



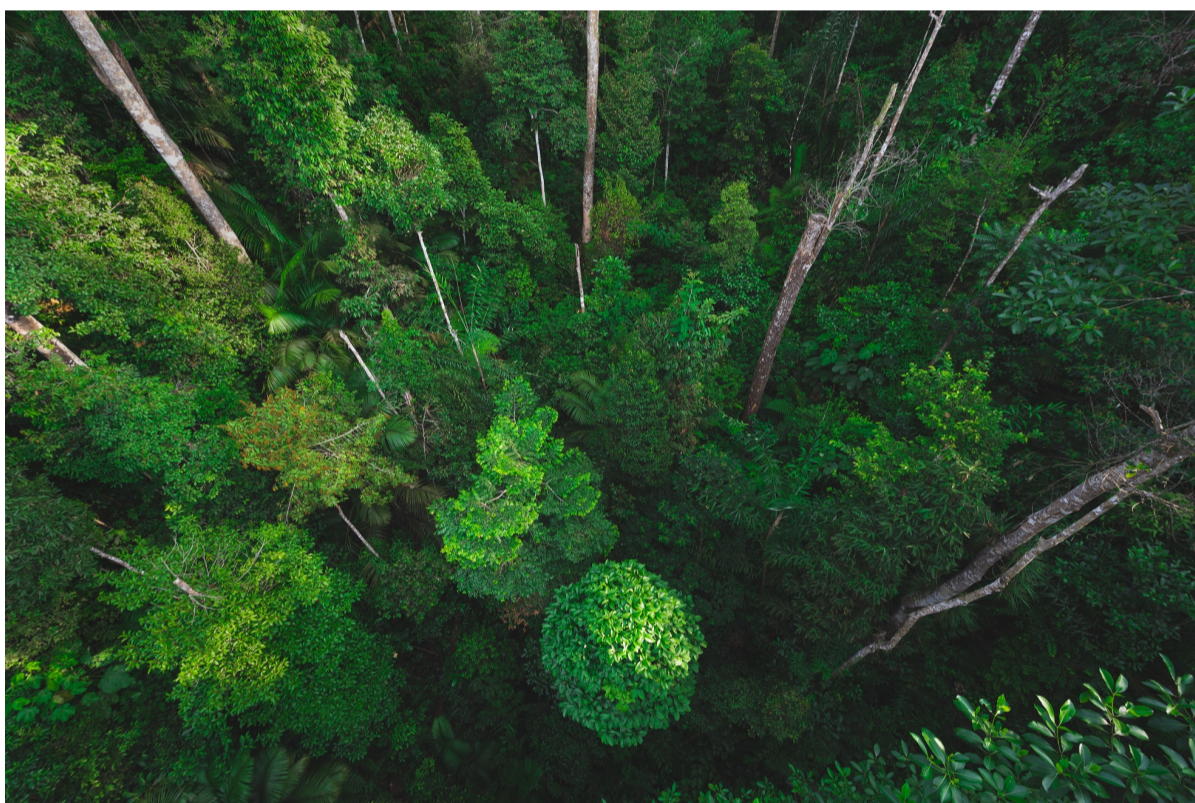
Capitals:

Environmental policy – the Group for the World

The 21st century poses great challenges with regard to environmental protection, natural resources or impact on the climate. The challenges refer to all, however, the broadly understood business or production companies availing of the natural resources should first of all modify their impact, considering the influence on the environment in their decision-making processes.

Responding to the challenges, the Capital Group of Grupa Kęty S.A. implemented common standards and principles of conduct for all the Group companies as regards low emission, effective use of production resources and strive for climate neutrality in the perspective of 2050.

*The prepared **Climate Policy** is an extension of the Environmental Policy binding for a number of years. Within the Policy we have committed to full accountability for the impact on the environment and climate change, undertaking actions and initiatives for environmental protection, also in reference to the entities remaining within the scope of our impact. First of all, we assumed measurable goals to be fulfilled by the year 2025:*



- Reduction by 15% of the value of greenhouse gas emissions per production unit (scope 1 and 2; base year 2016);
- Increase to 75% of the share of aluminium scrap in the products made of soft alloys, extruded from low-emission LOW CARBON KETY billets;
- Growth of the share of the manufactured packaging films and laminates fit for recycling by 5% (base year 2020);
- Growth of the share of products in certified, energy-saving, passive projects by 20% (base year 2020).

The new goals serve the implementation of solutions neutral to the environment, limitation of the carbon footprint of the products, and facilitation of their re-use, as well as increase of recycled materials in the manufacturing processes. Thanks to that, the goals comply with the vision of climate-neutral future presented by the European Commission in its green paper entitled 'A 2030 Framework for Climate and Energy Policies' or the concept of circular economy, in which products should remain in turnover as long as possible.

In order to lend credence to our activities, Grupa Kęty S.A. joined the Aluminium Stewardship Initiative (ASI) in 2020. The global organisation deals with standards setting and certification for sustainable development, and associates the largest producers in the aluminium sector. The organisation concentrates on environmental issues within the whole cycle of aluminium manufacturing and using. Granting the membership required a detailed verification of our company. The goal of Grupa Kęty S.A. is to obtain a certificate for the 'ASI Performance Standard'. The standard defines 59 requirements within three sustainable development pillars – governance, environment and social issues. The standard imposes high requirements not only for production practices but also for the procurement of raw materials and product management. Owing to the fact that sustainable development is a key element of the strategy of Grupa Kęty S.A., the certification in accordance with the latest sector standards will be another stage for the objective achievement.

Environmental aspects management



In this Report, the total of 17 environmental indicators under the GRI standard have been presented, including those which represent measures of the Group Strategy goals by the year 2025. The process of defining the reporting areas comprised the prioritisation of environmental aspects identified within the framework of the management system based on the ISO 14001:2015 standard implemented at the Capital Group companies. The system covers all elements of the company activities which may affect environment. The analysis of the importance of a given aspect to stakeholders and of its environmental impact was the basis for priority assignment. In 2020, we focused on the issues related to climate change. The calculation of carbon footprint and the intensity of greenhouse gas emission contributed to a change in approach and extension of the reporting scope for the 305-2, 305-3, and 305-4

indicators, i.e. consideration of emission in scope 2 and calculation of the intensity of greenhouse gas emission per product, within scope 3.

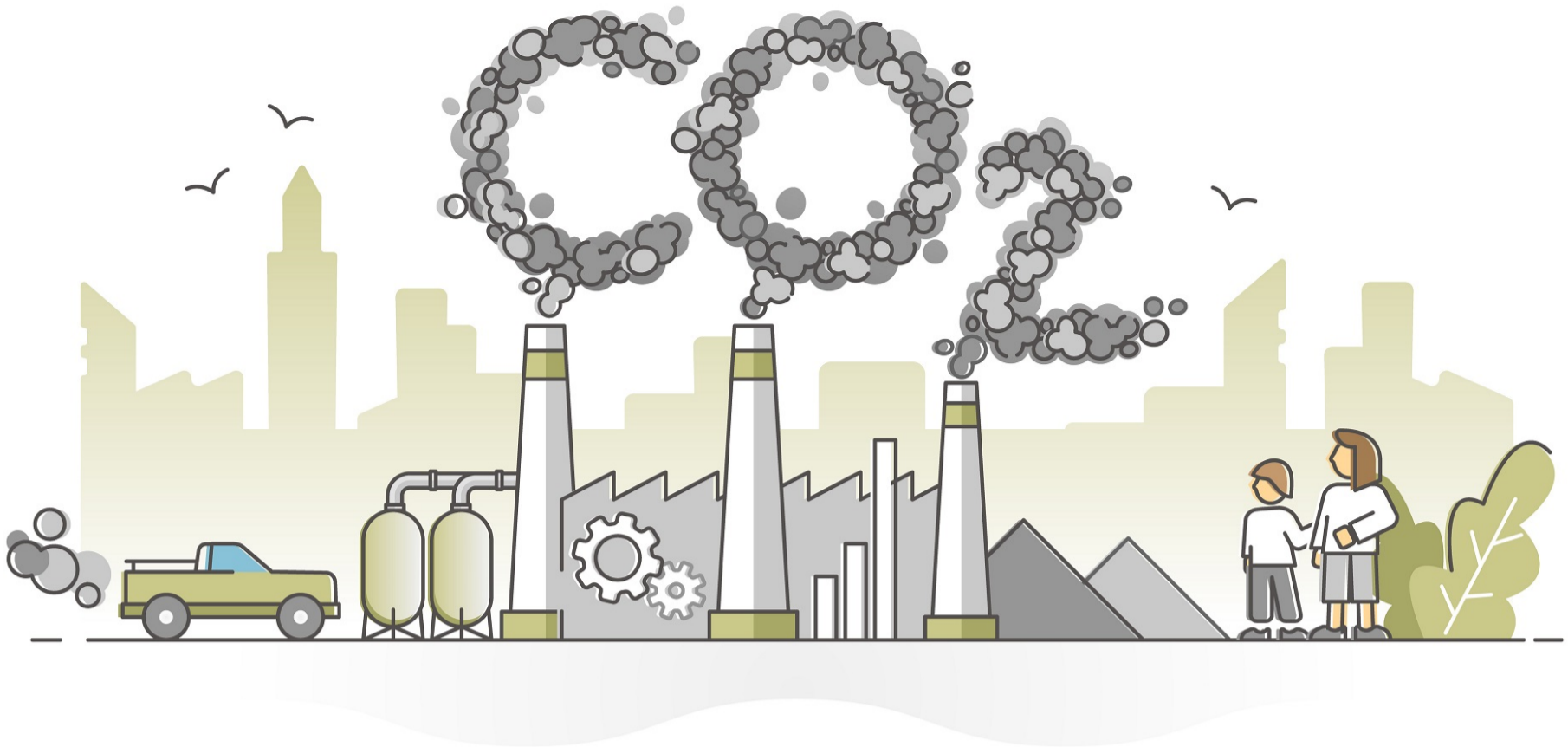
We are aware that we impact the environment but operate such as to limit the impact to the minimum.

Carbon footprint and the intensity of greenhouse gas emission (scope 1 and 2)

Grupa Kęty decided to calculate and reduce carbon footprint also in reference to indirect emissions related to the energy consumed (scope 2). The emissions are generated outside of the Group companies and refer to the stage of production of the electric and thermal energy purchased by the companies. As regards the 305-2 indicator, total direct and indirect emissions were taken into account (scope 1 and 2). The 305-4 indicator reflects the intensity of emission by way of reference to production.

The total carbon footprint of the Capital Group in 2020 amounted to 190,100 tons of CO₂e, including the emissions of Grupa Kęty S.A. of 82,300 tons of CO₂e. Direct emissions represented approximately 20% of that value. The average carbon footprint for the Group converted into a ton of production amounted to 0.65 Mg of CO₂e/Mg. The carbon footprint of extruded and drawn products in that regard is 0.74 Mg of CO₂e/Mg. The carbon footprint of the manufactured construction systems is lower and amounts to 0.43 Mg of CO₂e/Mg, whereas that of flexible packaging is 0.73 Mg of CO₂e/Mg. The intensity of GHG emissions under scope 1 and 2 has been significantly reduced year over year. This results mainly from the improvement of energy efficiency and removal of obsolete systems. It finally contributed to the reduction of the indicator by over 7% y/y.

Capital Group	Unit	2019	2020
GHG emission (scope 1 and 2)	Mg CO ₂ e	-	190,122
Production	Mg	-	292,273
Carbon footprint per ton of production	Mg CO ₂ e/Mg	-	0.65
of which:			
<i>companies located in Poland</i>			
GHG emission (scope 1 and 2)	Mg CO ₂ e	-	185,990
Production	Mg	-	285,230
Carbon footprint per ton of production	Mg CO ₂ e/Mg	-	0.65
<i>other locations</i>			
GHG emission (scope 1 and 2)	Mg CO ₂ e	-	4,132
Production	Mg	-	7,043
Carbon footprint	Mg CO ₂ e/Mg	-	0.59



Grupa Kęty S.A.	Unit	2019	2020
GHG emission (scope 1 and 2)	Mg CO2e	79,206	82,370
Production	Mg	99507	110790
Carbon footprint per ton of production	Mg CO2e/Mg	0.80	0.74

All detailed indicators may be found in the Management Board Report on the Operations of the Company and the Capital Group

Educational campaigns to promote ecological behaviour

The Capital Group of Grupa Kęty S.A., as a Global Compact signatory, attempts to respect and actively promote 10 principles. Consequently, for many years the Group has been implementing actions under Principle 8.

Undertaking initiatives to promote environmental responsibility'. In 2020, complying with the pandemic limitations, the following projects were performed: 'Let's Clean the Beskids', 'Letters to the Earth' (educational programme for children), 'Bike HELPS' (an ecological voluntary sports initiative), 'Green Hand' (environmental education programme). In all the events Grupa Kęty S.A. has been a partner providing financial support and actively engaging its employees to work for the environment.

Detailed tables and GRI indicators with regard to environmental impact, and specifically our approach to raw materials, water, emissions, energy, and waste management are presented in the [Management Board Report](#) on the Operations of the Company and the Capital Group, pages 46–59.