



KOM-EKO Group ESG Report for the year 2021



Table of contents

Letter from the President of the Management Board	5		
1		4	
About KOM-EKO	6	Business partnership	64
2		5	
Organisational governance	18	Employees	75
3		6	
Environment	30	Communities	91
		About the report	97
		Contact	98



Letter from the President of the Management Board

Ladies and Gentlemen,

I am pleased to present the first ESG report of the Company and the KOM-EKO Group for the year 2021. The KOM-EKO Group consists of 6 companies operating primarily in the Lublin region. It is here, in Lublin, Kraśnik and Świdnik, that we process and treat more than 300 thousand tonnes of waste per year and collect nearly 150 thousand tonnes of waste, providing services to more than a dozen local authorities and several thousand companies. Thanks to the complementary nature of the Group's companies, we can effectively meet our customers' needs and take a leading position in the region.

In terms of waste treatment and management, 2021 was a record year for us. Not only has the volume of waste collected and processed increased, but the increasing efficiency of waste management, targeting the production of alternative fuels and achieving higher levels of recycling and recovery, has allowed us to optimise our revenue-to-cost ratio.

Last year was also very important for us in terms of ESG development within the organisation. We have always taken environmental and social issues into account in our operations and are committed to conducting ethical and transparent business. We have systematised these issues and at the beginning of this year we implemented an ESG strategy that sets out strategic directions and objectives in ESG

areas for the Group. This report fulfils one of the objectives (in terms of management practices).

In the report, we outline our approach to managing ESG topics and describe issues related to building a good and attractive working environment. We know that people are crucial to the Group's success: we aim to have a team of employees who are not only competent, qualified and experienced, but who also identify with the company.

The second key area for us is the efficient operation of Waste Management Plants through the use of modern technology. We place great emphasis on our operational performance and how we impact the environment. We show how we build relationships with our customers and suppliers. We also present educational initiatives in which we are involved and our activities for local communities in Lublin and Kraśnik. We also describe our plans for growth in the coming years.

Our motto is "Together for Tomorrow" – we invite you to read how we are working for the future.

I hope you will find it interesting.

Marcin Benbenek

President of the Management Board of KOM-EKO S.A.

1

About KOM-EKO



1.1

Our business model

We are a waste management company. We specialise in waste collection and management services, summer and winter maintenance and repair of roads and pedestrian routes. We are a leading producer of alternative fuel from waste (RDF) used in the cement industry, where it replaces coal, helping to reduce CO₂ emissions. We offer advice on waste management and environmental protection. We also provide laboratory services, which include a wide range of environmental tests performed in a certified laboratory. At the same time, we carry out educational activities and promote environmental protection and the idea of a circular economy.

We operate mainly in the Lubelskie, Świętokrzyskie and Mazowieckie Provinces, but also in the Podkarpackie Province. We also accept waste from all over the country for processing.

Owning our own installations, plus the synergy between our companies, allows us to be flexible and to implement actions efficiently. **By analysing the legal and market environment, we can decide on new courses of action by:**

- changing the waste stream accepted for treatment;
- changing waste treatment technologies;
- organisational changes in the work of individual group companies; or
- changing the subsequent management of waste generated in the installation.

KOM-EKO Group in numbers in 2021



3,797

customers:



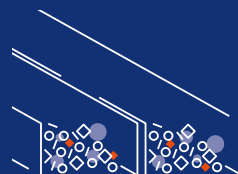
3,783
companies

14
local authorities



2

Waste Management Plants



330,600 t/y

installation capacity of KOM-EKO Waste Management Plant and EKOLAND Polska Waste Management Plant



217,931.69t

of waste collected



197,741.69t

of waste recycled and recovered in Group facilities



87.77%

percentage of waste (out of the total collected by the Group) that was recycled



152

engine units



50,000

bins and containers



51

types of waste treated



78,974 t

of generated alternative fuel from waste (RDF)



572

employees



PLN 300,000

donated for social purposes



PLN 70 million

investment in 2021 alone

Our services



Waste collection

We carry out waste collection in cooperation with local authorities: we collect municipal waste from the residents of the municipalities we serve.

We collect waste from companies.

We collect metals and plastics, paper and cardboard, glass, bio waste and green waste.

We collect waste electrical and electronic equipment.

We dispose of construction and demolition waste.



Municipal waste landfill

Waste remaining from the recovery process is sent to landfill. In 2021, this was only 12.23% of all waste treated.



Summer and winter cleaning services

We take care of the cleanliness of squares and streets. We empty street bins for municipal waste.



Waste treatment

Our facilities include mechanical-biological processing of mixed waste, composting, processing of selectively collected waste and construction materials.

As a result, we recover recyclable materials, create alternative fuel and produce horticultural compost: HUMUKOM.



Landfill site for asbestos waste

We secure and deposit asbestos in dedicated landfills.



Road and paving works

We carry out repairs to asphalt surfaces,

build cycle paths, pave yards and access roads.

We build, modernise and carry out major repairs to roads, pedestrian routes and car parks.

We carry out demolition and earthworks.



Research

We conduct measurements and research harmful and onerous factors at workplaces.

We carry out physico-chemical analyses of water, wastewater, soils and waste.

We measure noise from installations, equipment and industrial plants.

We carry out qualitative analysis of volatile organic compounds by chromatography in samples of unknown composition.

We carry out energy expenditure and occupational risk assessments.



Consultancy and outsourcing

We provide professional consultancy services in the field of expertise, studies and diagnostics of the state of the natural and working environment.

We comprehensively serve B2B customers in the field of environmental protection and occupational safety.

We organise training and seminars.

We advise on waste management within the company.

We offer **collection and transport services for the whole range of municipal and industrial waste, both hazardous and non-hazardous:**

- KOM-EKO S.A. (107 types of waste)
- LAOŚ S.A. (1057 types of waste)
- EKOLAND Sp. z o.o. (905 types of waste)

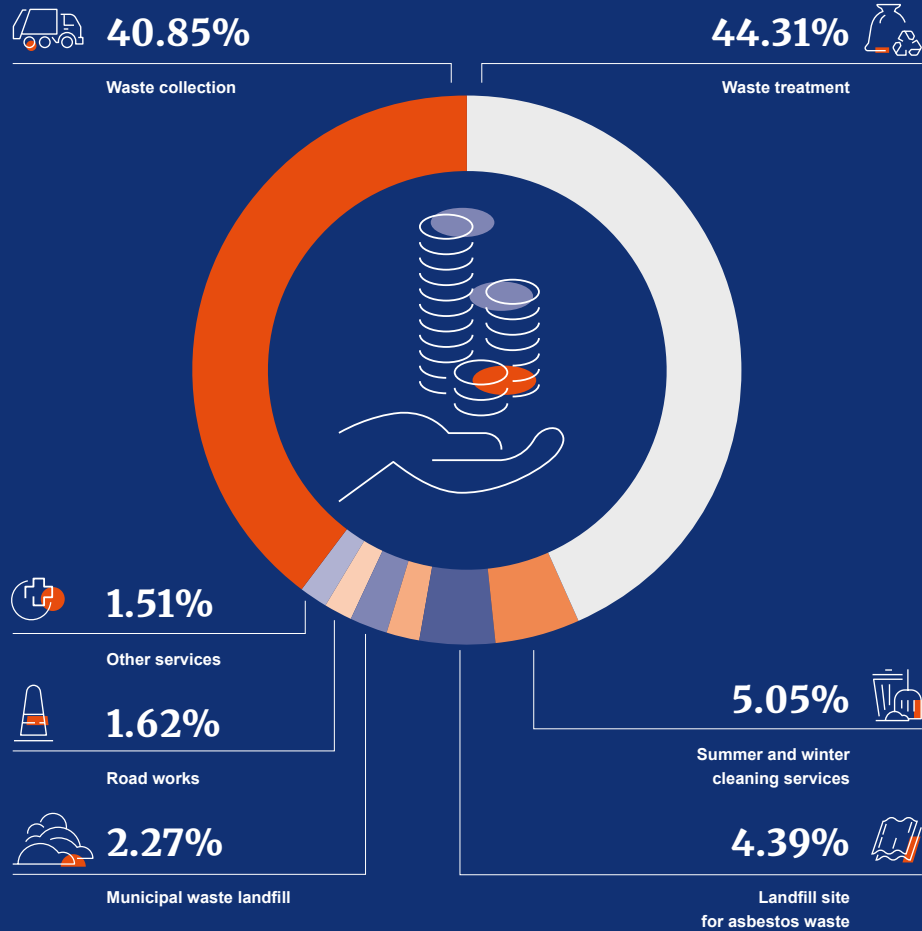
We transport municipal and non-municipal waste:

- KOM-EKO S.A. (244 types of waste)
- LAOŚ S.A. (1057 types of waste)
- EKOLAND Sp. z o.o. and EKOLAND Polska S.A. (905 types of waste)





We process municipal and non-municipal waste:

- KOM-EKO S.A. (51 types of waste),
- EKOLAND Polska S.A. (36 types of waste).

Share of individual business lines in the revenues of the KOM-EKO Group in 2021.



Our priorities in 2021:

-  We started the construction of a Recycling Centre in Lublin by EKOPAK Sp. z o.o.
-  EKO Energia Kraśnik Sp. z o.o. has submitted an application for issuing the scope of the report/ decision on environmental conditions for the project consisting of the construction of a Thermal Conversion Facility for Municipal Waste Energy Fraction in Kraśnik.
-  We expanded our fleet by a further 5 CNG vehicles.
-  We developed our ekoAPP application for waste management and enabled access to additional functions not only for KOM-EKO customers, but also for EKOLAND customers.



Recycling Centre

The Recycling Centre will consist of a waste separation and film waste regranulation facility. The first phase of the project will be delivered in April 2022, the second in 2024. This investment will slowly lead to a higher level of recovery and recycling of selectively collected waste, such as films, plastics, paper, cardboard and metals. The centre, which uses, among other things, the latest technology to separate raw materials from the waste stream, will meet all environmental and social requirements. Read more about the solutions used in the chapter "Business partnerships".





Energy Recovery Facility

The Energy Recovery Facility in Kraśnik, within which the Thermal Fraction Conversion Facility will operate, is a modern investment modelled on Scandinavian facilities. It is in keeping with ecological trends and will directly benefit the residents of Kraśnik. The project, in collaboration with strategic partner Veolia East, is at the stage of obtaining an environmental decision. The Energy Recovery Plant will allow the management of so-called pre-RDF from locally generated municipal waste. With the processing of 23,000 Mg pre-RDF per year (target), 7.5 MW of heat and 1.5 MW of electricity will flow to the inhabitants of Kraśnik.

The Energy Recovery Facility in Kraśnik will allow:

- stabilisation of waste management costs and waste collection rates for residents;
- reducing the cost of waste management for Kraśnik's budget;

- a sustainable solution to the problem of local waste management thanks to a tailor-made installation adapted to the needs of local residents;
- independence from regional and national waste management systems;
- the use of proven and widely-used worldwide, virtually emission-free and environmentally-neutral technology to produce municipal heat;
- the achievement of all national and European waste management targets, especially for recycling and landfill levels.

Uruchomienie Zakładu Odzysku Energii pozwoli na ograniczenie rocznego zużycia węgla o 6 tys. ton.

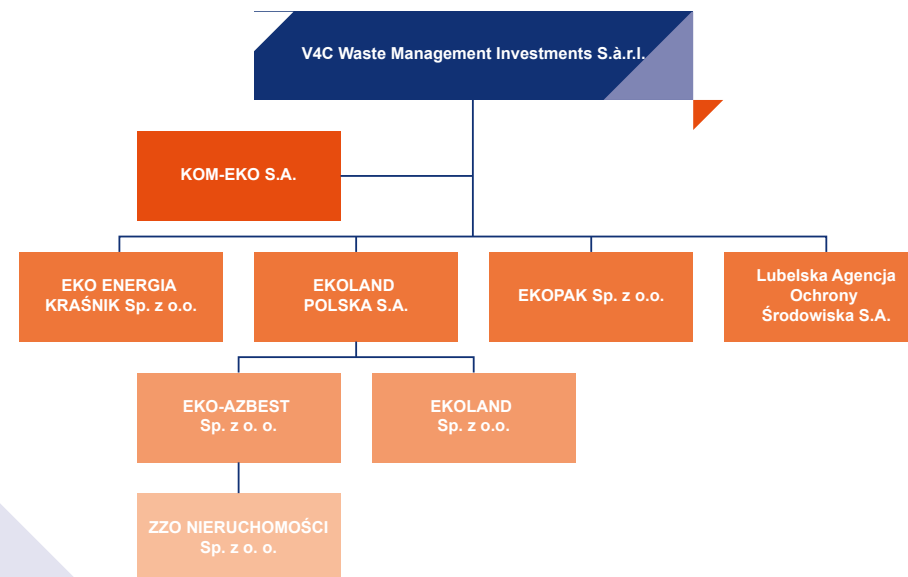
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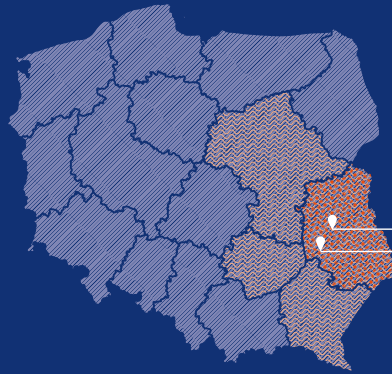
Group structure

KOM-EKO was established in 1994. At that time we carried out sanitation and engineering works, recultivated degraded areas and provided municipal waste disposal services. Social change, manifested in the increase in ecological awareness among citizens, led us in 2002 to extend our services to include waste processing. At that

time we started the construction of the KOM-EKO Waste Management Plant. In 2016, the KOM-EKO Capital Group was established, with KOM-EKO S.A. as the parent company. Since 2018 KOM-EKO has been a part of the Value4Capital Fund (V4C Waste Management Investments S.A.R.L.).

Group structure:





-  EKO-AZBEST
-  LAOŚ
-  KOM-EKO
EKOLAND
EKOLAND Polska
EKOPAK

Areas of activity and territorial coverage of the companies comprising the KOM-EKO Capital Group:

- **KOM-EKO S.A.** operates in the field of municipal waste collection from communes located in the Lubelskie Province and runs a Waste Management Plant accepting waste for processing from all over the country.
- **EKOLAND Polska S.A.** operates a landfill site for non-hazardous waste and a Waste Management Plant.
- **EKOLAND Sp. z o.o. (subsidiary of EKOLAND Polska S.A.)** collects municipal waste from the Lubelskie Province.
- **EKO-AZBEST Sp. z o.o. (subsidiary of EKOLAND Polska S.A.)** operates landfills for asbestos-containing waste for entities supplying asbestos waste from all over Poland.
- **Lubelska Agencja Ochrony Środowiska S.A. (LAOŚ S.A.)** specialises in waste collection and services for cleaning separators and septic tanks. The territorial range of waste and services collected is mainly in the

Lubelskie Province, and to a small extent (approx. 5-8% of the total) in the Podkarpackie, Świętokrzyskie and Mazowieckie Provinces. The company offers research and laboratory services as well as consulting services in providing expert opinions, studies and diagnostics of the condition of the natural and working environment, comprehensive services for companies in the fields of environmental protection and occupational safety, and organises training courses and seminars.

- **EKOPAK Sp. z o.o.** did not conduct operations in 2021. Its activities include an investment process involving the construction of a Recycling Centre.
- **EKO ENERGIA KRAŚNIK Sp. z o.o.** did not conduct operations in 2021. In the years to come, it will be responsible for the construction of the Thermal Conversion Facility for Municipal Waste Energy Fraction in Kraśnik.

1.3

Membership of associations and organisations

Our companies are active members of industry organisations:

- Polish Chamber of Waste Management (KOM-EKO S.A. and EKOLAND Polska S.A.)
- Union of Waste Management Employers (EKOLAND Sp. z o.o.)

We belong to local business organisations and associations, including:

- Lublin Employers' Forum (KOM-EKO S.A.),
- Metallurgical Employers' Union (KOM-EKO S.A., EKOPAK Sp. z o.o.),
- Regional Chamber of Commerce (LAOŚ S.A.),
- Lublin Cluster of Advanced Aviation Technologies (LAOŚ S.A.).

KOM-EKO S.A. is also a member of the Founders' Meeting of the "Foundation for the Development of the Lublin University of Technology based in Lublin". The aim of the foundation is to promote and support the development of the Lublin University of Technology.



2

KOM-EKO

9B

Organisational Governance

2.1

Management

Mission and values

We are a proven, efficient and inspiring waste management partner. Operating according to the principles of a circular economy. We strive to meet our customers' expectations and provide them with a comfortable and clean living environment.

Responsibility towards the environment is the foundation of KOM-EKO's activities. We believe that our daily actions have an impact on the state of the planet and what we leave for future generations. We are guided by the motto "Together for Tomorrow", which commits us to passing on a clean and well-maintained environment to our children and grandchildren, along with well-established environmental

awareness among the residents. We take on this challenge with commitment and passion.

In line with the principles of sustainable development, we offer services that meet high environmental requirements. With our activities, we contribute to reducing waste and pollution and to reducing the consumption of natural resources. We think in a modern way, and build and operate technologically-advanced waste recovery and recycling facilities. At the same time, we respect tradition and feel part of the local community, engaging in its social, economic and cultural life. We provide our employees with opportunities for both personal and professional development.

KOM-EKO S.A. is guided by universal values:



- Integrity
- Professionalism
- Commitment and conscientiousness
- Responsibility
- Respect
- Creativity

Composition of the Management Board of KOM-EKO S.A.

KOM-EKO S.A. is managed by a two-person Management Board:



Marcin Benbenek,
President of the Management Board



Ireneusz Zimoch,
Vice-President of the Management Board

The activities of the KOM-EKO Group companies are carried out on the basis of relevant decisions and permits, including those concerning integrated permits for MBT plants, landfills and waste collection permits. EKO-AZBEST Sp. z o.o. operates on the basis of integrated permits for the landfill of waste containing asbestos.

The environmental laboratory operating within LAOŚ S.A. has been awarded the following ISO certificates:

- Management System Certificate PN-EN ISO 14001:2015-09 – date of issue 19.05.2021;
- Management System Certificate PN-EN ISO 9001:2015-10 – date of issue 19.05.2021;
- Management System Certificate PN-ISO 45001:2018-06 – date of issue 19.05.2021.

The laboratory also holds an Accreditation Certificate for a Testing Laboratory issued by the Polish Centre for Accreditation.



We operate under the following legal regulations:

- Act of 14 December 2012 on Waste (Journal of Laws 2013, item 21);
- Act of 13 September 1996 on Maintaining Cleanliness and Order in Municipalities (Journal of Laws 1996, No. 132, item 622);
- Act of 27 April 2001 on Environmental Protection Law (Journal of Laws 2001 No. 62 item 627);
- Regulation of the Minister of Climate of 11 September 2020 on detailed requirements for waste storage (Journal of Laws 2020, item 1742);
- Regulation of the Minister of Internal Affairs and Administration of 19 February 2020 on fire protection requirements to be met by buildings or parts thereof and other places intended for the collection, storage or processing of waste (Journal of Laws 2020, item 296);
- Regulation of the Minister of Climate of 2 January 2020 on the catalogue of waste (Journal of Laws 2020, item 10);
- Regulation of the Minister of the Environment of 29 August 2019 on the video control system of the place of storage or deposit of waste (Journal of Laws 2019, item 1755);
- Regulation of the Minister of the Environment of 7 February 2019 on the amount of the security of claims (Journal of Laws 2019, item 256);
- Regulation of the Minister of Economy of 16 July 2015 on allowing waste to be stored in landfills (Journal of Laws 2015, item 1277);
- Regulation of the Minister of the Environment of 30 April 2013 on landfills (Journal of Laws 2013, item 523);
- Regulation of the Minister of Climate and Environment of 3 August 2021 on the method of calculating the levels of preparation for reuse and recycling of municipal waste (Journal of Laws 2021, item 1530);
- Regulation of the Minister of Climate and Environment of 10 May 2021 on the method of selective collection of selected waste fractions (Journal of Laws 2021, item 906);
- Regulation of the Minister of the Environment of 15 December 2017 on the levels of limitation of landfilling of biodegradable municipal waste mass (Journal of Laws 2017, item 2412);
- Regulation of the Minister of the Environment of 11 January 2013 on the detailed requirements for collecting municipal waste from property owners (Journal of Laws 2013 item 122);
- Regulations of maintaining cleanliness and order in municipalities where companies of the KOM-EKO Group (KOM-EKO S.A. and EKOLAND Sp. z o.o.) provide municipal waste collection services – acts of local law.



2.2

Social and environmental impact management

In 2021 KOM-EKO started activities aimed at systematising the management of environmental, social and corporate governance areas in the Group. The Vice-President of KOM-EKO, Ireneusz Zimoch, is responsible for the preparation and implementation of relevant policies, strategies and objectives in the ESG area.

In 2021, we conducted stakeholder mapping in a workshop with the company's Board Members and top management.

Stakeholders of KOM-EKO:

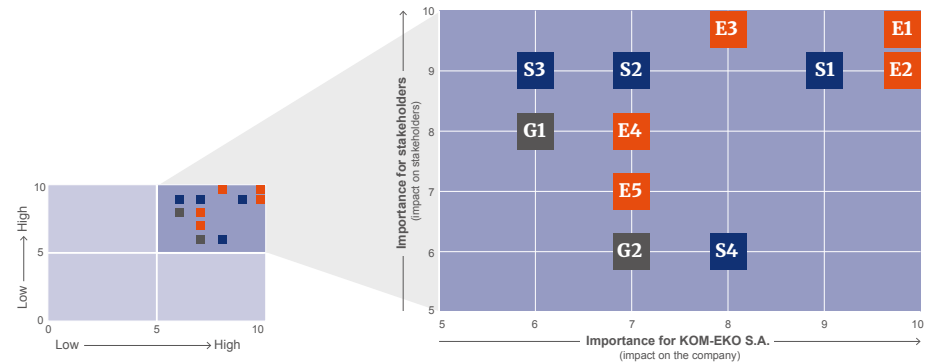


In 2021, to better understand the perspective and expectations of our stakeholders, we conducted a survey among them as well as individual interviews with representatives of each group. On a daily basis, we are in touch with all stakeholder groups, using numerous channels that enable not only one-way communication but also dialogue.

Our educational activities, described in more detail in the Society chapter, also serve this purpose.

As a result, a materiality matrix was developed to represent our key topics.

ESG Materiality Matrix



E Environment	S Social	G Governance
----------------------	-----------------	---------------------

E1 Supporting a circular economy (increasing the scale of waste recovery/processing)

E2 Minimizing the company's negative impact on the environment and climate (including energy efficiency in waste recovery/processing and preventing air pollution and odors)

E3 Conducting ecological education on circular economy and proper waste sorting

E4 Involvement in initiatives supporting sustainable development, mainly in environmental topics

E5 Water consumption management and reduction in waste recovery / waste processing

S1 Health and safety in the workplace

S2 Quality and safety of services and customer satisfaction

S3 Building relationships with the local community - involvement in social, economic and cultural life

S4 Relations with suppliers

G1 Managing sustainability issues, including risks

G2 Business ethics: compliance with laws and regulations, anti-corruption practices



In 2021 we also developed the work on the ESG Strategy, which was implemented in 2022. Members of the KOM-EKO S.A. Management Board participated in the process of creating the strategy and its acceptance. Members of the subsidiaries' management boards were involved in the consultation part.

One of the activities defined by the strategy will be periodic meetings of managers and board members of subsidiaries with the Management Board, where ESG issues will also be discussed.

The strategy consists of 3 pillars and defines strategic directions and objectives as well as measures for their implementation:

- 
Environmental pillar:
Together for the environment
- 
Social pillar:
Together for the society
- 
Pillar of organisational governance:
Together for responsible business.

2.3

Ethical organisational culture

Ethics

In KOM-EKO we believe that a prerequisite for business success is adherence to moral principles and values. An organisational culture based on this approach also influences the identification of our employees with the Company and thus the effectiveness of their work.

In order to set the right direction for the organisational culture in relations between employees and in external relations, we have introduced an **Employee Code of Ethics**. It covers the main principles and standards of conduct of our employees in terms of broad professional and social ethics, ensuring the fulfilment of the company's economic objective, the implementation of its development strategy, including the achievement of customer satisfaction. The employee code of ethics in force at KOM-EKO in 2022 will be implemented in the remaining Group companies.

Our behaviour is guided by the following principles of conduct:

- honesty and integrity,
- objectivity,
- professionalism,
- decent representation of the company and high personal culture,
- responsibility,
- loyalty,
- efficiency and quality,
- protection of company assets,
- transparency,
- equal treatment,
- apoliticality.

Anti-corruption

At KOM-EKO we do not tolerate any corruption. The **Employee Code of Ethics** clarifies the prohibition of corrupt activities for all employees. We do not accept the receipt of favours or other benefits on behalf of ourselves or the Company in the form of bribes, gifts or other forms of payment. The Code also prohibits conflicts of interest involving

an employee benefiting from a relationship with present or future business partners, stakeholders, suppliers or persons not directly linked to the company.

Reporting of breaches

In November 2021, we implemented at KOM-EKO S.A. the “Internal Reporting Procedure” (whistleblower procedure), the purpose of which is to protect persons who report breaches, abuse or negligence in the operation of the Company or its related entities. The procedure defines what fraud is and regulates how to deal with irregularities in the Company. Employees can make reports by sending them to the designated email address (etyka@kom-eko.pl), in person to the Company’s Attorney or in writing, also anonymously.



0

Number of reported breaches in 2021 in KOM-EKO

In 2021, we did not record any breaches of ethics procedures at KOM-EKO.

Compliance with laws and regulations



0

Number of confirmed cases of corruption



0

The total number of significant cases of non-compliance with laws and regulations in 2021 at KOM-EKO S.A. and Group companies



In 2021, no financial or non-financial penalties were imposed on KOM-EKO Group companies for non-compliance with laws and regulations, except for two cases of failure to meet the deadline for reporting to local governments

2.4

Cyber security and data protection

Cyber security

We take many measures to ensure reliable and modern infrastructure in our companies. Cyber security is one of the most important elements in this regard. The companies use innovative IT tools in their day-to-day operations, selected by a team of specialists with the utmost care and using current knowledge and available technologies. Security issues are regulated in Group companies by the following policies and procedures:

- **The IT security policy and IT system management instruction** regulate issues related to the security of electronic data processed in KOM-EKO Group companies. The policy shall determine, in particular, how computer systems are to be protected against unauthorised access and the procedure for making backup and archival copies;
- **Information System Business Continuity Plan:** a procedure in place to ensure that incidents relating to the security of personal data and possible IT system vulnerabilities are reported in a way that allows corrective action to be taken quickly;
- **Information Security Policy responsibilities:** a procedure classifying information security responsibilities for individual entities;
- **Incident management procedure** to ensure that data security incidents and IT system vulnerabilities are reported in a way that allows prompt corrective action.



Protection of personal data

We attach particular importance to respecting the privacy of individuals whose data are processed by our companies. We carry out all legally required tasks related to personal data protection through appropriate technical and organisational solutions. We have set ourselves stringent requirements for the security of the information we process because we are aware that it affects not only our organisations, but also our customers and suppliers: by protecting personal data, we are looking after the wider well-being of all those associated with us in any way.

IT tools used in the KOM-EKO Group companies are equipped with security measures aimed at protecting the processed personal data against loss, modification or misuse. We collect personal information in accordance with the principle of minimalism and protect it in accordance with the law, company procedures, good security and confidentiality practices.

Information security is essential for us to maintain competitiveness, business continuity, financial liquidity, legal compliance and a proper image.

The **Information Security Policy** implemented in the KOM-EKO Group companies organises issues related to personal data security. It also contains the most important principles for the handling of data and indicates detailed policies, instructions and recommendations related to their processing, including:

- 1. IT security policy and instruction for management of an IT system** regulating issues related to the security of electronic data processed in companies within the KOM-EKO Group;
- 2. Information System Business Continuity Plan:** implemented to ensure that incidents relating to the security of personal data and possible IT system vulnerabilities are reported in a way that allows corrective action to be taken quickly;

- 3. Information Security Policy Responsibilities:** classifying information security responsibilities for individual personal data processors;
- 4. Instructions on how to deal with a personal data breach;**
- 5. Awareness plan:** familiarising each person involved in the processing of personal data with the tasks of protecting those data;
- 6. Clean desk policy;**
- 7. Instructions for handling keys and securing rooms in the building;**
- 8. Instructions for the destruction of printouts and media containing personal data;**
- 9. Incident management procedure** to ensure that personal data security incidents and IT system vulnerabilities are reported so that corrective action can be taken quickly.

Digitalisation

The role of digitalisation in the Group's companies is growing: in 6 of them we have carried out a thorough technological transformation in various dimensions – from automation and increased security to the digitalisation of logistics or sales processes.

Our flagship digitalisation project is **ekoAPP**: a free mobile app for residents of Lublin, Kraśnik and other regions, which facilitates waste management. ekoAPP allows for quick management of the waste collection schedule. It offers push notifications before the collection date and allows you to send an ad hoc request for waste collection (e.g. bulky, green, construction waste). The app will remind you when to put out your waste containers and bags, tell you where to dispose of your waste and show you the locations of selective waste collection points.

App features:

- On-screen notifications of the next collection date:** The app sends a reminder the day before to put out the bin/bag for a given address and a given waste fraction;
- Quickly check the collection schedule for a given location:** The schedule shows collection dates for each fraction by month, allowing the collector to schedule waste collection in advance;

- Contact us:** The app allows users to request a service, send an enquiry or contact the Company's office directly;
- Eco-education – the app teaches how to segregate waste:** The app helps with waste segregation, starting with a waste finder and ending with a description of what to put in a particular bag or container. It also provides answers to frequently-asked questions about the functioning of the municipal waste management system, and information about the location and principles of operation of the Selective Waste Collection Point;
- Action during a pandemic:** It is a source of practical knowledge on dealing with waste during the COVID-19 pandemic.

The app supports several locations so that its user can assist in the daily waste activities of their loved ones.



3

Environment



3.1

Approach to environmental management

Shaping the directions of the Company's policy in the field of environmental protection is a task and authority of the Company's Management Board based on the information and proposals of the management of the Company's individual organisational units.

Environmental objectives, along with other ESG topics, are always included in the agenda of the management boards of KOM-EKO Group companies and the quarterly meetings of the supervisory boards. The managements of the companies are kept informed about the functioning of the system in the form of monthly reports, quantitative and qualitative results of the KOM-EKO Group.

One of the challenges we face is operating in a changing legal environment. This is why we continuously monitor the status of legislative work in the field of environmental protection and waste management. We take an active part in legislative processes, e.g. as a member of industry organisations (e.g. Polish Chamber of Waste Management), which are entities involved in work related to changes in and the establishment of laws.

In tackling new legal challenges in the environmental field, we draw on the experience of individual companies and their potential. The monitoring of legislative work, combined with constant observation of market and environmental trends, often leads us to take actions that are risky but ahead of the competition.



In 2021, there were no breaches of environmental regulations in the companies of the KOM-EKO Group.

Our environmental objectives for 2021

Achievement of legally-required levels of municipal waste recycling

KOM-EKO Group companies achieved the legally-required recycling level (20%) in 2020. We are taking appropriate measures to ensure that the requirements, which increase every year, are met. *More on page 45.*

Achievement of legally required levels of reduction of biodegradable waste going to landfill

All collected bio-waste is processed through composting processes and is not sent to landfill. The mixed municipal waste stream is directed to the Mechanical-Biological Treatment facility, where the bio-waste fraction is stabilised in the biological part.

Minimising the amount of waste sent to landfill

In 2021 KOM-EKO Group diverted 12.23% of processed waste to landfill.

Efficient and legal management of the municipal waste energy fraction

- Maintaining cooperation with customers of alternative fuel (RDF), which we produce from waste with high calorific value (above 16 MJ/kg). The main customers are cement works. Cemex has been our main partner since 2006. The company replaces fossil fuels with RDF.
- We are looking for effective methods to manage waste with a calorific value of 6-16 MJ/kg which, according to the law, cannot be sent to landfill and its parameters are too low for the cement industry. The answer is to build a local thermal treatment facility for this type of waste in Krašnik to generate electricity and heat for the local community. This solution will complete the logistics chain of a circular economy by recovering the non-recyclable fractions for energy.

Plans of KOM-EKO

In the coming years, we plan to continue the measures taken in the environmental area.

- We will continue to promote separate waste collection and maximise the share of separately collected waste in the total waste mass. *Read on to find more information on our educational activities.*
- We will increase the amount of waste going to recycling and recovery processes and continue to reduce the amount of biodegradable waste going to landfill.

3.2

Contributing to a circular economy

A circular economy is an economic model in which materials and raw materials marketed by producers do not become waste after use, but are reused. A circular economy defines a way of dealing with raw materials and waste:

- reducing their number;
- reuse, repair and refurbishment, extending the life of materials;
- recycling or composting.

The development of the circular economy in Europe is part of the European Green Deal and is covered by EU regulations¹.

In this concept, waste is a valuable raw material and waste management companies like KOM-EKO allow it to be recovered. Today, more than half of the world's paper production is already recycled, the metals industry uses recycled metals and recycled plastics are now a priority for the global plastics industry.

The waste we collect, such as mixed waste, selectively-collected packaging waste, biodegradable waste, construction waste or bulky waste, is processed by us, and in managing it we cooperate with the largest Polish recyclers.

¹Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Closing the loop – An EU roadmap to a circular economy, COM(2015) 614. Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, A new EU Action Plan on the Closed Cycle Economy for a cleaner and more competitive Europe, COM(2020) 98.

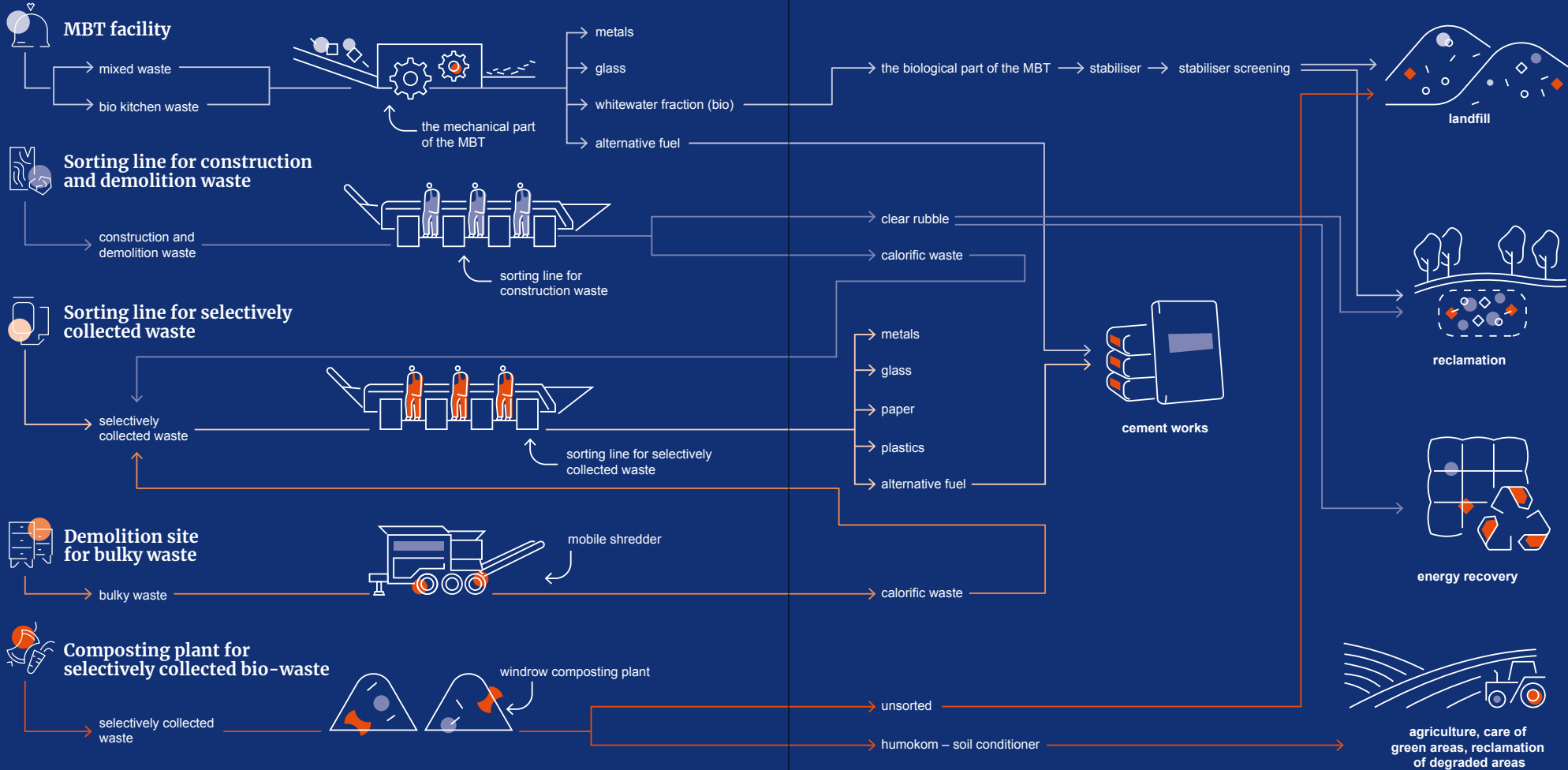
Since 2006, we have been producing alternative fuel from waste, which replaces fossil-derived raw materials and is used by cement plants (including CEMEX, La Farge and CRH Materials Group) to generate thermal energy and produce clinker. From biodegradable vegetable waste we produce HUMUKOM and HUMULAND, which are soil conditioners. These products are used in the care of green spaces. We also direct waste to recycling processes. The recovered raw materials are sent to paper mills, glassworks, metal works and factories that process plastics.

Circular economy

Our activities lead to:

- Increasing the amount of waste sent for recycling;
- Increasing the amount of waste sent for further processing (alternative fuel);
- Reducing landfill waste;
- Reducing methane production;
- Reducing greenhouse gas emissions;
- Reducing the negative impact on the environment and not burdening future generations.

Scheme of operations of the Recovery and Recycling Facility:



We use the following technologies in our operations:



Technology for the mechanical-biological treatment (MBT) of mixed waste consisting of:

- a mechanical part, during which packaging waste is separated into three fractions: packaging waste for recycling, contaminated packaging unsuitable for recycling for quality reasons, from which alternative fuel is produced after shredding, and a fraction up to 80 mm in size containing contaminated organic waste;
- a biological part, stabilisation of organic waste using the aerobic method in the modules of the dynamic composting installation. The result is a so-called stabiliser that can be deposited in a landfill. A portion of the stabilised material is separated into a whitewater fraction, which is used for the reclamation of degraded areas or closed landfills.



Technology for aerobic treatment of selectively collected green waste – composting

Composting technology includes the following processes:

- Preparing the compost mass;
- Composting in piles;
- Maturing of compost mass in piles under natural conditions;
- Refining of compost;
- Storage.

The end product is a soil conditioner, HUMUKOM, which is used for arable crops and land reclamation.

If the process is disturbed, non-compliant compost will be produced, either for disposal in landfill or for use in recovery by reclamation of degraded land or closed landfills.



Treatment technology for separately collected waste

Stages of technology:

- Initial manual sorting of bulky waste, hazardous waste and tyres;
- Glass waste collection;
- Mechanical sorting of waste into five secondary raw material fractions: hard waste paper, waste paper from newspapers, foil, aluminium scrap and plastics;
- Compaction and preparation for transport of segregated waste;
- Shredding of residues from the sorting process to produce alternative fuel, which is compacted and transported to fuel storage facilities.

The technology described was used at KOM-KEO Group facilities in 2021. In 2022, with the launch of the Ekopak Recycling Centre, more technologically advanced and automated solutions will be used.



Treatment technology for construction waste

Stages of technology:

- Manual sorting of construction waste on a sorting line;
- Directing waste that is a mixture of wood, plastics and textiles to further processing and the production of RDF alternative fuel;
- The main process of manual fine-tuning of waste to obtain clean construction waste fractions;
- Manual and mechanical sorting of large ferrous and non-ferrous metal components. Metal waste is stored in containers and bags and then handed over for further management to authorised entities.

A more technologically advanced plant will be commissioned by LAOS in 2022.

Capacity of individual facilities of the KOM-EKO Waste Management Plant

	Capacity [tonne/year]
Total plant capacity	210,300.00
the mechanical part of the MBT	99,900.00
the biological part of the MBT	35,000.00
installations for the treatment of selectively collected waste	50,400.00
composting plant for green waste	7,000.00
bulky waste treatment facility	8,000.00
construction waste treatment facility	10,000.00

Capacity of individual facilities of the EKOLAND Polska Waste Management Plant

	Capacity [tonne/year]
Total plant capacity	120,300.00
the biological part of the MBT	23,800.00
segregation line for selectively collected waste	18,000.00
the mechanical part of the MBT	40,000.00
dismantling facility for bulky waste	2,500.00
composting plant for green waste	6,000.00
screening line for waste of code 19 05 99	30,000.00

Results of the KOM-EKO Group



140,515.91 t

total weight of waste collected from property owners



197,741.69 t

total weight of waste treated in facilities



29 247.39 t

waga odpadów przekazanych do składowania przez Grupę KOM-EKO



37 693.56 t

weight of all waste accepted at the landfill



60 515.84 t

weight of waste accepted at asbestos landfill



19 634.10 t

weight of raw materials obtained from processing of paper, plastic, metals and glass



91.14%

of the waste processed by KOM-EKO is recovered or recycled



87.77%

of the waste processed by the Group is recovered or recycled



8.86%

of the waste processed by KOM-EKO is sent to landfill (in 2020: 21.26%, and in 2019: 18.44%)



12.23%

of the waste processed by the Group is sent to landfill



KOM-EKO

91.14%

of processed waste is recycled and subjected to other recovery processes.

Out of every tonne of waste, only

88.6 kg

goes to landfill.



The KOM-EKO Group recycles

87.77%

of processed waste through recycling and other recovery processes.

Out of every tonne of waste, only

122.3 kg

goes to landfill.



46%

of waste in the European Union is managed through recycling and composting³.

The Group companies did not send any biodegradable waste to landfill, which in landfills is a source of greenhouse gas emissions (methane and carbon dioxide).

In 2020, 59% of collected municipal waste in Poland was sent for recovery (recycling, biological treatment processes and thermal treatment with energy recovery) and 41% was disposed of by incineration or landfilling².

²Environmental protection in 2020, CSO, 2021.

³Waste management in the EU: Facts and figures (infographic), European Parliament, <https://www.europarl.europa.eu/news/pl/headlines/priorities/gospodarka-o-obiegu-zamknietych/20180328STO00751/zarzadzanie-odpadami-w-ue-fakty-i-liczby-infografika>.

Results of our activities

Waste collected as at the last day of each year [in tonnes]

Collected waste	2021	2020	2019
KOM-EKO			
Total weight of waste of which:	89,094.59	80,780.59	84,427.36
mixed waste	44,290.63	38,716.12	42,772.70
packaging waste	18,326.37	16,414.00	15,886.55
bio waste	5,764.82	5,411.00	5,536.04
green waste	8,441.76	8,005.09	8,544.31
bulky waste	4,935.26	4,776.021	3,870.15
construction waste	5,943.32	5,571.71	5,591.26
other	1,392.43	1,886.39	2,226.35
EKOLAND			
Total weight of waste of which:	31,231.32	36,112.95	36,881.77
mixed waste	16,997.94	18,500.52	20,136.82
dry fraction	6,274.86	7,082.44	6,502.88
bulky waste	1,860.50	2,117.50	2,060.70
green waste	1,372.47	2,344.99	2,185.06
bio waste	1,984.98	3,024.89	2,901.66
construction waste	1,862.41	2,163.06	2,195.00
waste from cemeteries	117.22	191.58	179.68
electro-waste	101.24	113.28	99.82
tyres	161.65	140.95	106.06
ash	401.98	369.14	451.18
other waste	94.08	63.45	55.59
hazardous	1.99	1.16	7.32
LAOŚ⁴			
Total weight of waste of which:	20,190	7,988	-
non-hazardous liquid waste	4,402	775	-
non-hazardous solid waste	7,812	3,854	-
construction waste	3,321	1,478	-
hazardous liquid waste	2,881	1,031	-
hazardous solid waste	806	424	-
raw materials	968	427	-

Waste recycled as at the last day of each year [in tonnes]

Recycled waste	2021	2020	2019
KOM-EKO			
Total weight of waste of which:	20,273.470	15,625.095	15,293.997
green waste	7,829.000	6,412.600	6,646.660
paper	5,524.660	3,558.125	2,470.588
plastics	911.050	607.653	580.908
metal	1,538.150	1,484.417	1,166.736
glass	4,470.610	3562.300	429.105

Treated waste as at the last day of each year [in tonnes]

Odpady przetworzone	2021	2020	2019
KOM-EKO			
Total weight of waste of which:	145,876.612	131,909.485	116,292.771
mixed waste	62,141.920	56,204.340	55,083.850
packaging waste	30,312.859	26,966.951	19,328.824
bio waste	5,556.560	4,945.070	3,258.280
green waste	6,363.760	6,264.931	5,499.724
bulky waste	8,000.000	7,796.700	7,241.961
construction waste	8,285.106	7,425.517	7,055.860
residual waste – calorific	25,216.407	22,305.976	18,824.272
EKOLAND Polska			
Total weight of waste of which:	51,865.08	39,846.75	40,671.96
mixed waste	21,637.32	21,700.16	19,641.72
dry waste	5,217.44	4,981	4,072.92
bio waste	1,394.32	1,823.46	1,802.6
green waste	5,353.26	5,410.36	6,187.1
bulky waste	2,179.68	1,945.02	1,712.82
construction waste	17.5	927.06	6,013.76
other waste	16,065.56	3,059.69	1,241.04

⁴The LAOŚ data for 2020 presented in this and the following summaries in the "Environment" section are for the period 07-12.2020. The company was integrated into the KOM-EKO Group portfolio in July 2020.

Waste accepted for disposal at the waste disposal site as at the last day of each year [in tonnes]

Odpady przekazane do składowania	2021	2020	2019
KOM-EKO			
Total weight of waste of which:	12,925.40	28,037.84	21,447.35
stabiliser	10,093.72	22,561.72	20,265.98
wastes from compost screening	1,639.32	477.78	780.16
mineral wastes	375.80	760.88	-
construction waste	703.22	3,969.70	-
ash	113.34	267.76	401.21
EKOLAND			
Total weight of waste of which:	160.28	227.98	220.86
waste from cemetery	109.18	191.58	179.68
construction waste	44.06	26.42	21.20
other	7.04	9.98	19.98
EKOLAND Polska (own waste from waste processing)			
Total weight of waste of which:	15,858.86	6,227.18	7,330.29
stabiliser	15,713.22	5,783.92	5,497.3
ballast	145.64	443.26	1,832.99
LAOŚ			
Total weight of waste	302.85	963.31	-

Raw materials resulting from the treatment of waste and sent for recycling as at the last day of each year [in tonnes]

Raw materials obtained from the treatment of waste	2021	2020	2019
KOM-EKO			
Total weight of raw materials	15,777.83	11,732.50	10,559.01
paper	7,295.76	4,237.96	2,912.22
plastics	1,050.34	823.46	929.16
metals	1,747.41	1,788.94	1,320.36
glass	5,684.32	4,882.14	5,397.27
EKOLAND Polska			
Total weight of raw materials	3,898.73	3,638.49	3,116.98
glass	2,164.36	2,043.96	1,755.62
plastics	500.26	478.85	505.60
paper	668.66	684.46	540.29
metals	565.45	431.22	315.47

Share of waste recycled and accepted for disposal at the waste disposal site as at the last day of each year [% of all waste received]

	2021	2020	2019
KOM-EKO			
Share of recycled waste	22.75	19.34	18.11
Share of waste sent to landfill	21.99	23.27	20.89



Share of waste recovered and recycled as at the last day of each year [% of all treated waste]

	2021	2020	2019
KOM-EKO			
Share of waste recovered and recycled	91.14	78.74	81.56
Share of waste sent to landfill	8.86	21.26	18.44
EKOLAND Polska			
Share of waste recovered and recycled	74.15	84.37	81.98
Share of waste sent to landfill	25.85	15.63	18.02
Total KOM-EKO Group			
Share of waste recovered and recycled	87.77	89.69	89.14
Share of waste sent to landfill	12.23	10.31	10.86

Waste accepted for disposal at the non-hazardous waste disposal site as at the last day of each year [in tonnes]

Waste taken for disposal	2021	2020	2019
EKOLAND Polska			
Total weight of waste of which:	37,693.56	50,245.55	50,599.65
stabiliser	31,683.83	37,217.18	38,889.26
other	6,009.73	13,028.37	11,710.39

Waste accepted for disposal at the hazardous waste disposal site as at the last day of each year [in tonnes]

Waste accepted for disposal	2021	2020	2019
EKO-AZBEST			
Total weight of waste of which:	60,515.84	44,052.51	38,078.36
Waste containing asbestos	60,515.84	44,052.51	38,078.36

3.3

Climate-related risks and opportunities

As public knowledge about progressive climate change increases, so does environmental awareness. We see this as an opportunity for a progressive change in social behaviour, also in terms of waste generation and its selective collection. Legal changes will also be a catalyst for change. The challenge of increasing the amount of separately collected waste and decreasing the amount of mixed municipal waste will affect waste treatment technology through:

- **Reducing the amount of waste accepted for disposal at the waste disposal site** (including residual waste – residues from the sorting of waste);
- **Increasing the efficiency of waste preparation for recycling**, i.e. improving the quality of selective waste collection at source, which directly translates into improved efficiency of automated sorting processes in installations;
- **An increase in the amount of waste sent for recycling**. In this respect, a balanced development of the circular economy chain is necessary: in view of the increase in the supply of recovered secondary raw materials, the production base of recyclers processing these wastes in the end should develop, which is related, among others, to economic incentives to carry out such activities and changes in the behaviour of consumers choosing recycled products when shopping;
- **The growing importance of waste energy use** in the face of rising energy prices from fossil fuels responsible for CO₂ emissions.

These phenomena directly affect our business, generating both opportunities and risks.

There is no formalised risk management procedure in the KOM-EKO Group companies. The Group's management monitors all aspects of the companies' operations on an ongoing basis for signs and situations that herald potential opportunities or threats. The companies' Management and Supervisory Boards constantly observe and analyse the changing legal, market and social environment. These activities are used to make decisions that take into account risks and opportunities in the short and long term.



Preventing the risk of non-compliance with regulations

An analysis of the planned legal changes to the waste collection system in 2010 prompted the Management Board to build a mechanical-biological waste processing facility and expand the green waste composting plant. They currently have the status of municipal facilities.

The legal changes taking place in the field of waste management, concerning the increase of the required recycling levels, resulted in the following strategic actions:

- We have strengthened the commercial departments in our companies responsible for sourcing packaging waste from the market;
- We have expanded and modernised packaging waste sorting facilities by automating and increasing the efficiency of the sorting process, including:
 - the launch of the EKOPAK Recycling Centre in 2022;

- thorough modernisation of sorting lines for packaging waste within ZZO KOM-EKO in 2023;
- expansion of bio-waste recycling facilities. This is in response to a change in the way recycling levels are calculated, which will be estimated not only in relation to packaging waste but also to the total weight of municipal waste collected. Its launch will enable the Group to secure the required recycling levels, which are increasing year on year;
- the decision to undergo, in 2014, the process of certification of compost from selectively collected green waste produced at KOM-EKO Group facilities as a permitted fertiliser or soil improver. Only treatment in bio-waste composting facilities holding this certificate can be taken into account when accounting for recycling levels.

Climate-related opportunities

The drive to reduce CO₂ emissions in the energy sector creates opportunities for small-scale thermal waste treatment facilities which will produce electricity and heat for local communities. These types of facilities, while meeting high emission standards, are not subject to CO₂ emission charges.

Climate-related risks

The KOM-EKO Group has identified **risks associated with the transition to a low-carbon economy**, including technology risks.

- The risk that our equipment and fleet will not meet environmental standards influences the need to invest in new technologies related to waste transport. For this reason, we are gradually replacing our diesel fleet with CNG-powered vehicles.

We see technological risks as motivation for further growth and see them as challenges and opportunities to create additional competitive advantages.

The KOM-EKO Group identifies physical risks arising from climate change as:



Acute risks:

- Risks associated with extreme weather conditions that may lead to damage to waste treatment plant infrastructure, vehicles and waste collection infrastructure;
- The negative effects of sudden climatic events in the form of damage to or destruction of containers (the securing of which is the responsibility of the property owner) may lead to disruption of waste collection services;
- The effects of violent weather changes can cause damage to the company, leading to increased insurance costs for waste collection and treatment activities.



Chronic risks:

- The risk of warming, especially in the winter months and thus reducing the duration of snow cover. This state of affairs in the long term may affect the stability of our financial results achieved from winter street and square cleaning services;
- Risks arising from an increase in rainfall during summer periods. This results in an increase in the moisture content of the waste collected, thus making it difficult to achieve the required parameters for producing alternative fuel from waste.



3.4

Environmental footprint and climate impact

Energy consumption

In the KOM-EKO Group, we are implementing permanent measures to reduce and optimise the consumption of electricity used in waste treatment processes. We conduct periodic analyses of energy consumption in all companies. Their results are our starting point for implementing optimisation measures.

How we reduce energy consumption:

- **We are successively replacing light sources from sodium lighting to LED lamps in all companies from 2019.** In the case of KOM-EKO alone, the replacement of external and internal lighting at the Waste Management Plant **has reduced energy consumption for lighting by 60%**;
- **We are replacing electric cookers, which heat hot water for the social facilities of ZZO KOM-EKO, with air heat pumps.** Since 2019, electricity consumption in this area has fallen by 78%. We also discontinued the use of air conditioners in the social areas with inefficient heat production during winter periods;
- **We have applied light dusk sensors in all points of ZZO KOM-EKO,** which reduces electricity consumption related to external and internal lighting;

- **We optimise energy consumption in the field of waste treatment technology.** In 2021, for example, we optimised the operating times of the fans of the dynamic composting plant at KOM-EKO;
- **We install reactive power capacitors.** Reactive power is usually generated during machine start-ups and leads to increased electricity losses in equipment. The installation of compensating reactive network capacitors reduces the impact of plant operations on the external transmission network and external electricity sources. It also helps to optimise electricity costs.

Energy optimisation measures taken in 2021:

- We conducted internal staff training on reducing the use of unnecessary light and heat sources and minimising the operation of sorting lines that are not loaded with waste;
- We modernised the dynamic composting plant at the KOM-EKO Waste Management Plant by removing the idle mode of the main fan. As a result, we achieved a 15% decrease in electricity consumption by the

dynamic composting plant, without any negative impact on the technological process;

- We replaced the lights with energy-saving LEDs in the adaptation of the area for the EKOPAK Recycling Centre (lighting of outdoor areas and social rooms) and in the office building of the LAOŚ company;
- We replaced the air conditioning system of LAOŚ's server room with energy-efficient inverter air conditioners.

Plans to increase energy efficiency:

- Installation of 1,200 photovoltaic panels on the roof of the EKOPAK Recycling Centre building (to be completed in 2023). The investment will reduce CO₂ emissions by around 360 tonnes per year;
- Continued replacement of sodium light sources with LEDs at EKOLAND and EKOLAND Polska;
- To continue the constant monitoring of electricity consumption in all group companies, planning and taking optimisation measures.

Total energy consumption as at the last day of each year

Energy consumption	KOM-EKO S.A.			KOM-EKO Group ⁵		
	2021	2020	2019	2021	2020	2019
Total electricity consumption [MWh]	3369.30	3335.00	3477.00	3716.88	3588.50	3718.61
Of which total energy consumption from renewable sources [MWh]	0	0	0	0	0	0

⁵The data presented in the statements below include companies: KOM-EKO S.A., EKOLAND Sp. z o.o., EKOLAND POLSKA S.A., LAOŚ S.A., EKO-AZBEST Sp. z o.o.

Greenhouse gas emissions

In 2022, the KOM-EKO Group counted its carbon footprint for the first time in a bid to establish its climate impact. In order to determine how much greenhouse gas was produced as a result of our activities, two scopes were analysed:

- **Scope 1**, which identifies emissions from sources controlled or owned by the organisation, such as fleet or fuel combustion emissions (direct emissions resulting from the combustion of fuels in vehicles or stationary equipment), or fugitive emissions arising from landfills;
- **Scope 2**, resulting from the use of purchased electricity, heat, cooling and steam (*calculated using the market-based method*)⁶.

The Group's carbon footprint is expressed in tonnes of CO₂ equivalent (t CO₂E).

The calculations were based on ISO14064-1:2019 (Part 1) and the international standard GHG Protocol ("GHG Protocol for the quantification of greenhouse gas emissions from waste management activities"), using emission factors from databases such as "Greenhouse gas reporting: conversion factors 2019", DEFRA (Department for Environment, Food and Rural Affairs in the UK Government), KOBIZE (National Emissions Balancing and Management Centre), Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases; The Energy Regulatory Office. CNG emissions have been calculated according to Vraagbaak Zakelijk | CO₂ emissiefactoren.

⁶Electricity for KOM-EKO, EKOLAND Polska and EKOLAND was calculated using the market-based method, which involves collecting data on greenhouse gas emissions emitted per unit of energy from the producer. In the case of LAOS, the location-based method was used, using indicators for the Polish energy system (KOBIZE). Emissions from the Pulaski landfill have been calculated on the basis of monthly landfill gas test results from five degassing wells.

Greenhouse gas (GHG) emissions in the KOM-EKO Group tonnes CO₂E in the period 01.01.2021 – 31.12.2021

Greenhouse gas emissions	2021
Scope 1 of which:	35,129.27
Emissions from stationary sources	179.95
Emissions from mobile sources	3,419.99
Fugitive emissions	31,529.33
Scope 2 of which:	1,959.19
Purchased electricity	1,845.17
Purchased heat	114.01
Scope 1 + Scope 2	37,088

The total carbon footprint of the KOMEKO Group for the period 1.01.2021 – 31.12.2021 is 37,088 tonnes of CO₂E. The largest contributions to the Group's carbon footprint are emissions from mobile sources and fugitive emissions from landfills.



Composition of emissions (GHG) in the KOM-EKO Group in the period 01.01.2021 – 31.12.2021 [in tonnes]

Greenhouse gas emissions	Total	CO ₂	CH ₄	NO ₂
Scope 1	35,129.27	26630.68	240.05	14.10
Scope 2	1,959.19	1538.206	0.000	1.03

Share of greenhouse gases in total emissions (GHG) in the KOM-EKO Group in the period 01.01.2021 – 31.12.2021 [in %]

Greenhouse gas emissions	CO ₂	CH ₄	NO ₂
Share of greenhouse gases in total emissions (GHG)	78.1	9.3	12.7

Breakdown of greenhouse gas emissions by group company in 2021 [in tonnes CO₂E]

Greenhouse gas emissions	Total
KOM-EKO	24291.99
EKOLAND Polska	11781.30
LAOŚ	454.83
EKO-AZBEST	91.64
EKOLAND	468.71

KOM-EKO and Ekoland Polska generate 98% of the carbon footprint of the entire capital group.

Decarbonisation measures

Fleet modernisation

We are also constantly modernising our fleet, which consists of EURO 5 and 6 vehicles. In the process of servicing residents (collecting waste), we use low-emission vehicles.

In 2021, **43%** of all vehicles in KOM-EKO and **41%** in the Group will meet European emission standards: Euro 5 and 6. These standards define the acceptable emissions from vehicles and aim to reduce environmental pollution.



11%

11% of all vehicles are hybrid, electric or CNG-powered.

Modernisation of machinery

As a result of the measures taken, all waste processing lines are powered by electricity.

The KOM-EKO fleet as at the last day of each year

KOM-EKO S.A.						
Fleet	2021		2020		2019	
	vehicles	share of the total fleet	vehicles	share of the total fleet	vehicles	share of the total fleet
Number of vehicles ⁷ (motor units) of which:						
number of petrol cars	16	10.5%	13	9%	13	9%
number of diesel cars	117	77%	116	82%	118	83%
number of hybrid/electric/CNG cars	13	8.5%	7	5%	7	5%
number of vehicles (propane-butane)	6	4%	5	4%	5	3%
Number of vehicles of Euro 5 and 6 engine class	65	43%	52	37%	51	36%

Fleet of the KOM-EKO Group as at the last day of each year

KOM-EKO Group						
Fleet	2021		2020		2019	
	vehicles	share of the total fleet	vehicles	share of the total fleet	vehicles	share of the total fleet
Number of vehicles ⁸ (motor units) of which:						
number of petrol cars	23	9%	19	9%	17	9%
number of diesel cars	188	76%	182	82%	162	85%
number of hybrid/electric/CNG cars	26	11%	14	6%	7	4%
number of vehicles (propane-butane)	9	4%	8	4%	5	3%
Number of vehicles of Euro 5 and 6 engine class	101	41%	78	35%	59	31%

⁷The data include both vehicles used for waste collection and transport, passenger cars and motor vehicles used in the technological process.

⁸The data include both vehicles used for waste collection and transport, passenger cars and motor vehicles used in the technological process.

3.5

Water resources management

The KOM-EKO Group uses water in waste processing to a very limited extent. It is used during the windrow composting of selectively collected bio-waste and aerobic stabilisation of the biodegradable fraction separated from mixed municipal waste. In dynamic composting plants, where aerobic stabilisation is carried out, water is used in a closed circuit and process losses due to evaporation are supplemented from in-house sources. Therefore, **no waste-water is generated.**

In the case of a windrow composting plant, rainwater collected from the compost yard in drip-free tanks is used to irrigate the windrows. In the case of the EKOLAND Polska landfill, leachate from the landfill is spread over the basin of the landfill, thus reducing the fire hazard.

All companies in the KOM-EKO Group keep records of water consumption and wastewater volumes (municipal wastewater from administrative and social areas).

Total volume of water abstracted by source as of the last day of each year [in m³]

	KOM-EKO S.A.			KOM-EKO Group ⁹		
	2021	2020	2019	2021	2020	2019
Total volume of water abstracted by source						
Total volume of water abstracted	2,690	2,602	1,989	4,792	3,668	3,117
water supply from the municipal network	2,690	2,602	1,989	3,687	3,039	1,989
own supply	0	0	0	1,105	629	1,128

⁹The data presented in the statements below include companies: KOM-EKO S.A., EKOLAND POLSKA S.A., LAOS S.A.

3.6

Waste

The purpose of KOM-EKO Group companies' activities is the reception, collection and processing of waste. However, both the implementation of waste management services and the activities that support them (administration, technical and social facilities) generate waste.

- We carry out selective waste collection divided into: paper waste, glass waste, plastic and metal waste and mixed waste;
- The operation of Waste Management Plants generates waste in the form of damaged waste containers, classified as metal waste and plastic waste;
- The operation of technical facilities, i.e. repair shops, generates metal waste and waste used oils. Only the latter are classified as hazardous waste.

We take steps to minimise the amount of waste we generate:

- Employees of Group companies receive ongoing training in selective waste collection;
- All the waste generated is registered, which makes it possible to control its quantity on an ongoing basis;
- We are trying to reduce plastic packaging. When buying water and drinks for administrative staff and guests, we prefer those in glass containers. We have installed drinking water dispensers in the plants and workers use reusable cups;
- We reduce paper consumption: we digitise internal documents, generate and send electronic invoices, digitise documents necessary for customer service (service confirmations). We will gradually redirect customer services to EkoAPP;



- We reduce the generation of waste associated with the use of waste treatment facilities. For example, woodchip used in technological processes is used in the composting process after depletion and is not itself waste.

We handle the waste products we generate in a responsible manner. We collect them in waste-proof, sealed and labelled containers as required by law. We pass on waste that we are unable to manage ourselves to authorised companies that hold the current legally required permits (e.g. waste paper).

Total weight of waste as of the last day of each year [tonnes]

Waste	KOM-EKO S.A.			KOM-EKO Group ¹⁰		
	2021	2020	2019	2021	2020	2019
Hazardous waste	2.58	3.33	1.91	2.58	3.33	1.91
Non-hazardous waste (municipal)	24.31	27.52	29.17	32.12	32.11	31.22
Total	26.89	30.85	31.08	34.70	35.44	33.13

Materials as at the last day of each year [tonnes]

Materials	KOM-EKO S.A.			KOM-EKO Group ¹¹		
	2021	2020	2019	2021	2020	2019
Paper consumption	1.740	2.080	1.660	3.387	3.076	2.415
Paper sent for recycling	6.667	6.243	6.864	6.987	6.503	7.184
Other recycled materials (plastics)	0.132	-	-	0.132	-	-
Other recycled materials (glass)	0.048	-	-	0.048	-	-

Raw materials

Raw materials	KOM-EKO S.A.			KOM-EKO Group ¹²		
	2021	2020	2019	2021	2020	2019
Petrol [in m ³]	22.2808	19.4509	20.5085	37.0578	25.6649	25.2135
Natural gas [in m ³]	134016.2500	118145.4000	96840.9800	134016.2500	118145.4000	96840.9800
Heating oil [tonnes]	3.9455	2.4889	1.9295	3.9455	2.4889	1.9295
Diesel [in m ³]	646.2442	588.8961	632.8118	1153.6182	829.2411	924.8498
Other consumables (propane-butane gas) [tonnes]	16.9290	17.3030	16.3350	24.9980	20.8900	24.3350

¹⁰The data presented in the statements below include the companies: KOM-EKO S.A., EKOLAND Sp. z o.o., EKOLAND POLSKA S.A., LAOS S.A., EKO-AZBEST Sp. z o.o.

¹²The data presented in the statements below include the companies: KOM-EKO S.A., EKOLAND Sp. z o.o., EKOLAND POLSKA S.A., LAOS S.A., EKO-AZBEST Sp. z o.o.

¹¹The data presented in the statements below include the companies: KOM-EKO S.A., EKOLAND Sp. z o.o., EKOLAND POLSKA S.A., LAOS S.A., EKO-AZBEST Sp. z o.o.S.A., LAOS S.A., EKO-AZBEST Sp. z o.o.

¹³The gas consumption figures for 2019-2021 at KOM-EKO include CNG.

3.7

Environmental education

In addition to providing waste management services, our key activity is environmental education. With our professionally-implemented educational activities, we contribute to the trend of increasing/building the ecological awareness of the society.

On the one hand, we are responding to the knowledge needs of our stakeholders regarding separate waste collection; on the other hand, it is one element of our responsible environmental impact management. The level of environmental awareness of stakeholders translates into their daily decisions and behaviour, e.g. with regard to waste management. An understanding of environmental issues also affects the positive perception of Group companies and the social acceptance of our projects.

Main areas of educational activities:

- The principles of the circular economy;
- The principles for correct waste sorting;
- The impact of correct sorting of waste on its recyclability;
- Recycling and energy recovery of waste;
- The conscious and rational generation of waste.

We target a variety of audiences: from direct customers, through children and young people, to adults, including residents of the cities in which we operate.

We use a range of tools to do this, some of which are common to many stakeholder groups:

Our educational tools:

- **EkoAPP**: an app to facilitate waste management. The app, by means of a waste search engine, teaches how to segregate waste, includes a waste collection schedule and automatically notifies of the nearest waste collection date;
- **The quarterly "EKOgadka"**: Here we publish articles on ecology, environmental protection and the circular economy. The quarterly is distributed in printed form and electronically – downloadable from the website. Employees of KOM-EKO Group companies participate in creating articles on a voluntary basis;
- **Websites and fan pages of Group companies on social media**: we publish posts and articles of an educational nature;
- **Articles in local and national print and online media** in which we share our expertise in environmental education.

Activities targeted at our customers

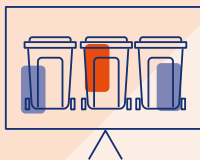
A special group we target with our educational activities are our institutional and commercial customers. They have access to educational content and the waste collection schedule included on the Group's social media pages and in the "EKOGadka" quarterly articles on waste segregation and management methods.

Customers also receive instructions on how to segregate waste on a waste schedule document. We also encourage them to actively use the ekoAPP application containing practical information on the functioning of the Selective Waste Collection Point, a waste finder and a waste collection schedule.

Actions targeting the public

For years, we have been implementing educational programmes aimed at children and young people (primarily in the form of ecological lessons), students in cooperation with universities in Lublin, and adults. We organise visits to our Education and Demonstration Centre. Our employees are involved in carrying out these activities and this involvement is based on employee volunteering.

The Education and Demonstration Centre in operation at the KOM-EKO Waste Management Plant was established in 2010. Its task is to popularise selective waste collection. Located on the premises of the Recovery and Recycling Plant, it allows visitors (schoolchildren, students, local government officials) to learn about waste separation and management methods. In 2022, the new EKOPAK Recycling Centre will be launched, to which the Education Centre will be relocated. This will enable visitors to learn about state-of-the-art waste treatment methods, with a particular focus on recycling packaging waste.



Activities implemented in 2021:



For pupils

- In October 2021 KOM-EKO started a series of ecological lessons "Ecological pupil" in Lublin's primary and secondary schools. During visits to schools, our employees shared their knowledge of ecology, environmental protection and especially conscious waste management. This form makes it possible to:
 - raise awareness of and explain the relationship between people, the environment, the economy and culture;
 - learn about practical ways to reduce waste in their homes;
 - consolidate knowledge of the principles of waste segregation;
 - find an answer to the question – why waste separation is a prerequisite for successful recycling?
 - learn about waste recycling technology by means of practical examples.

The lessons continued until December 2021;

- EKOLAND employees conducted ecological lessons in kindergartens in Kraśnik;
- In March 2021, EKOLAND prepared an educational film on waste segregation and organised a competition among primary school pupils entitled "Tracing our waste".



For students

- As in previous years, we regularly cooperated with Lublin universities: Maria Curie-Skłodowska University, Lublin University of Technology, the Catholic University of Lublin and the University of Life Sciences. The students visited the Education and Demonstration Centre and learned about best practices in selective collection and management of municipal waste. Due to the COVID-19 pandemic, the centre was operating on a limited basis;



For the society

- We took part in the "Earth Day 2021" organised at Maria Curie-Skłodowska University in Lublin: "In the rhythm of nature's elemental cycles". During the conference "Protection of the lithosphere and recycling of waste", a KOM-EKO representative shared knowledge on modern methods of waste management.
- We cooperate with the "Zero waste Lublin" community, which gathers people interested in zero waste issues. Last year, we prepared information materials on the principles of segregation and how to effectively manage different types of waste. The materials were published from January to June 2021 on the "Zero Waste Lublin" Facebook profile: <https://pl-pl.facebook.com/zerowastelublin/>;
<https://pl-pl.facebook.com/zerowastelublin/>;
- In December 2021, we conducted a billboard campaign targeting the residents of Lublin: "Segregate waste more often than once in a blue moon". The streets of Lublin are lined with 15 billboards reminding residents about waste segregation and the ekoAPP application facilitating this activity;
- Employees of KOM-EKO and EKOLAND took part in educational activities during outdoor events organised by local authorities (e.g. Ecopicnic in Lublin, Family Picnic in Kraśnik, Allotment Worker's Day in Kraśnik);
- Sharing expertise in media ecology. For example, in 2020 – "Kurier Lubelski", Lubelski.pl, Wirtualna Polska, 2021 – Internet portal and monthly magazine – Lubelski.pl. Facebook of the Internet community.

Number of recipients of our educational activities in 2021:



240

pupils took part in the lessons of the "Ecological pupil" series



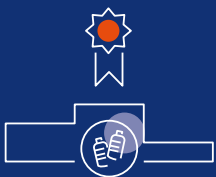
330

visitors to the "Education Centre"



650

people in total took part in our educational activities



1,086

pupils took part in the "Tracing our waste" competition



Almost

2,000

members of the Zero Waste Lublin community (number of followers on the community's Facebook profile)



2,433

followers of KOM-EKO Group companies' profiles on Facebook



4,478

users of the ekoAPP application¹⁴

¹⁴Status as at 31.12.2021.

The circulation of "EKOgadka" in 2021:



1,400

paper copies



2,324

downloads from the website



Environmental education plans

In 2022, we will deepen the environmental education provided in schools on the circular economy, selective waste collection and conscious waste reduction. We plan to develop our information campaign to the local community on selective waste collection, presenting its principles, objectives and benefits. We will also work to further develop the functionality of the ekoAPP application.

We will also launch an Education Centre in the EKOPAK Recycling Centre.

Support for pro-environmental actions

As we do every year, we engaged in pro-environmental activities in which our employees took part as part of employee volunteering:

- KOM-EKO supported social cleaning activities in Lublin and its surroundings: "Let's Clean Up Lublin in Spring" (organised by the Lublin City Hall), the action initiated by the Circle of Rural Housewives "Wóleckie Babeczki" in the municipality of Wólka, the social activity of cleaning up green areas in Grygowa Street in Lublin; or the "Paderewski for the Bystrzyca" action within the framework of the nationwide "Operation Clean River" organised by the International High School "Paderewski";
- KOM-EKO supported the Foundation for Nature in the action of cleaning nature reserves (Nature Reserve "Podzamcze" in Bychawa and Reserves "Olszanka", "Chmiel" and "Królewski Las" in the Krzczonowski Landscape Park);
- EKOLAND joined "Operation Clean River", whereby employees cleaned up the river Wyznica in Krasnik. It was also a co-organiser of the action "Great Cleanup in the Forest", in which volunteers cleaned up waste from the forests around Krasnik. Employees distributed Christmas trees in pots to the residents of Krasnik in exchange for donating plastic Christmas trees (EKOLAND);
- EKOPAK, supporting nationwide actions to protect swifts, funded and installed nesting boxes on the façade of the KOM-EKO Group's headquarters building.



900
people living near Grygowa Street in Lublin have benefited from a cleaner space.



Programmes, initiatives and ongoing activities aimed at business partners and local authorities

- In previous years, the KOM-EKO Group initiated and organised a conference for local governments on systemic solutions in municipal waste management. The pandemic situation forced the Group to suspend it, but we plan to resume this project.

In 2021 **52** of our **employees** took part in **11** employee volunteer **projects**: action and competence



In total they were involved for

30 days!

4

EKOLAND
EKOAZBES
EKOJUTRA
EKOPAK
EKOENERGIA



BIURO OBSER
KLIENT

Business partnership

4.1

Supply chain

KOM-EKO and our companies serve 2 groups of customers:



Institutional customers:



Commercial customers, B2B:

Local governments

- Collection and management of municipal waste;
- Summer and winter cleaning of streets and squares;
- Carrying out repairs to street and square surfaces.

Universities, hospitals, schools, kindergartens

- Collection and management of waste.

It is in the service of the local authorities that we have contact with the inhabitants of the towns from which we collect waste. In total, over 300,000 residents benefit from our work.

We serve institutional customers on the basis of contracts concluded following a tender procedure.

Companies

- Collection and management of waste;
- The transfer for further processing of waste products (e.g. RDF fuel, secondary raw materials).

We serve business customers on a contractual, commercial basis.



There are 3 types of **suppliers** in the Group:



Product and service providers

Suppliers of vehicle fleets, technology, waste collection containers, banking services or machinery parts and maintenance services for used machinery and vehicles, etc.



Providers of further waste management services

Companies such as cement plants, landfills, recyclers of hazardous waste and waste electrical equipment.



Suppliers of waste accepted at the installation

Companies, such as those in the waste industry, that supply us with waste, which we manage in our facilities. These are companies that do not have their own facilities to treat a particular type of waste.

A characteristic feature of our business is that the same company can be both a customer and a supplier at the same time, the difference depending on the type of waste being delivered or collected.

Breakdown of suppliers by origin



99.91%

KOM-EKO Group suppliers are Polish companies



Only

0.09%

suppliers are foreign companies

4.2

Customer relations

Quality management

Our many years of market experience guarantee our customers waste handling in compliance with all legal requirements. The quality of our services is extremely important to us.

LAOŚ S.A. has implemented an Integrated Quality, Environmental and Occupational Health and Safety Management System. The system is described in the Book of

the Integrated Management System, 13 system procedures and 4 procedures describing processes. The company also has a Quality, Environment and Health & Safety Policy and its processes are presented on a Process Map. The company has internal and external audits, such as a surveillance audit by an external certification body.

Attention to safety and quality of services

We attach the utmost importance to offering and performing services of the highest quality, complying with legal requirements and carried out in a manner that poses no risk to people and the environment. **In the field of waste collection and processing, we place particular emphasis on:**

- Timeliness of service delivery;
- Keeping the customer's property clean;
- Implementation and dissemination of selective waste collection to customers;
- Complementarity and optimisation of services offered (use of the synergy mechanism by exploiting the wide range of activities of individual companies within the Group).

To guarantee the security of our services, we implemented a number of measures in 2021:

- We equipped waste collection vehicles with cameras to record the service in the loading zone. This improves safety for employees and property owners and ensures that segregated waste is collected properly;
- We have reviewed and validated internal health and safety procedures relating to waste collection and treatment services;
- We conducted a series of training courses for employees on fire safety in the process of waste collection and management.

Commercial customer service

We demonstrate a high degree of flexibility in our customer relations. Preparation of an offer and signing of a contract is often preceded by a visit to the customer's premises in order to calibrate their needs. Our offer is tailored to customer needs in terms of types and quantities of selectively collected waste fractions, we adjust the frequency of collection and the type of containers offered to the quantity of waste generated, but also to the infrastructure of waste collection sites designated by the customer. We use specialised vehicles adapted to collect waste from places with difficult logistics, e.g. lighter and more manoeuvrable refuse collection vehicles adapted to manoeuvring in densely built-up areas, in narrow streets obstructed by vehicles.

The KOM-EKO Waste Management Plant operates 5 days a week, 24 hours a day, and in special cases is also run on days off. The logistical and technological layout of the plant, equipped with a number of installations dedicated to the management of individual waste fractions, prevents stoppages in operation and ensures continuity of work even in the event of breakdowns and maintenance breaks. Thanks to the plant's extensive storage facilities, we can store alternative and recycled fuels if there are problems with timely collection at our customers.

In the LAOŚ company, in order to streamline work, we have introduced outsourcing services in the field of waste collection and management: delegated employees of the KOM-EKO Group handle the entire logistical chain of waste management (from the place of its collection on the customer's premises, through its collection to its management).

Improvements affecting the quality of services:

- We purchased a two-chamber waste truck enabling selective collection of two municipal waste fractions for EKOLAND Sp. z o.o.;
- We conducted an investment process related to the launch of one of the most modern packaging waste sorting lines (planned date of commissioning – April 2022). The second stage of the investment will be a



plastic waste regranulation line, which will allow us to close the logistics chain of plastic waste management;

- We have added more CNG-powered specialist collection vehicles to our fleet and placed orders for further vehicles. These will be implemented in 2022;
- Many of our vehicles have been fitted with a video surveillance system to improve the quality and control of selective collection of raw waste;
- We plan to test electric rubbish trucks in 2022.

We communicate with customers of KOM-EKO Group companies through the following channels:

- Customer Service: personal contact, telephone and e-mail;
- WWW pages: the number of unique page views in 2021 was 161,778;
- Social networks: Facebook, Instagram;
- The ekoAPP application, which includes a procurement module;

- Sponsored articles in the media;
- Leaflets;
- Stickers on containers;
- The "EKOgadka" quarterly magazine.

At present, customers do not complete surveys to evaluate the services provided, nor do we conduct customer satisfaction surveys. Comments on the quality of the service provided are made during ongoing contact with customers. In 2021, we engaged representatives of our customers, both institutional and commercial, to participate in a stakeholder survey.

KOM-EKO expert advice

Institutional customers of the KOM-EKO Group companies are supported not only by our services, but also by our expert knowledge. As part of our work with local authorities, we advise during public consultations. These are organised by local governments at the stage of preparing draft regulations on maintaining cleanliness and order in the municipalities and draft documents specifying the detailed manner and scope of providing municipal waste collection services. We also actively participate in consultation work (public consultations) related to the prepara-

tion of such strategic documents as the Regional Waste Management Plan (prepared by the Marshal's Office) or development strategies for local government units.

Another element of the companies' cooperation with local authorities is active participation in municipal initiatives aimed at promoting ecological activities: ecological festivals, cyclical eco picnics, collection of recyclable materials, "clean up the world" campaigns. We write more about activities in the Environment chapter.

Challenges in 2021



Our biggest challenge in 2021 was the implementation of extended selective waste collection. This involved the proper selection of containers, as well as logistical changes involving the reconstruction of waste collection routes.



The introduction of statutory changes in the area of biodegradable waste, which made it possible to compost waste in one's own in-home composting facilities, and therefore reducing the fee payable by residents, made it necessary to reformulate cooperation with local authorities and introduce flexible changes in the organisation of waste collection.

Action during a pandemic

The timing of the pandemic prompted KOM-EKO group managers to take action to mitigate the risks associated with the pandemic. These activities were targeted at employees (including those in contact with customers) and customers and business partners. We introduced these in 2020 and maintained them in 2021:

- We have prepared and implemented the "Company safety and health protection instruction for employees and customers staying on the premises of KOM-EKO", which defines detailed procedures and rules of conduct;
- It is compulsory to wear masks during business meetings;
- We have made it compulsory to book meeting rooms in the company's offices in advance so that the rooms can be properly prepared for meetings (ventilated and disinfected);
- Our conference rooms are equipped with video conferencing facilities;
- We have done away with the written confirmation at the customer's premises of documents evidencing service provision;
- We have implemented the ekoAPP application;
- We have extended the scope of the electronic invoice project we are implementing;
- We organised internal information campaigns to encourage vaccination against COVID-19;
- We have introduced organisational measures to reduce the risk of illness among physical workers providing services: we have varied the start times of individual crews to limit the time they spend together in social rooms, equipped workers and vehicles with personal protective equipment and disinfectants, introduced disinfection of social rooms and of doorknobs and switches in workplaces, purchased thermal scanners and introduced the practice of measuring the temperature of all workers and visitors to KOM-EKO facilities;
- We have published on the companies' websites and on the ekoAPP app the principles of handling waste during the COVID-19 pandemic.



Complaints policy

Complaints are submitted by customers by phone, e-mail and using the contact forms located on the companies' websites and in the ekoAPP application. Once a complaint has been made, it will be dealt with by an employee of the Customer Service Office, who will check the validity of the complaint and determine the reasons for the situation. The most frequent reason for this is failure to collect waste, for example, due to the lack of access to the property, the failure of the property owner to place containers and bags of waste or the wrong type of waste. Each time an employee of the BOK [Customer Service Office] contacts the customer and explains the circumstances of the situation and informs him about the way the complaint will be handled. In special cases the complaint is forwarded to the managers of functional departments of KOM-EKO group companies for consideration.



496

complaints were made in 2021 by customers of Group companies.

4.3

Innovation

When implementing technological solutions, the KOM-EKO Group follows current technical and technological trends. Our waste treatment facilities meet the latest BAT standards.

We also implement innovative solutions, such as our latest investment EKOPAK – Recycling Centre, consisting of two installations:



Waste separation plant:

fully automated line, including two BRT bag openers, two SIGMA double-deck disc screens for separating the fine fraction, a BRT/Hartner ballistic separator for separating film, paper from bulky plastic packaging, electromagnetic separators for metals and eddy current separators for non-ferrous metals, and four Pellenc Mistral+ Connect optical separators for separating 10 groups of raw materials from the waste stream. These machines use the latest scanning and material and colour detection technology, known as "Flow Detection", which significantly increases sorting efficiency. Capacity: 38,000 t/year;



Film waste regranulation facility:

will consist of a waste washing line (including dynamic waste washer, centrifuge system and thermal dryer), a regranulation line proper (thickener and cascade type extruder) and a circular process water pre-treatment plant. Capacity: 18,000 t/year.

Our plans for 2022



Commissioning a modern, automated line for the production of alternative fuel at KOM-EKO with a capacity of 30,000 Mg/year, equipped with a pre-shredder, ferromagnetic, air and disk separators and a final high-speed shredder;



Commissioning of a construction and demolition waste sorting facility at the LAOS company, more technically advanced than the one currently operating at KOM-EKO;



At EKOLAND Polska, expansion of the dynamic composting plant with a capacity of 30,000 Mg/year, and modernisation and expansion of the mechanical part of the MBT installation;



Start of the investment process by Ekoenergia for the construction of a Waste to Energy facility, thermally treating municipal waste energy fraction previously separated in MBT installations (unsuitable for recycling due to their quality and not permitted to be landfilled) in order to generate heat and electricity;



Expansion of the ekoAPP application to include a module enabling the ordering of waste collection services linked to an online shop offering the sale of construction waste collection and management services.

4.4

Relations with suppliers

Supplier area management

There are no formal procedures governing supply chain management in the KOM-EKO Group. Decision-making within purchasing is decentralised within the companies, and their functional departments, company and Group boards are informed about purchasing. Capital purchases are made within the planned and adopted budget. Principles are also set out for the acceptance of expenditure that has not been budgeted for and purchases of property.

When choosing suppliers, we focus on the quality of the goods or services provided. This is crucial when it comes to the equipment chosen, as its quality has a direct impact on the level of services provided, failure rate, length of operation, comfort and safety of users and recipients of services. During the supplier selection process, we define the standard of quality parameters required (e.g. performance, energy consumption, guarantees, service package, safety certificates). We also pay attention to the price/quality ratio, especially for purchases that are ancillary to the companies' core business.

The year 2021 was characterised by the disruption of supply chains. The COVID-19 pandemic and commercial decisions taken in the Chinese market (where most of the components necessary for the final assembly of many products, e.g. in the automotive industry, are produced) have resulted in reduced availability of certain categories (e.g. car parts), increased prices (e.g. steel, tyres) and longer delivery times. We have also been affected by the indirect effects of pandemic effects in other industries, such as increased transport costs.



Assessment of suppliers by Group companies

- We verify that suppliers operate in accordance with regulations – they are registered in the Ministry's Waste Database (BDO) and have the relevant decisions and permits for waste management;
- We check the solvency of the potential supplier in the debt register and obtain information from the market: from other entities cooperating with the potential new contractor;
- Establishment of cooperation is each time preceded by a series of meetings and familiarisation with the presented offer;
- In the case of technology investment purchases, we practice visiting reference installations where the offered technology solutions are in operation. We also use technological and performance tests in reference installations carried out on batches of waste supplied by KOM-EKO to take into account the specific local characteristics of the service;
- In the case of the purchase of waste sacks and containers or spare parts, initial purchases of trial batches are practised, on the basis of which a decision is made to finalise cooperation.

Assessment and verification of cooperation with suppliers is carried out as part of daily cooperation. No separate procedures have been defined in the Group.

At this stage, KOM-EKO companies do not apply social and environmental criteria for the selection of suppliers. The Code of Ethics of KOM-EKO S.A. is not sent to suppliers, nor are they obliged to sign any declaration obliging them to observe KOM-EKO's principles.



5.1

HR area management

In KOM-EKO S.A. the management of the employee area is based on a number of procedures and regulations. They guarantee smooth management of the topic and support employees in their daily functioning.

1. KOM-EKO S.A. Code of Ethics (updated in 2021);
2. Work regulations;
3. Remuneration Regulations;
4. Health and Safety Policy;
5. Whistleblower procedure (the procedure is being implemented in the Company);
6. Regulations for remote working;
7. Information for employees on equal treatment in employment.

KOM-EKO S.A. Code of Ethics, Health and Safety Policy, Whistleblower Procedure in 2022 will be implemented in other Group companies.

Separate regulations apply to other companies:

- In addition to the Anti-bullying Procedure, EKOLAND has implemented Principles of Sobriety tests for employees and Regulations of Company Social Benefits Fund;

- At LAOŚ, the area of HR is regulated by: Work Regulations of Lubelska Agencja Ochrony Środowiska S.A. with its registered office in Świdnik (updated in October 2021), Remuneration Regulations of employees at Lubelska Agencja Ochrony Środowiska S.A. with its registered office in Świdnik, Information on equal treatment in employment and mobbing, with which the employee is acquainted on the day of taking up employment, and subsequently makes an appropriate declaration. Employees working in the organisational unit – Project WSK and persons cooperating with it are obliged to familiarise themselves with and observe the Code of Ethics of WSK PZL. Świdnik S.A.

At KOM-EKO there is freedom of association and collective bargaining. There is no collective agreement in place.



5.2

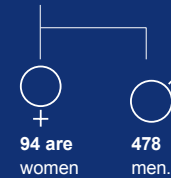
Employment structure



The entire KOM-EKO Group employs

572 people,

of whom



KOM-EKO S.A. employs 361 people. They work within plant structures: Technical Support Facility, Road Works Facility, Cleansing Facility, Waste Disposal Facility and Recovery and Recycling Facility. These include mechanics, drivers, cleaners and loaders, mechanics, road workers, among others. Administrative staff are a separate group.

Employees by type of employment (as at the last day of each year)

Employee category	KOM-EKO S.A.			KOM-EKO Group ¹⁵		
	2021	2020	2019	2021	2020	2019
Employment contract of indefinite duration						
women	53	46	43	75	64	52
men	208	179	161	328	284	233
Employment contract (probationary period, fixed-term)						
women	12	18	12	15	21	14
men	87	118	114	146	155	135
Other civil law contracts						
women	0	1	2	4	4	4
men	1	1	3	4	5	3
Total number of employees	361	363	335	572	533	441

¹⁵The data includes companies: KOM-EKO S.A., EKOLAND Sp. z o.o., EKOLAND POLSKA S.A., LAOŚ S.A. (years 2021 and 2020), EKO-AZBEST Sp. z o.o.

Employees with employment contracts, broken down by FTE (as at the last day of each year)

Employee category	KOM-EKO S.A.			KOM-EKO Group ¹⁶		
	2021	2020	2019	2021	2020	2019
FTE						
women	65	64	55	89	85	65
men	294	296	274	471	436	365
Part-time						
women	0	0	0	3	2	3
men	1	1	1	3	3	3
Total number of employees	360	361	330	566	526	436

Staff turnover

In KOM-EKO S.A., the rotation of manual workers is related to the specificity of work in our organisation. We start building the bond with the employee as early as the onboarding training stage. We then show employees opportunities for development within the organisation and familiarise them with the fundamentals of our organisational culture which creates a friendly and safe working environment.



As many as

119

people have been working for us for more than 10 years, of which 19 have been employed for more than 20 years.

¹⁶The data includes companies: KOM-EKO S.A., EKOLAND Sp. z o.o., EKOLAND POLSKA S.A., LAOS S.A. (years 2021 and 2020), EKO-AZBEST Sp. z o.o.

Total number of new hires (applies to employees with a contract of employment, as of the last day of each year)

Employee category	KOM-EKO S.A.		
	2021	2020	2019
By gender			
Women	13	16	18
Men	48	81	76
Total	61	97	94
By age			
Under 30 years	24	32	32
30-50 years	27	49	43
Over 50 years	10	16	19
Total	61	97	94

Total number of departures (for employees with an employment contract, as of the last day of each year)

Employee category	KOM-EKO S.A.		
	2021	2020	2019
By gender			
Women	12	7	11
Men	50	59	75
Total	62	66	86
By age			
Under 30 years	21	16	24
30-50 years	29	35	48
Over 50 years	12	15	14
Total	62	66	86

Employee turnover rate

Indicator	KOM-EKO S.A.		
	2021	2020	2019
Overall staff turnover rate ¹⁷	17.22%	18.28%	26.06%
Voluntary staff turnover rate	9.44%	9.14%	16.66%
Forced staff turnover rate	7.77%	9.14%	9.39%

¹⁷Number of employees made redundant in the given year/status of employees on 31.12 of the given year (without civil law contracts).



Diversity

According to the "Code of Ethics for Employees of KOM-EKO S.A.", employees are bound by the principle of equal treatment of all persons, regardless of their age, gender, origin, race, sexual orientation or state of health.

While at KOM-EKO we do not carry out training on counteracting mobbing, sexual harassment, violence or discrimination, at EKOLAND the topic of counteracting discrimination is addressed in occupational health and safety training. The Company also has an Anti-Bullying Procedure.

An employee starting work at Lubelska Agencja Ochrony Środowiska S.A. is acquainted with the Information on Equal Treatment in Employment and the Information on Harassment and then makes an appropriate declaration, which is placed in the personal file.



In 2021, there were no women on the Management Board or Supervisory Board of KOM-EKO S.A., EKOLAND S.A. or LAOŚ.

Pay equity ratio for 2021[in %]

Employment level	Equal pay index ¹⁸		
	KOM-EKO S.A.	EKOLAND	LAOŚ
Senior management (Management Board)	Not applicable	Not applicable	Not applicable
Middle management	-11.97	-2.97	-14.67
Other administrative staff	9.29	-16.16	16
Operational staff	22.62	38.12	Not applicable

In 2021, we estimated the pay equity ratio of the Group companies. It shows how much more or less men earn on average compared to women. **At KOM-EKO, in the middle management group, this ratio is close to -12%, which means that women earn on average 12% more than men.**

¹⁸Calculation method: Sum of annual salaries of male full-time employees divided by the number of male full-time employees (A). Sum of annual salaries of full-time female employees divided by the number of full-time female employees (B). The value of the indicator calculated according to the following formula: (A-B) / B x 100.

Among administrative workers, the ratio is 9.29% in favour of men. In EKOLAND, the indicator achieved results of nearly -2.97% and -16.6%, respectively, and in LAOŚ: -14.67% and 16%. Only in the case of operational staff did the indicator show higher salaries for men¹⁹.

¹⁹Among operational staff, due to the nature of the industry, there is a significant male predominance. In LAOŚ, they are exclusively men. In EKOLAND and KOM-EKO the operational staff includes women, but they are employed in less qualified positions. Operational positions range from sorters (both genders) to male-dominated drivers, loaders, fork-lift truck operators and mechanics.

Employees by gender, age and other diversity indicators (refers to persons employed on a contract of employment, as at the last day of each year)²⁰

Employee category	KOM-EKO S.A.			KOM-EKO Group ²¹		
	2021	2020	2019	2021	2020	2019
MANAGERS²²						
Women	4	3	3	9	7	4
Men	11	9	7	21	18	12
Under 30 years	0	0	0	0	0	0
30-50 years	13	10	8	21	17	10
Over 50 years	2	2	2	9	8	6
Foreigners	0	0	0	0	0	0
People with disabilities	0	0	0	1	0	0
Total number of employees	15	12	10	30	25	16
Other employees						
Women	61	61	52	85	81	64
Men	282	286	266	449	417	354
Under 30 years	50	58	48	78	78	61
30-50 years	199	208	198	306	292	254
Over 50 years	94	81	73	150	129	104
Foreigners	0	0	0	0	0	419
People with disabilities	5	6	6	10	10	0
Total number of employees	343	347	318	534	498	9

²⁰The data include the companies: KOM-EKO S.A., EKOLAND Sp. z o.o., EKOLAND POLSKA S.A., LAOŚ S.A. (years 2021 and 2020), EKO-AZBEST Sp. z o.o.

²¹The data include the companies: KOM-EKO S.A., EKOLAND Sp. z o.o., EKOLAND POLSKA S.A., LAOŚ S.A. (years 2021 and 2020), EKO-AZBEST Sp. z o.o.

²²Management includes any employee who manages a team of more than two people. We do not include the Management Board here.

Composition of the Management Board and Supervisory Board by gender and age

Employee category	KOM-EKO S.A.		
	2021	2020	2019
Management board			
Total	2	2	2
Women	0	0	0
Men	2	2	2
Under 30 years	0	0	0
30-50 years	2	2	2
Over 50 years	0	0	0
Supervisory board			
Total	3	3	3
Women	0	0	0
Men	3	3	3
Under 30 years	0	0	0
30-50 years	1	1	1
Over 50 years	2	2	2

Due to the nature of the industry, work in most operational positions in Group companies requires physical fitness, and therefore the employment of people with disabilities is limited. The nature of the duties and the consequent adaptation of the position and working hours is a handicap. We have an all-round friendly approach to working in administrative positions. In 2021, KOM-EKO S.A. employed 5 persons with a disability certificate. In the LAOS company there were 2 persons. EKOLAND did not employ people with disabilities.

There were no foreign nationals employed by Group companies in 2021.



5.3

Working conditions

We want to build a workplace that employees enjoy coming to. We ensure stable employment under an employment contract and marketable and timely salaries. We offer our employees numerous benefits.

Benefits



Benefits in KOM-EKO S.A.

- We subsidise national organised recreation for children and young people in the form of holidays, camps and colonies;
- We subsidise holidays that you organise yourself (so-called "holidaymakers' holidays");
- For willing administrative employees we offer MultiSport cards, which are financed by us;
- Our employees receive jubilee bonuses in proportion to their length of service:
 - 10 years: 100% of monthly salary,
 - 15 years: 150% of monthly salary,
 - 20 years: 200% of monthly salary,
 - 25 years: 300% of monthly salary.

These funds are transferred from the Company Social Fund:

- Executives (Management Board, directors, managers) are entitled to Medicover/Luxmed medical subscription;
- We provide and pay for the use of company cars for private purposes.



Benefits for EKOLAND employees

- Offer preferential rates for additional life insurance or medical package. The company also offers contract handling for these benefits;
- Multisport card fully financed by the employer available for each interested employee;

- Bonuses for sales staff in the form of tickets, invitations to events or a salary supplement for representing the Company at events;
- Company cars, which the members of the Management Board and most of the managers are also provided with for private use.



Lubelska Agencja Ochrony Środowiska S.A. has established a Social Benefits Fund, the resources of which are allocated to:

- Provide financial support to staff in financial difficulties in the event of force majeure;

- Provision of vouchers and benefits in kind, e.g. on the occasion of Easter, Christmas;
- Holiday subsidies;
- Sales professionals may also use company cars for private purposes (a flat rate for the use of a company car is charged for this purpose).

Our employees also have the opportunity to receive awards or discretionary bonuses. The amount of the monthly benefit paid is linked to the Company's financial performance and the employee's evaluation. Annual awards are granted in Group companies.

Recruitment and onboarding

Operational employees predominate among the employees of the Group companies. **At KOM-EKO S.A.** we recruit them primarily through internet portals, as well as using our own database of people interested in working for our Company.

When hiring senior staff, we rely on internal recruitment. Managers and supervisors are selected from the advancing administrative staff. To find candidates for specialist positions, we use headhunting agencies.

Job advertisements also appear on our website and on the company's Facebook fanpage. We also give students and graduates of Lublin's universities a chance by asking lecturers to recommend candidates.

Employees admitted to work, after completing the formalities (initial examination and vaccinations) and receiving a certificate of fitness to work in a given position, take part in compulsory safety training and job-specific training (KOM-EKO and EKOLAND).

In 2021, we worked to introduce **onboarding training at KOM-EKO**. This is compulsory from 2022. During such train-

ing, the employee becomes familiar with the organisational structure of the Group and the organisation within which he/she is starting work. The employee also receives information on the procedures in place at the Company, such as the Employee Code of Ethics, the Whistleblower Procedure, the Safety Policy and, from 2022, the ESG Strategy. From 2022, onboarding training will be implemented in the remaining Group companies.

At EKOLAND, employee referrals are primarily used in the search for candidates. We also use tools such as recruitment websites and advertisements in local media. We also use internal recruitment: over 78% of managers and executives come from there. At LAOŚ, operational staff and drivers are employed on the basis of employee orders. Candidates are also recruited through recruitment portals.

In the LAOŚ Laboratory, due to the specificity of the operation of this organisational unit, a multi-stage onboarding process has been developed including, among others, job training and a broad package of internal training.

Internal communication

We communicate with our employees through:

- Daily direct contact with superiors and management – we have an open door policy;
- The Company's website;
- The company's Facebook profile;
- Intranet for administrative staff. We regularly post information on HR matters, the industry, the Company. The tool is also used to process invoices and handle internal correspondence;

- The "EKOgadka" is not only co-created by the employees, but we also present the profiles of the people employed in it, for example through their interests or achievements;
- A mailbox for irregularities and comments: etyka@kom-eko.pl;

In 2020, Company management also used billboards to thank employees for their work during the pandemic.



5.4

Training and development

It is extremely important to us that employees, regardless of their position, improve their qualifications.

Operational staff are directed to:

- Compulsory qualification training for jobs – e.g. welding;
- **Specific training to improve skills in the operation of specialised machinery and equipment.** As a result, workers are certified as operators of machinery and technical equipment and as drivers;
- **Periodic training** needed to perform the job of lorry driver above 3.5t, electrician, welder or forklift operator, etc.

Administrative staff also have the opportunity to develop their knowledge by participating in external training courses financed entirely by KOM-EKO. In 2021, the following were implemented:

- Training in International Accounting Standards for the Accounting Department;
- "ESG Master Report" training for the ESG team leader;
- Environmental training for managers.

The company funds postgraduate studies for interested employees. The condition is that you sign a loyalty agreement. In 2021, two staff members were postgraduate students.

The other companies in the Group also take care to raise the competencies of their team members – EKOLAND

regularly finances training courses for administrative staff organised by external companies, mainly concerning the introduced legal changes, while LAOŠ finances specialist training courses, periodic training courses, courses and postgraduate studies. Laboratory staff take part in courses and the training required for accredited laboratories.

There is no employee evaluation system in place in any of the Group companies. In KOM-EKO, managers evaluate employees on a monthly basis, taking into account the quality of their work, commitment, compliance with work discipline, as well as occupational health and safety and fire safety regulations.

The Management Board is considering introducing an employee evaluation system and employee satisfaction surveys in 2022.

In 2021, training records were kept at LAOŠ. In 2021, **40** external training courses were carried out, **30** of which were for laboratory staff and 10 for drivers and maintenance staff. The total number of training days was **53**.

Since 2017, employee satisfaction surveys have been conducted in Group companies by professional advisors, as well as coaching and mentoring, used in situations of potential crises, communication and relationship disorders in employee teams.

5.5

Health and safety at the workplace

BHP area management

Occupational health and safety is particularly important in the waste management industry. Management of the area of occupational health and safety in KOM-EKO operates on the basis of internal regulations, implementing nationwide laws and regulations of individual ministers. We continuously respond to changes in the legal environment by implementing new regulations into our governance.

As of 2021, the Occupational Health and Safety Department at KOM-EKO is responsible for the area of occupational health and safety (previously these tasks were the responsibility of a one-person occupational health and safety unit). The task of the department is to keep abreast of changes in the law and to implement them correctly in the form of internal procedures and regulations. This helps to further increase the safety of employees and the legal security of those in charge of the Company.

In 2021, we implemented a **Security Policy** at KOM-EKO. From 2022, it will cover all Group companies. Additional procedures have also been developed:

- Procedure for carrying out occupational risk assessment;
- Procedure in the event of a puncture wound and possible exposure to blood and other biologically contaminated material;
- Emergency preparedness procedure.

We have created registers of workers exposed to biological agents. In 2021, work also began on new, more detailed and tailored health and safety manuals on specific topics.

Our long-term goal is to implement an occupational health and safety management system in Group companies in accordance with the PN-ISO 45001:2018 standard.



At EKOLAND, occupational health and safety issues are dealt with by an external company that ensures the correctness of documentation and conducts occupational health and safety training. The Company has created health and safety instructions, for example, on how to move around the Waste Management Plant and uses ready-made health and safety instructions for workplaces that use computers.

Lubelska Agencja Ochrony Środowiska S.A. holds a Management System Certificate PN-ISO 45001:2018-06 for training and consultancy in environmental protection and occupational health and safety. Activities resulting from the Certificate cover all departments of LAOŚ S.A. – administra-

tive part, Waste Management Facility, Laboratory.

Our employees take part in mandatory (initial and periodic) occupational health and safety training. In 2021, administrative staff and employees of the KOM-EKO Recovery Plant took part in a trial evacuation (with fire simulation) and training on the use of fire extinguishers. A group of employees forming the company's volunteer fire brigade additionally took part in specialist training in occupational health and safety.

Our employees also have the opportunity to participate in first aid training. In 2021, 53 people took part.

Hazard identification, risk assessment and incident investigation

In order to ensure that the accident rate remains as low as possible, in 2021 we started the process of updating the occupational risk assessments for each job position occurring in the Group companies, with this being carried out in accordance with the PN/EN 18002 standard from December 2021. Risk assessments updated in the past year are now being revised to bring them fully in line with the standard. In 2022, we continue the process of updating risks based on this standard. It will conclude with the implementation of the conclusions reached.

We regularly update and create new safe work instructions for both individual machines and work processes. With their high level of detail, they provide clear guidance to employees on how to do their jobs safely in our Company.

We investigate in detail the causes of each accident occurring in the Company that is understood as a work-related accident. We use the TOL method for this: identifying technical, organisational and human causes. This allows the detection of possible irregularities that contributed to the

incident. We immediately put preventive measures in place to prevent another work-related accident from occurring for the same reasons.

Through regular training in occupational health and safety, employees develop their competences in using modern equipment. As a result, in 2021 the Group recorded no accidents related to the vehicle fleet in use.

EKOLAND examines harmful factors occurring in given positions and prepares occupational risk assessments with which employees are acquainted.



In 2021, the number of days of incapacity due to occupational accidents in the Group was 836.



Number of accidents and injuries as at the last day of each year

Type of event	KOM-EKO			EKOLAND			LAOŚ		
	2021	2020	2019	2021	2020	2019	2021	2020	2019
Total number of accidents of which:	8	9	12	4	7	7	1	2	n/a
number of accidents at work for women	0	0	0	0	0	1	0	0	n/a
number of accidents at work for men	8	9	12	4	7	6	1	2	n/a
number of injuries in the workplace	8	9	12	4	7	7	1	2	n/a
number of fatal accidents	0	0	0	0	0	0	0	0	n/a
number of deaths due to diseases caused by workplace conditions	0	0	0	0	0	0	0	0	n/a
Number of days of incapacity to work due to work accidents	406	241	484	337	203	273	30	177	n/a
Accident frequency rate ²³	22.16	24.93	36.3	31.74	61.4	67.30	12.82	40.81	n/a
Accident severity rate ²⁴	50.75	267.77	40.33	84.25	29.00	39.00	30.00	88.5	n/a

²³The accident frequency rate is calculated according to the formula: number of accidents at work x 1000/employment. EKO-AZBEST Sp. z o.o.

²⁴The accident severity rate is calculated according to the formula: absenteeism/number of accidents. EKO-AZBEST Sp. z o.o.

Security during a pandemic

During the pandemic period, KOM-EKO did not fail to function: both during the 2020 lockdown and the following months of the pandemic, we took measures to keep the cities clean, guaranteeing the safety of residents and enabling our customers and suppliers to operate.

Operational staff were not able to work remotely, so we took special care of them. Changes and procedures have already been introduced in 2020 and maintained in 2021.

The following policies and procedures were in place for KOM-EKO and EKOLAND employees in 2021 due to the ongoing pandemic:

- Company health and safety instructions governing the operation of Group companies during the SARS-CoV-2 pandemic;
- Company health and safety instructions during the SARS-CoV-2 virus pandemic;
- Regulations for remote working;

We began drafting Guidelines for the operation of the Management Board Office during the SARS-CoV-2 pandemic (the document entered into force in February 2022).

An occupational risk assessment for working during a coronavirus outbreak has been developed and implemented in 2022.

All employees in our companies are equipped with FFP2 masks. Disinfectant dispensers are installed in the offices and on the premises. We also offer the opportunity to do an antigen test. Where the nature of the duties permits, employees have the option of working remotely.

The **LAOS Company** has implemented a resolution of the Management Board on the organisation of work, rules of conduct during the declaration of an epidemic state and application of measures to protect against infection. Employees were made aware of the "Occupational Risk Assessment for all workplaces regardless of their location" in force during the period of the epidemic declaration. They also have access to protective equipment to limit transmission of the SARS-CoV-2 virus (masks, gloves, disinfectants).



By design, our activities have a positive impact on society and local communities. Responsible waste management means:

- Residents live in a cleaner and tidier space;
- Greenhouse gas emissions are reduced;
- Their quality of life improves.

We intensively promote ecological and environmental knowledge and are always there when environmentally-friendly events are organised. We also educate the

region's inhabitants – from children to students and adult residents. You can read about our educational activities and employee engagement in employee volunteering in the Environment section. We are also involved in the lives of our residents at other levels, supporting cultural and sporting activities, as well as charity work. At the same time, we monitor our activities for and counteract any negative impact on the environment and residents' living comfort.



6.1

Educational and cultural events and activities

Our tool for communication with the public is the quarterly "EKOgadka". Apart from articles on ecology in the broadest sense, we publish here materials on culture, art, history of Lublin (and not only) or social issues.

In 2021, as every year, KOM-EKO Group companies and their employees participated in the nationwide charity action "Noble Parcel", which aims to help families and individuals in difficult life situations. Together with our employees, we also supported a nationwide fundraiser for the treatment of Nina Słupska, a girl battling spinal muscular atrophy (SMA 2).

An important area of our involvement in the region is the promotion of sport and Polish athletes:

- Since 2017, KOM-EKO is a sponsor of the team Motor Lublin – vice-champions of Poland in the sport of speedway. We support the team both financially and technically – in 2021 our employees with the use of KOM-EKO road works equipment prepared the track in Lublin in connection with the organisation of two rounds of the Speedway Grand Prix in the competition for the title of Individual World Champion;
- We sponsor an extra-league rugby team – KS Budowlani Lublin.

EKOLAND also sponsors sports events. In 2021 we supported:

- The annual Polish Latin American Dance Championship of the Polish Dance Association in Bełżyce;
- The 3rd Archery Tournament for the Cup of the Mayor of Kraśnik "On the Castle Hill";
- The 8th Nationwide MTB Cycling Marathon for the Cup of the Minister of Sport and the Mayor of Kraśnik "I choose cycling – I exclude addictions";
- The recreational event "Cardinal Stefan Wyszyński 1st Run in Urzędowo";
- The 8th edition of the "Triathlon Kraśnik" competition;
- Bicycle rally in the municipality of Dzierżkowice;
- Boxing Sports Club "Za bramą" from Kraśnik, among others in the competition "Boxing against addictions".

We also participate in recreational family events:

EKOLAND sponsored the community harvest festival in the municipalities of Oblęcín and Niedrzwica Duża, the family festival in the municipality of Dzierżkowice and the festival organised on the occasion of the 45th anniversary of the establishment of MPK in Kraśnik.

6.2

Social activity

We monitor the needs of institutions in our area and their wards. KOM-EKO is the patron of the Józefa Piłsudskiego No. 48 Primary School in Lublin. Last year, as part of our cooperation, we donated IT equipment in the form of two notebook and five desktop computer sets with software.

On the occasion of Children's Day, EKOLAND prepared gifts for children from Childcare Centres No. 1 and No. 2 in Krasnik, and also made a donation to the Krasnik-based Sport & Reha Kids Foundation, which helps children and adults with disabilities and supports their families. The company also made a donation to volunteer fire brigades in Kraśnik, Marynopol and Suchodol.

In addition to educational activities, we are also involved in actions for the benefit of local communities. In 2021 KOM-EKO supported and promoted, in the vote on the civic budget of the city of Lublin, an ecological city-wide project submitted by the Zero Waste Lublin community. It consisted of the installation in Lublin of a Givebox, i.e. a piece of urban furniture for free and anonymous exchange of products between residents. We have also been involved in helping pets. As part of its support for the Shelter for Homeless Animals in Lublin, KOM-EKO donated 10 t of "HUMUKOM" for the needs of a vegetable garden for the shelter's charges.



6.3

Minimisation of the impact on the environment of the activities carried out

Waste management activities have an environmental, but also a social impact. We take care to ensure that these activities cause as little inconvenience as possible for the residents living in the vicinity of our plants.



Anti-odour barriers

We take care to ensure that residents are not adversely affected by our activities in the form of odours. Both at the KOM-EKO Waste Management Plant and the EKOLAND Waste Management Plant we have installed hydrogen barriers that operate 24 hours a day. The installation uses the technology of fogging with an aqueous solution of anti-odour preparations, which work on the principle of binding odour compounds through intermolecular interactions. We do this regardless of existing legislation.



Zapobieganie roznoszeniu odpadów

As there is an open windrow composting plant for selectively collected bio-waste at the KOM-EKO Waste Management Plant, we deter birds from spreading the waste. The methods used are safe for birds.



Securing the environment and cleaning it regularly

We continuously monitor the areas around the KOM-EKO Group's plants for potential waste spillage. If such an incident is noted, we organise an intervention cleaning. In addition, we carry these out every year in the spring after the snow cover has disappeared. We then clean up not only the waste resulting from the operation of the plant, but also wild dumps/garbage. In order to protect the surroundings from the spreading of waste, all installations are fenced off and the areas where waste is unloaded for treatment in accordance with BAT requirements are enclosed. In addition, the plate of the open windrow composting plant is located in a depression, surrounded from the side of the nearest human settlements by an earth embankment on which a so-called "green zone" of protective planting has been made and a net has been spread to catch the pollutants dispersed.



Land reclamation

In connection with the use of landfills, we carry out reclamation processes consisting of sealing the landfill and then planting it with vegetation. This process is carried out in accordance with the strict regulations governing such activities.

We shall always obtain a permit specifying the types and quantities of waste which may be used to form the reclamation cover of the landfill after it has been filled with waste. Reclamation is carried out in two stages. In the first stage of technical reclamation, a layer is formed from mineral waste

to protect the landfill site against rainwater infiltration by sealing its surface. In the second biological stage, topsoil is laid with a fertile layer of soil allowing the plants to grow. In addition, the rehabilitated landfill will be equipped with monitoring facilities for, inter alia, surface water flow rate, groundwater level and composition, landfill gas emissions and composition, and presence of mercury vapour. The process carried out in this way ensures the safety of the reclaimed space.



About the report

The ESG Report concerns the activities of KOM-EKO S.A. and the KOM-EKO Capital Group. It describes our ESG performance in 2021. The report takes into account

the indicators recommended by the "Guidelines for ESG Reporting. A Guide for Companies Listed on the WSE".

Table of indicators

Indicators according to WSE guidelines	Page
Corporate governance indicators	
G-M1 Board Composition	20
G-M2 Business Ethics Standards	25
G-M3 Anti-corruption Policy	25
G-M4 Whistle-blower Mechanism	26
G-S1 Data Security Policy	27-28
Social indicators	
S-M1 Board Diversity	82
S-M2 Gender Pay Gap	80
S-M3 Employee Turnover	79
S-M4 Freedom of Association and Collective Bargaining	76
S-M5 Human Rights Policy (Partially reported)	51, 80
S-S1 Employee Health and Safety	87-90
Environmental indicators	
E-M1 GHG Emissions	50-51
E-M2 Energy Consumption	49
E-M3 Climate Risks & Opportunities	46-47
E-S3 Water Consumption	54
E-S4 Water Management	54
E-S6 Waste Management	55-56

Selected own indicators	Page
Corporate governance indicators	
Description of the approach to ESG, transparency and reporting	5, 22-24
Social indicators	
Description of new solutions to build service quality and security	67
Description of key community initiatives for the benefit of residents	93-94
Number of recipients of social initiatives	94
Environmental indicators	
Solutions to minimise odour generation	95
Recycled waste	41
Share of waste recycled and sent to landfill	43
Weight of raw materials obtained from waste treatment	43
Weight of waste sent to landfill	42
Weight of treated waste	41
Weight of collected waste	40
Conducting education on waste segregation	57-61
Number of recipients of educational activities	60

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