemental Group use reusable packaging (big bags, Euro pallets, metal containers) and non-returnable packaging made of recyclable materials (e.g. foil).

The Group also invests in modern waste processing solutions. The flagship project is the investment in Zawiercie. The newly established plant will carry out metal recycling and production technological processes in two separate technological lines. The basic raw materials

will be used lithium-ion batteries and spent automotive and industrial catalysts. The plant was designed in the greenfield model. The technological solutions were developed in cooperation with leading Polish universities, the Łukasiewicz Research Network - Institute of Non-Ferrous Metals and leading global suppliers of advanced technologies.

Elemental is one of 18 European companies nominated by the European Commission under the European Industrial Policy, which strives to create a sustainable mobility value chain in the EU.



Water Management

Water is currently one of the most valuable resources on the planet. Therefore, activities aimed at reducing water consumption for social, domestic and technological purposes are systematically implemented throughout the Group (water is used in this type of processes in four companies of the Group).

Total water abstraction for domestic uses (m³)

	2022	2023
Total water abstraction, including:	17,971.33	16,973.87
Water abstraction from municipal water intakes/supplies	16,753.33	15,654.87
Sea water abstraction	0	0
Surface water abstraction	0	0
Deep water abstraction	1218.00	1319.00
Drainage water abstraction	0	0



In the Elemental Group, water for domestic uses is abstracted mainly from municipal water supply networks. No seawater or surface water is abstracted at any location.

None of the Group's companies are located in areas at risk of water shortages or potential flooding, and none of the plants draws water from rivers. One of the Elemental Group companies (Lithuania) uses a deep well, the water from which is used for domestic purposes, and its water consumption in 2023 is 1,319 m³. The company has documentation confirming the lack of negative impact of water abstraction from wells on the local natural environment and local community.

The Group companies are implementing measures to minimize water consumption – photocells and aerators are being installed in taps, and timers in shower faucets.

Rainwater is not collected in the Group companies. This type of water is directly used to irrigate green areas. Rainwater from areas used for business activities is treated as natural components of the environment and is directed to biologically active surfaces, which translates into savings in water used for watering green areas and improvement of soil moisture. The Slovak company also collects clean rainwater and uses it to water green areas.

Rainwater discharged from paved areas (parking lots, maneuvering areas, internal roads) may be contaminated by petroleum-derived substances. This so-called dirty water is discharged to external recipients after initial pre-treatment. On the premises of 4 plants, dirty rainwater is collected and introduced into sedimentation tanks and then into separators of petroleum substances; 4 plants use clean water after treatment for fire protection purposes, collecting it in tight

retention and evaporation tanks; in the case of 2 other companies, this wastewater is discharged to the city sewage system.

In all countries where the Group operates, there are legal acts regulating parameters of discharged sewage, which are observed when discharging sewage to external recipients.

Many activities will be undertaken in the newly built plant in Zawiercie to minimize the impact on the soil and water environment. The following is planned:

- conducting economical water management;
- storing raw materials and fuels in closed, tight tanks;
- storing waste intended for recycling in a way that prevents contamination of the ground and water environment;
- use of closed water circuits, both for process and cooling purposes;
- discharge of domestic sewage into the municipal sewage system;
- industrial wastewater treatment in the company's sewage treatment plant;
- preventing contamination of rainwater and snowmelt water by constantly monitoring the cleanliness of the surface of the hardened area;
- collection and retention of rainwater and its use in the process.

Total amount of sewage discharged in 2023 is 13,560.61 m³

The companies discharge sewage into three types of systems: municipal sewage systems, septic tanks, and their own sewage treatment plant. In the case of two companies, water used for technological purposes is recycled, whereas in the case of two other companies – it is directed to the municipal sewage system.



Education

Building social awareness and promoting responsible behavior are extremely important when it comes to the industry that Elemental represents. Therefore, the Group companies conduct activities both within their organizations and reach out to local communities to promote and create pro-ecological consumer attitudes.

Companies dealing with waste management such as WEEE (waste electrical and electronic equipment), which, in accordance with EU regulations, is collected free of charge from consumers, run campaigns encouraging users to return this type of equipment to authorized entities. The EMP company runs the EMP taxi service in all major cities of Lithuania, which means it collects equipment from residents in these regions free of charge. Collection can be ordered by phone or via an online form. The company also provides legal entities (companies, institutions, offices) with waste containers, which it then periodically empties and processes the equipment and devices collected in this way.



During the campaign in 2023, over 3 tons of waste equipment were collected.

In 2023, EMP Recycling conducted many educational activities together with academic units. In cooperation with VilniusTech, EMP Recycling donated used equipment and prepared a challenge for students, the aim of which was to create an innovative project from electronic waste. After two weeks of generating ideas, students created their prototypes, from a hologram or bicycle accessory to a solution that reduces the feeling of loneliness. At the same time, students of Kaunas University of Technology and ECIU University worked on solutions that could raise awareness of residents and companies regarding the production and proper disposal of small electronics. In addition, the company has been cooperating with students of the Museum of Energy and Technology since 2021, donating unused electronic devices that are given a second life by becoming innovative solutions. At the end of the year, EMP Recycling together with "Litexpo" and "Švenčių studija" created an unusual Christmas tree that was 8 meters high and made of electronic waste and household appliances. The aim of this project was to educate about the circular economy and the possibilities of using waste electronics.

Representatives of the Group companies take part in industry events, promoting the circular economy and presenting how Elemental processes waste and recovers strategic raw materials. Among other things, in 2023, representatives of EMP Recycling participated in the Sustainable Future event organized by Litexpo. A representative of Elemental Strategic Metals had a presentation on the scope of activities of the emerging lithium-ion battery recycling plant during the Storage Summit Europe 2023 conference, which covers the topic of innovative energy storage technologies. During the presentation, he also emphasized the role of renewable energy sources designed within the plant (photovoltaic farm) and energy storage facilities.



In July 2023, Terra Recycling started a WEEE waste collection campaign. As part of the pilot project, in Grodzisk Mazowiecki and the surrounding area, it placed over twenty containers intended for the collection of small electronics, e.g. old laptops, phones, mixers, toasters, and other small appliances. The containers are equipped with a self-closing flap that allows convenient and safe use. The containers are designed to store electronic waste. Each piece of equipment placed in the container is safely dismantled, recovered, and then recycled. The program will be continued and developed with new educational aspects.

In accordance with the objectives of the Environmental Management Strategy in 2023, work was carried out on the recycling knowledge center in Grodzisk Mazowiecki. The launch of an interactive exhibition, which will be available to everyone, is planned for the second half of 2024.



**SOCIAL IMPACT
AND HUMAN
RIGHTS**



HR Management Strategy in the Elemental Group

The Elemental Group can develop stably thanks to the people who create its structures. In order to support employees and collaborators in the best possible way, the following documents have been adopted throughout the Group:

- Human Resources Management Strategy,
- Human Resources Management Policy,
- Anti-mobbing Policy.

Together, they create a management system for this area, providing appropriate tools to build a safe and engaging work environment. The goal is to stabilize staff, attract and retain talents, and increase the level of employee commitment and satisfaction.

As an international organization, Elemental is particularly aware of the importance of building teams based on respect and diversity. The overriding principle is absolute respect for human rights, which is manifested, among other things, by:

- prohibition to employ children under 15 years of age and use forced labor. It is permissible to employ minors, i.e. people between 15 and 18 years of age, in circumstances and under conditions specified by national regulations (e.g. for vocational training);
- prohibition of discrimination;
- counteracting workplace mobbing;
- dialogue, freedom of association, and the right to collective negotiations.

The Group has adopted the Anti-mobbing Policy, which establishes a uniform standard of conduct and response in the event of undesirable behaviors such as discrimination, mobbing, and harassment, as well as the prevention of such behaviors. In order to protect people reporting mobbing or other irregularities, a whistleblowing procedure has been implemented, ensuring the possibility of anonymously reporting violations (both in the form of reports to be placed in alert boxes and submitted electronically, by completing, inter alia, an anonymous form on the website). All reports are sent in accordance with the procedure to the Ethics Officer operating at the level of the parent company. In 2023, one report was recorded, which after an investigation turned out to be unjustified.

During the reporting period, also educational activities were continued – anti-mobbing training was held for management staff.



Elemental Team

The Elemental Group consists of nearly 1,300 people employed and cooperating with companies operating in Europe, Asia and North America.

In this Report, we present employment as of 31 December 2023, unlike the report for 2022, where it was presented on an average annual basis. Additionally, a distinction is made between employment on the basis of an employment contract and collaborators cooperating with the Elemental Group on other than employment basis.

People employed in the Elemental Group work in different regions of the world and have different skills and qualifications. The companies constituting the Group are either micro, small or medium-sized entities, taking into account the employment size criterion in accordance with the Corporate Sustainability Reporting Directive (CSRD) (employing up to 250 people).

**Employment in the Elemental Group as of 31 December 2023
(head count)**

Position	2023		
	Women	Men	Total
Director	9	26	35
under 30	1	0	1
30-50	5	20	25
over 50	3	6	9
Manager	23	87	110
under 30	2	4	6
30-50	14	46	60
over 50	7	37	44
Coordinator	10	23	33
under 30	1	0	1
30-50	7	9	16
over 50	2	14	16
Senior specialist	24	139	163
under 30	0	14	14
30-50	17	76	93
over 50	7	49	56
Specialist	112	328	440
under 30	20	72	92
30-50	65	176	241
over 50	27	80	107
Junior specialist	36	140	176
under 30	8	27	35
30-50	17	59	76
over 50	11	54	65
Assistant	45	197	242
under 30	5	25	30
30-50	15	49	64
over 50	25	123	148
Total	259	940	1199
under 30	37	142	179
30-50	140	435	575
over 50	82	363	445

**Employment in the Elemental Group as of 31 December 2023
(full-time employee)**

Position	2023		
	Women	Men	Total
Director	9	20	29
under 30	1	0	1
30-50	5	14	19
over 50	3	6	9
Manager	23	86	109
under 30	2	4	6
30-50	14	46	59
over 50	7	37	44
Coordinator	10	23	32
under 30	1	0	1
30-50	7	9	16
over 50	2	14	16
Senior specialist	24	138	162
under 30	0	14	14
30-50	17	75	92
over 50	7	49	56
Specialist	111	325	436
under 30	20	72	92
30-50	65	173	238
over 50	27	80	107
Junior specialist	36	140	175
under 30	8	27	35
30-50	17	59	76
over 50	11	54	65
Assistant	45	199	245
under 30	5	26	31
30-50	15	50	65
over 50	25	124	149
Total	257	930	1187
under 30	37	143	179
30-50	139	425	564
over 50	82	362	444

Number of non-employees cooperating with the Elemental Group as of 31 December 2023 (head count)

Type of cooperation	2023		
	Women	Men	Total
Other contract (including B2B)	12	66	78
under 30	1	7	8
30-50	9	45	54
over 50	2	14	16
Commission/work order contract	9	13	22
under 30	2	1	3
30-50	5	6	11
over 50	2	6	8
Total	21	79	100
under 30	31	8	11
30-50	14	51	65
over 50	4	20	24

Employment in the Elemental Group as of 31 December 2023, broken down by region of employment (head count)

Region	2023		
	Women	Men	Total
EU	173	592	765
under 30	28	97	125
30-50	119	321	440
over 50	26	174	200
Asia	2	10	12
under 30	2	8	10
30-50	0	2	2
over 50	0	0	0
USA	71	269	340
under 30	1	20	21
30-50	16	74	90
over 50	54	175	229
Middle East	13	69	82
under 30	6	17	23
30-50	5	38	43
over 50	2	14	16
Total	259	940	1199
under 30	37	142	179
30-50	140	435	575
over 50	82	363	445



Body

Employment in the Elemental Group as of 31 December 2023, broken down by work sector (head count)

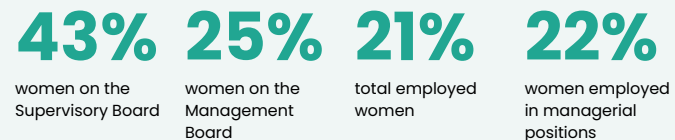
Area	2023		
	Women	Men	Total
Office	194	178	372
under 30	29	13	42
30–50	108	106	214
over 50	57	59	116
Transport/logistics	1	116	117
under 30	0	7	7
30–50	1	70	71
over 50	0	39	39
Production	64	646	710
under 30	8	122	130
30–50	31	259	290
over 50	25	265	290
Total	259	940	1199
under 30	37	142	179
30–50	140	435	575
over 50	82	363	445

Turnover data is not presented for 2023. In 2024, internal work is being carried out on a more accurate employment data system throughout the Group at the central level.

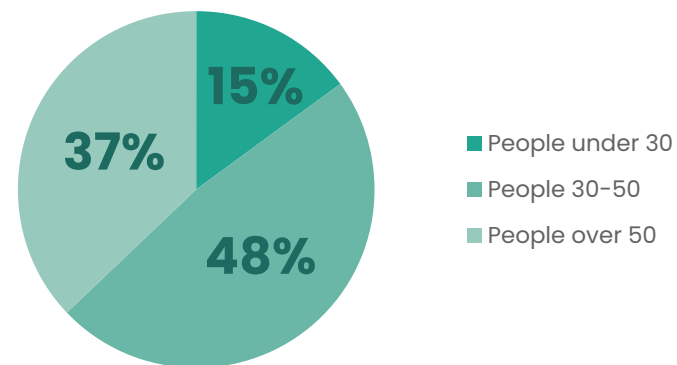


A Friendly and Diverse Workplace

Women in the Elemental Group



Division of the Elemental Group employees by age



Diversity and Equality

The Elemental Group appreciates the potential and impact of diversity on the development of the organization. We promote and implement the principle of equality on a daily basis, which is intended to counteract any form of discrimination, whether due to age, gender, origin or other criteria. At all stages of cooperation, objective criteria regarding skills, knowledge and qualifications are taken into account. Given the industry and type of business, the vast majority of the Group's employees are men..



In order to ensure equal opportunities and equal treatment, the companies of the Group undertake such actions as:

- introducing an orderly organizational structure that defines in a standardized way the type and hierarchy of positions, requirements for people employed in a given position, and defines the remuneration range for a given position, a system of salary allowances and bonuses;
- guaranteeing that job requirements do not refer to features that could violate the principle of equality;
- guaranteeing that in the recruitment or promotion process it is prohibited to impose requirements considered discriminatory, in particular making employment or promotion dependent on age, gender, marital status, etc.

In the Elemental Group, differences in remuneration amounts result from the specific nature of work in individual positions in individual companies. Taking into account the complexity of the Group and the diversity of the companies that constitute it, a process of analyzing remuneration policies in individual organizations will be carried out. It was not carried out in 2023.

Ratio of average annual total remuneration of women to men by employment category

Position	
Director	48.3%
Manager	31.3%
Coordinator	42.2%
Senior specialist	20.5%
Specialist	5.0%
Junior specialist	-79.4%
Assistant	-35.8%
Total	4.7%

Significant operational changes are implemented in the Organization no earlier than within at least fourteen days from the date of informing people about the change. Where local regulations require longer deadlines, statutory deadlines apply.

In 2023, employee association was officially regulated in ten Group companies. Four companies in the Group have collective labor agreements covering all employees of these entities. Works councils were established in two companies. In 2023, the Regulations for the Election of Works Councils were adopted in nine companies.

In 2023, satisfaction surveys of support area employees in Polish companies and a survey in a Lithuanian company were carried out. Their results were used to develop actions that are intended to respond to the needs of employees..



Benefits and Work Life Balance

The Group promotes the idea of work life balance among its employees. This is reflected, among other things, in the possibility of remote work in positions where it is possible to perform one's duties in this form. The Organization also has rules enabling employees to take parental leaves (both mothers and fathers) and child-care leaves in accordance with applicable national regulations. In the case of countries where local regulations do not provide for child-care leaves, Group companies offer it as a benefit. In 2023, the total number of women who took maternity or parental leave was 16. 9 men took this form of leave. Most employees returned to work after their parental leave.

The Group offers its employees various types of benefits:

- life insurance
- accident insurance
- invalidity and disability insurance
- private medical care
- Christmas vouchers
- gym memberships
- employee meals
- additional days off

Benefits are available to all employees of a given company, regardless of their working time basis. The types of benefits may vary between companies.

In companies where this is not governed by national regulations, the benefits granted to employees include: pension reserve, health insurance, and child-care leave..



Total number of training hours in 2023 by employment category and gender

	Director	Manager	Coordinator	Senior specialist	Specialist	Junior specialist	Assistant
Woman	218.9	307	533.9	101.5	899.35	81.4	120.4
Man	302.65	362.6	205.1	423.2	1472.65	320.4	851.8
Total	521.55	669.6	739	524.7	2372	401.8	972.2

Training and Development

The Elemental Group creates an organization in which continuous development and improvement are the values. The dynamics of ongoing changes require the company to constantly deepen and expand the base of skills, experience and knowledge of employees who make up its intellectual and social capital.

Training offered to employees is tailored to their needs and development plan. During the reporting period, they included, for example:

- foreign language courses
- transport and forwarding, including safety
- trade negotiations
- accounting
- environmental protection
- people management
- counteracting workplace mobbing
- information security
- professional qualifications

In 2023, the total **number of training hours** was **6,200.85**.

The average number of hours **per woman** working in the organization is **8.74**, while **per man** it is **4.19**.



Occupational Health and Safety

Occupational health and safety management is extremely important at the Elemental Group. Due to the specific nature of the sector it operates in, ensuring safety at work is the Group's key responsibility.

In 2023, the Occupational Health and Safety Management Procedure was established and adopted, which constitutes the superior, unified standard for managing this area in all operating companies of the Group. All employees and collaborators of the Group are familiarized with and obliged to apply the health and safety regulations and principles arising from the Procedure. This also applies to suppliers performing work on the premises of the Group companies.

The purpose of the adopted solutions is to exercise the greatest care and pay attention to the safety and health of employees and collaborators. Occupational health and safety management is an element of the comprehensive socio-environmental management system at Elemental and is based on applicable external regulations and best practices. Individual companies may adopt additional internal regulations, consistent with the Procedure, which enable the best possible implementation of the rules.

Eight companies from the Group are ISO 45001 certified:

- Colt Recycling
- Colt Recycling Southeast
- Elemental Geri Dönüşüm
- EMP Recycling
- Syntom Metal Recycling
- Terra Recycling
- Tesla Electrorecycling
- Tesla Recycling

In 2023, one of the companies successfully passed the planned recertification audit. Subsequent audits in other companies will be carried out in accordance with the adopted audit plans. The occupational health and safety management system compliant with the requirements of the PN-ISO 45001 standard is based on a process approach. This means that in each Group company it is necessary to plan, implement and maintain management processes that are specified in the requirements for this system and necessary to implement the activities planned as part of the system.

Companies in the Group undergo regular health and safety inspections and audits depending on the legal system in which they operate and other regulations to which they are subject. Companies have appointed people who are responsible for improving the occupational health and safety management system. Group companies report important information to the Sustainable Development Department, including: data on accident rates, inspections and audit results, corrective and preventive actions taken, updated risk analyzes, and educational activities undertaken. The Sustainable Development Department supervises the implementation of the occupational health and safety management system.



Hazard Identification, Risk Assessment and Incident Investigation

Group companies regularly identify hazards and assess risks. They take into account hazards related to inappropriate behavior of employees and collaborators, related to the working environment, infrastructure, and workplace equipment, as well as environmental and fire hazards. Respective risks are assessed, which allows for the adoption of relevant tools and measures to optimally manage them. Every year, activities undertaken in the area of occupational health and safety are assessed. The Group also carries out job risk assessment.

Full health and safety records, including: results of assessments and audits, records of accidents, occupational diseases, and any other issues related to the area of occupational health and safety, are properly stored and archived. They confirm compliance with the standards adopted as part of the occupational health and safety management system and are the basis for the evaluation and implementation of corrective actions.

The key role in implementing safety measures is played by the managers of plants belonging to the Group companies, who are responsible for the top work standards of both their own employees and suppliers who perform work on the companies' premises on a daily basis. The Group companies also ensure active participation of employee representatives in consultations in the area of occupational health and safety. In particular, the obligation to consult applies to aspects of occupational risk assessment for all jobs. Employees are invited to share knowledge, experiences and observations. Engagement of employees is aimed at making them aware of the importance of critical analysis of their own behavior, avoiding routine, and sensitizing them to the need to report hazards and any irregularities noticed. Occupational health and safety meetings are also held at the Group's plants. Depending on the adopted plan, these may be meetings of employees with representatives of the Occupational Health and Safety Staff, meetings of the management staff, or meetings of the Occupational Health and Safety Staff with the Management Board of a given company.

Fire Protection and Medical Rescue Services

Issues related to fire protection in plants run by the Group companies deserve special attention. Fires and explosions resulting from the ignition of flammable materials or gases can result in injury or death to employees, as well as property damage.

In plants, areas are identified where there may be a risk of fire or explosion (storage areas for refrigerants recovered from refrigerators, gas cylinder storage areas, immediate surroundings of ball mills).

Prevention and control strategies adopted by companies may vary depending on the sector of activity. In all Group companies, these areas are identified and marked, and employees are informed about the hazards existing in given areas and the specific safety requirements that apply to these areas.



Preparation for Emergency Situations

The vast majority of the Group's companies have rescue teams composed of permanent employees trained in organizing evacuations, using hand-held fire-fighting equipment, and providing first aid. The number of people trained in this area varies depending on the country and also depends on the number of people employed in the Company. Additionally, some companies have developed documents related to responding to dangerous situations, including fires, explosions and other local hazards. All activities in the occupational health and safety management system are aimed primarily at pro-active hazard prevention. This means that each hazard is identified and the associated risk is properly mitigated before its adverse effects occur.

Communication and Training in the Field of OHS

The Management Board of each Group Company is obliged to present and familiarize all employees and collaborators with the provisions of the Occupational Health and Safety Management Procedure, including the Occupational Health and Safety Policy, in a language they understand and in an accessible form. Provisions of these documents are promoted through educational and training activities, enabling proper understanding and practical examples. Companies are also obliged to ensure that suppliers cooperating with the Organization apply standards consistent with the Occupational Health and Safety Policy by defining relevant tender criteria, contractual provisions, and audits.

There are proper OHS and fire protection markings on the premises of the plants, which ensure the safety of employees, collaborators and guests. Such markings include information and warning boards, markings of evacuation routes, fire extinguishers, etc. Each person entering the premises is obliged to comply with the OHS rules and use personal protective equipment.

The Group conducts training in the field of occupational health and safety and fire protection, as well as training to improve qualifications of staff in the field of first aid. Simulations of dangerous situations and breakdowns are also organized, as well as exercises with local professional fire protection units at the plants.

Each employed person, regardless of the position and form of employment, undergoes pre-employment general training and on-the-job training in the field of occupational health and safety. Periodic training is also conducted. People working in the plants take part in OHS training devoted to specific hazards defined in the job risk assessment. This is necessary to provide them with full knowledge of the risks associated with respective tasks or process elements.



Preventing and Mitigating the Effects on Occupational Safety and Health Directly Related to Business Relationships

The Group companies, especially in investment processes, ensure through relevant contractual provisions, as well as by monitoring their correct performance, that construction service providers, as well as their subcontractors, have been properly trained in the field of occupational health and safety before starting work. Companies employ contractors who have the technical capacity to manage occupational health and safety issues of their employees by providing them with required individual and collective protective equipment and proper equipment at work stations.

Work-Related Accidents and Injuries

The Group's priority is to prevent accidents. For this purpose, many preventive actions are taken. However, if such as an accident, injury or a near-miss occurs, it is recorded and followed by investigation, corrective and other actions, carried out in accordance with internal rules and regulations.

All Companies must keep records of accidents, injuries and other OHS hazards, taking into account local legal requirements applicable in this regard.

In 2023, no fatal or collective accident was recorded in any of the Group companies. There were mechanical injuries (fractures, sprains, contusions, cuts).

In 2023, no cases of occupational diseases in the Group were identified.

Accident rate in the Elemental Group



* the average annual number of man-hours per employee in the company is approximately 2,000 man-hours

All plants and facilities managed by the Companies are obliged to provide a safe working environment, required protective equipment, as well as proper quality of hygiene facilities adapted to needs of the staff.

Employees are covered by preventive health care. One of the preferred benefits offered to employees are medical packages, especially in countries where access to state medical care is limited. Companies are obliged to take actions to promote a healthy lifestyle among their staff, including physical activity and regular preventive examinations.



Social Engagement

Priority areas of social involvement: environmental education, promoting sports and a healthy lifestyle and support for local communities.

Sponsoring and Charity Activities

The Elemental Group has been promoting activities for environmental protection and a healthy lifestyle for years. Therefore the strategy of supporting and promoting triathlon has been carried out for years. Elemental has been a partner of the Polish Triathlon Association for 10 years and the company's CEO, Paweł Jarski, is also the president of the Association. The group is also a sponsor of triathlete Robert Wilkowiecki, who in November 2023 made it to the 2024 Ironman World Championships.

The Elemental Group has also been the title sponsor of the Elemental Triathlon Olsztyn since 2013, and since 2015 it has supported the Elemental Tri Series triathlon competition. Another edition of these sports events took place in 2023. World-class participants raced over super sprint, sprint and Olympic distances. The competition is a good opportunity to promote exercise among both amateurs and children,



for whom numerous competitions were also planned. One of the distances: ecoSUPERSPRINT (0.4 km swimming – 10 km cycling – 2.5 km running), through its name and nature, was aimed at promoting ecological ideas and increasing the level of awareness in the field of environmental protection. At the finish line, each competitor received a gift in the form of a tree seedling. The competition in Olsztyn was also accompanied by #EKOAKCJA, i.e. collection of old, broken or used small electronics and household appliances.

Since 2023, the Elemental Group has also been a sponsor of the Ukrainian Triathlon Federation. The tripartite sponsorship agreement with PZTri and UFT will provide financing for Ukrainian athletes' trips to triathlon competitions, as well as support in their preparations for the 2024 Olympic Games in Paris. Elemental thus contributes to the implementation of the Olympic ideas, which have always promoted peace and international cooperation, exerting a positive social impact.

In addition to sports sponsorship, Elemental is also involved in social projects in the regions where it operates. Every year, employees of Polish companies take part in the Szlachetna Paczka campaign, supporting the poorest. Traditionally, families from the cities where the companies operate are supported. In 2023, aid was provided to families from Grodzisk Mazowiecki, Bydgoszcz, Tomaszów Mazowiecki and Zawiercie.

Terra Recycling supports the charity campaign "Eco-collection for Boguś". The project includes the collection of electronic waste and scrap waste. The collected waste is converted into funds that are credited to Boguś' sub-accounts for further therapy.

Elemental Strategic Metals, the company carrying out the investment project in the Zawiercie commune, donated funds to the local music school for the purchase of musical instruments.

The Elemental Group, together with the Cultural Center of the Grodzisk Mazowiecki Commune and the Mediateka center, took patronage over the performance "Creation of Cubism - the story of Pablo Picasso in etudes" prepared by the Workshop Theater Group ATM ARTIST. The event was prepared in connection with the celebration of the Year of Picasso and one of the artists performing on stage was a collaborator of the Elemental Group. The performance was free and aimed at promoting culture among inhabitants of Grodzisk Mazowiecki and the surrounding area.

The Lithuanian company EMP Recycling supported several social projects in 2023. Among other things, as in 2022, it donated funds for the operation of an emotional support hotline.

To ensure that activities undertaken in the area of sponsorship and charity are consistent and build value for beneficiaries, the Elemental Group has adopted priority areas - promoting sports and a healthy lifestyle, environmental education and support for local communities. Additionally, the Communication Department maintains a Register of Donations and Sponsorships, which is a record of all such initiatives undertaken in the Group, being therefore an effective tool for monitoring activities in companies and preventing corruption.



Gri Content Index

The Elemental Capital Group prepared the report for the period 01 January 2023 – 31 December 2023 in accordance with the GRI Standards 2021 (GRI 1: Foundation 2021). No sector supplement was used as it was relevant to the Group’s activities.

Index number	Title of the standard	Name of the index	Place in the report	Comment
General disclosures				
The organization and its reporting practices				
2-1	GRI 2: General Disclosures 2021	Organizational details	Elemental Group in 2023 About the Report Corporate Governance	
2-2		Entities included in the organization’s sustainability reporting	About the Report	
2-3		Reporting period, frequency and contact point	About the Report	
2-4		Restatements of information	About the Report	
2-5		External assurance	About the Report	
Activities and workers				
2-6	GRI 2: General Disclosures 2021	Activities, value chain and other business relationships	Business model and development strategy	
2-7		Employees	Elemental Team	
2-8		Workers who are not employees	Elemental Team	

Index number	Title of the standard	Name of the index	Place in the report	Comment
Governance				
2-9	GRI 2: General Disclosures 2021	Governance structure and composition	Corporate Governance	
2-10		Nomination and selection of the highest governance body	Corporate Governance	
2-11		Chair of the highest governance body	Corporate Governance	
2-12		Role of the highest governance body in overseeing the management of impacts	Corporate Governance	
2-13		Delegation of responsibility for managing impacts	Corporate Governance ESG Strategy and Social and Environmental Impact Management System	
2-14		Role of the highest governance body in sustainability reporting	About the Report Corporate Governance ESG Strategy and Social and Environmental Impact Management System	
2-15		Conflicts of interest	Corporate Governance	
2-16		Communication of critical concerns	Corporate Governance ESG Strategy and Social and Environmental Impact Management System	
2-17		Collective knowledge of the highest governance body	Corporate Governance	
2-18		Evaluation of the performance of the highest governance body	Corporate Governance	
2-19		Remuneration policies	A Friendly and Diverse Workplace	
2-20		Process to determine remuneration	A Friendly and Diverse Workplace	

Index number	Title of the standard	Name of the index	Place in the report	Comment
2-21	GRI 2: General Disclosures 2021	Annual total compensation ratio		Given the Group's global reach, this index is not an adequate measure of the equality of remuneration frameworks. Additionally, current data processing processes do not enable accurate tracking of such indices at the central level.
Strategy, policies and practices				
2-22	GRI 2: General Disclosures 2021	Statement on sustainable development strategy	Letter from the President of the Management Board	
2-23		Policy commitments	Letter from the President of the Management Board	
2-24		Embedding policy commitments	Corporate Governance ESG Strategy and Social and Environmental Impact Management System	
2-25		Processes to remediate negative impacts	Corporate Governance ESG Strategy and Social and Environmental Impact Management System	
2-26		Mechanisms for seeking advice and raising concerns	Corporate Governance ESG Strategy and Social and Environmental Impact Management System	
2-27		Compliance with laws and regulations	Corporate Governance ESG Strategy and Social and Environmental Impact Management System	
2-28		Membership associations	Corporate Governance ESG Strategy and Social and Environmental Impact Management System	
Stakeholder Engagement				
2-29	GRI 2: General Disclosures 2021	Approach to stakeholder engagement	ESG Strategy and Social and Environmental Impact Management System	
2-30		Collective bargaining agreements	A Friendly and Diverse Workplace	

Index number	Title of the standard	Name of the index	Place in the report	Comment
Material topics				
GRI 3-1	GRI 3: Material topics for 2021	Process to determine material topics	About the Report	
GRI 3-2		List of material topics	About the Report	
Environmental topics (E)				
Waste management and circular economy				
GRI 3-3	GRI 3: Material topics for 2021	Management of material topics	Circular Economy, Including Waste Management	
GRI 306-1	GRI 306: Waste 2020	Waste generation and significant waste-related impacts	Circular Economy, Including Waste Management	
GRI 306-2		Management of significant waste-related impacts	Circular Economy, Including Waste Management	
GRI 306-3		Waste generated	Circular Economy, Including Waste Management	
GRI 306-4		Waste diverted from disposal	Circular Economy, Including Waste Management	
GRI 306-5		Waste directed to disposal	Circular Economy, Including Waste Management	
Climate change and CO₂ emissions				
GRI 3-3	GRI 3: Material topics for 2021	Management of material topics	Mitigation and Adaptation to Climate Change	
GRI 305-1	GRI 305: Emissions 2016	Direct (Scope 1) GHG emissions	Mitigation and Adaptation to Climate Change	
GRI 305-2		Energy indirect (Scope 2) GHG emissions	Mitigation and Adaptation to Climate Change	
GRI 305-4		GHG emissions intensity	Mitigation and Adaptation to Climate Change	
GRI 305-5		Reduction of GHG emissions	Mitigation and Adaptation to Climate Change	
GRI 304-1	GRI 304: Biodiversity 2016	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Mitigation and Adaptation to Climate Change	

Index number	Title of the standard	Name of the index	Place in the report	Comment
Energy efficiency				
GRI 3-3	GRI 3: Material topics for 2021	Management of material topics	Mitigation and Adaptation to Climate Change	
GRI 302-1	GRI 302: Energy 2016	Energy consumption within the organization	Mitigation and Adaptation to Climate Change	
GRI 302-4		Reduction of energy consumption	Mitigation and Adaptation to Climate Change	
Water resources management				
GRI 3-3	GRI 3: Material topics for 2021	Management of material topics	Water Management	
GRI 303-1	GRI 303 Water and Effluents 2018	Interactions with water as a shared resource	Water Management	
GRI 303-3		Water withdrawal	Water Management	
Pollution prevention				
GRI 3-3	GRI 3: Material topics for 2021	Management of material topics	Circular Economy, Including Waste Management	
Social topics (S)				
Occupational Health and Safety				
GRI 3-3	GRI 3: Material topics for 2021	Management of material topics	Occupational Health and Safety	
403-1	GRI 403: Occupational Health and Safety 2018	Occupational health and safety management system	Occupational Health and Safety	
403-2		Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	
403-3		Occupational health services	Occupational Health and Safety	
403-4		Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	
403-5		Worker training on occupational health and safety	Occupational Health and Safety	
403-6		Promotion of worker health	Occupational Health and Safety	

Index number	Title of the standard	Name of the index	Place in the report	Comment
403-7	GRI 403: Occupational Health and Safety 2018	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	
403-8		Workers covered by an occupational health and safety management system	Occupational Health and Safety	
403-9		Work-related injuries	Occupational Health and Safety	Accident data is aggregated. It will be possible to present more detailed data once the reporting process is unified across the Group.
403-10		Work-related ill health	Occupational Health and Safety	
Training and education				
GRI 3-3	GRI 3: Material topics for 2021	Management of material topics	Training and Development	
GRI 404-1	GRI 404: Training and Education 2016	Average hours of training per year per employee	Training and Development	
Equal opportunities and working conditions				
GRI 3-3	GRI 3: Material topics for 2021	Management of material topics	HR Management Strategy in the Elemental Group A Friendly and Diverse Workplace	
GRI 401-2	GRI 401: Employment 2016	Benefits provided to full-time employees that are not provided to temporary or part-time employees	A Friendly and Diverse Workplace	
GRI 401-3		Parental leave	A Friendly and Diverse Workplace	Index partially reported.
GRI 405-1	GRI 405: Diversity and equal opportunities 2016	Diversity of governance bodies and employees	Corporate Governance Elemental Team A Friendly and Diverse Workplace	
GRI 405-2		Ratio of basic salary and remuneration of women to men	A Friendly and Diverse Workplace	
Sustainable supply chain				
GRI 3-3	GRI 3: Relevant topics for 2021	Management of material topics	Supply Chain Management	

Index number	Title of the standard	Name of the index	Place in the report	Comment
Engaging stakeholders				
GRI 3-3	GRI 3: Relevant topics for 2021	Management of material topics	ESG Strategy and Social and Environmental Impact Management System	
Local communities				
GRI 3-3	GRI 3: Relevant topics for 2021	Management of material topics	Social Engagement	
GRI 203-1	203: Indirect economic impact 2016	Infrastructure investments and services supported	Education Social Engagement	
GRI 413-1	GRI 413: Local communities 2016	Operations with local community engagement, impact assessments, and development programs	Social Engagement	
Governance topics (G)				
Responsible management (including ESG risk monitoring and management)				
GRI 3-3	GRI 3: Relevant topics for 2021	Management of material topics	Corporate Governance	
Ethics				
GRI 3-3	GRI 3: Relevant topics for 2021	Management of material topics	Corporate Governance	
GRI 406-1	GRI 406: Non-discrimination 2016	Incidents of discrimination and corrective actions taken	HR Management Strategy in the Elemental Group	
Prevention of corruption				
GRI 3-3	GRI 3: Relevant topics for 2021	Management of material topics	Corporate Governance	
GRI 205-2	GRI 205: Anti-corruption 2016	Communication and training about anti-corruption policies and procedures	Corporate Governance	Index partially reported. Current data processing processes do not enable reporting data on training in this area at the central level.
GRI 205-3		Confirmed incidents of corruption and actions taken	Corporate Governance	

This Report was compiled with the participation of many people from all subsidiaries and different departments within the Organization. Thank you for your time and commitment!