

DIRECTORS' REPORT ON THE OPERATIONS OF THE SECO/WARWICK GROUP FOR THE YEAR ENDED 31 DECEMBER 2024

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I. DIRECTORS' REPORT ON THE OPERATIONS OF THE SECO/WARWICK GROUP

The Management Board of SECO/WARWICK S.A. (the "Company") presents the Directors' Report on the Group's operations in the period 1 January–31 December 2024, prepared in accordance with the Minister of Finance's Regulation on current and periodic information to be published by issuers of securities and conditions for recognition as equivalent of information whose disclosure is required under the laws of a non-member state, dated 29 March 2018 (Dz.U. of 2018, item 757) (the "Regulation").

The consolidated financial statements of the SECO/WARWICK Group (the "Group", the "S/W Group", or the "SECO/WARWICK Group") were prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU, and their scope is compliant with the Regulation. The financial statements cover the period 1 January–31 December 2024 and the comparative period 1 January–31 December 2023.

1. The SECO/WARWICK Group

1.1 Parent

The Parent of the SECO/WARWICK Group (the "SECO/WARWICK Group", the "S/W Group", or the "Group") is SECO/WARWICK Spółka Akcyjna of Świebodzin, Poland (the "Company"). The Company was incorporated on 2 January 2007 and registered by the District Court for Zielona Góra, 8th Commercial Division of the National Court Register, in the Register of Businesses of the National Court Register under No. KRS 0000271014.

The operations of the SECO/WARWICK Group are divided into four main product groups:

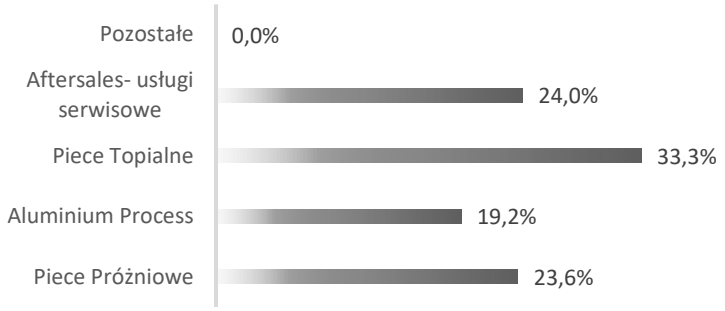
- Vacuum Furnaces,
- Aluminium heat treatment systems (Aluminium Process + Controlled Atmosphere Brazing),
- Melting Furnaces,
- Aftersales services.

Information on each operating segment is presented in the consolidated financial statements of the SECO/WARWICK Group (Note 2 to the consolidated financial statements for the 12 months ended 31 December 2024) and in Section 36 of this Report.

Table: Revenue (PLN '000)

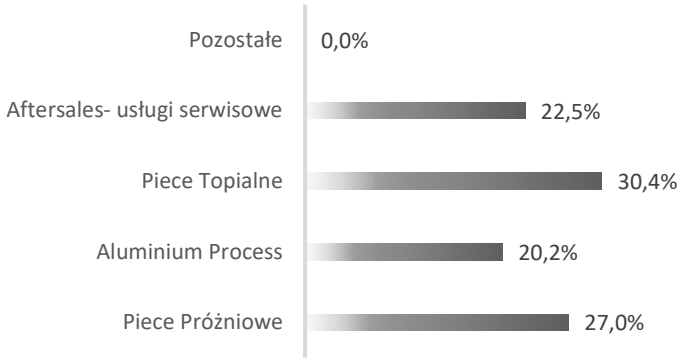
	MAIN PRODUCTS 1 JAN–31 DEC 2024					Total
	Vacuum Furnaces	*Aluminium Process*	*Melting Furnaces*	*Aftersales services*	*Other*	
1 Jan–31 Dec 2024	168,305	136,611	237,052	170,857	-	**712,825**
	MAIN PRODUCTS 1 JAN–31 DEC 2023					
1 Jan–31 Dec 2023	184,260	138,046	207,540	153,783	29	**683,659**

MAIN PRODUCTS 2024



	MAIN PRODUCTS 2024
	Other
	Aftersales services
	Melting Furnaces
	Aluminium Process
	Vacuum Furnaces

MAIN PRODUCTS 2023



	MAIN PRODUCTS 2023
	Other
	Aftersales services
	Melting Furnaces
	Aluminium Process
	Vacuum Furnaces

1.2 Organisational and equity links between SECO/WARWICK Group companies and other entities; information on key domestic and foreign equity investments (securities, financial instruments, intangible assets and property), including equity investments outside of the group of related entities; financing of the investments

Table: Composition of the SECO/WARWICK Group as at 31 December 2024 is presented below:

Company	Registered office	Principal business activity	SECO/WARWICK ownership interest (%)
Parent			
SECO/WARWICK S.A.	Świebodzin (Poland)	Holding company of the SECO/WARWICK Group; holding equity interests and providing strategic management services; manufacture of equipment for metal heat treatment	N.A.
Direct and indirect subsidiaries			
SECO/WARWICK Corp.	Meadville (USA)	Sale, repair and maintenance services	**100%**

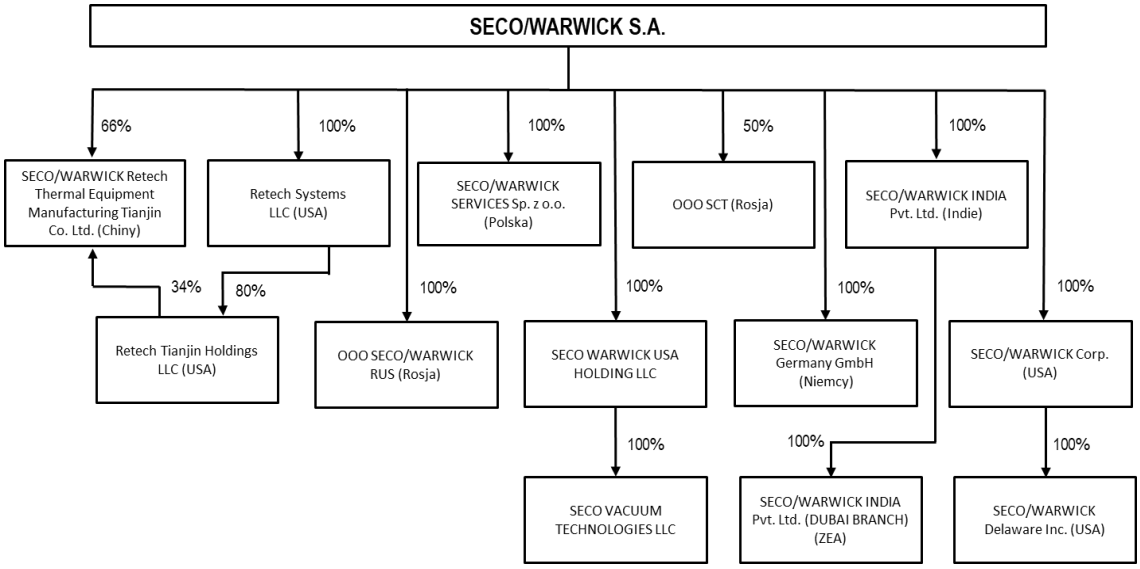
SECO/WARWICK of Delaware, Inc	Wilmington (USA)	Holding company; registration of trademarks and patents, and granting licences for use of the trademarks and patents by SECO/WARWICK Corp.	**100%**
SECO/WARWICK Rus	Moscow (Russia)	Distribution of the Group's products	**100%**
Retech Systems LLC	Buffalo (USA)	Trade and services; manufacture of metallurgy equipment used for melting and vacuum casting of metals and specialty alloys	**100%**
SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co., Ltd.	Tianjin (China)	Manufacture of equipment for metal heat treatment	**93%**
Retech Tianjin Holdings LLC	(USA)	Holding company	**80%**
OOO SCT	Solnechnogorsk (Russia)	Provision of metal heat treatment services in Russia	**50%**
SECO/WARWICK Germany GmbH	Bedburg-Hau (Germany)	Sale, repair and maintenance services	**100%**
SECO/WARWICK Services Sp. z o.o.	Świebodzin (Poland)	Repair and maintenance services	**100%**
SECO WARWICK USA HOLDING LLC	Wilmington (USA)	Holding company	**100%**
SECO VACUUM TECHNOLOGIES LLC	Wilmington (USA)	Sale and distribution of vacuum furnaces	**100%**
SECO/WARWICK INDIA PVT. Ltd.	Mumbai (India)	Sale, repair and maintenance, and manufacture of equipment for metal heat treatment	**100%**
SECO/WARWICK INDIA Pvt. Ltd. (DUBAI BRANCH)	DUBAI (UAE)	Distribution of the Group's products	**100%**

With the exception of OOO SCT, all Group entities are fully consolidated.

Changes in the composition of the Group:

In 2024, the composition of the Group changed with the establishment of SECO/WARWICK INDIA Pvt. Ltd. (DUBAI BRANCH) (UAE). SECO/WARWICK Systems and Services India PVT. Ltd. changed its name to SECO/WARWICK INDIA PVT. Ltd. SECO/WARWICK Technical Services (Tianjin) Co. Ltd. was liquidated.

Structure of the Group as at 31 December 2024



Composition of the SECO/WARWICK Group as at the issue date of this Report

There were no changes in the composition of the SECO/WARWICK Group between 31 December 2024 and the issue date of this Report.
For information on key domestic and foreign investments (financial instruments, intangible assets and property), see Notes to the full-year consolidated financial statements of the SECO/WARWICK Group. There were no equity investments outside the group of related entities.

1.3 Changes in significant management policies at the Company and the Group

In the reporting period, there were no changes in significant management policies of the Company or the Group.

1.4 Amount of remuneration, bonuses and benefits, benefits under share-based incentive and bonus schemes, including schemes based on bonds with pre-emptive rights, convertible bonds or subscription warrants, paid, payable or potentially payable, presented separately for each member of the management and supervisory staff of the SECO/WARWICK Group

MANAGEMENT BOARD

Members of the Management Board receive remuneration based on employment contracts and resolutions of the Supervisory Board. Severance or compensation payments are governed by the Labour Code. The amount of remuneration of the Management Board members for 2024 is defined in the resolutions passed by the Company's Supervisory Board of 21 April 2022.

Table: Remuneration of SECO/WARWICK S.A. Management Board members in 2024 (PLN '000)

Name	Remuneration in the period	Other benefits	Accrued incentive scheme costs	Total remuneration in the period

31 Dec 2024	(PLN '000)	(PLN '000)	(PLN '000)	(PLN '000)
Sławomir Woźniak	570	967	313	1,850
Piotr Walasek	396	473	157	1,026
Earl Good (1)	1,154	401	499	2,055
Bartosz Klinowski	396	474	157	1,026
Total	**2,516**	**2,315**	**1,126**	**5,958**

(1) Under an employment contract between Retech and Earl Good.

No Management Board member receives remuneration for serving on the governing bodies of subsidiaries.

SUPERVISORY BOARD

Members of the Supervisory Board are entitled to monthly remuneration in the amount determined by the General Meeting, paid by the fifteenth day of the month following the month for which the remuneration is due. The remuneration covers all expenses related to the performance of duties of a member of the Supervisory Board. Supervisory Board members are not entitled to severance pay.

Table: Remuneration of SECO/WARWICK S.A. Supervisory Board members for 2024 (PLN '000)

Name	Total remuneration 31 Dec 2024
Andrzej Zawistowski, including:	346
- for his service as Chair of the Supervisory Board	226
- under contract for advisory services (1)	120
Jeffrey Boswell, including:	173
- under employment contract (2)	173
Marcin Murawski	50
Robert Jasiński	49
Maciej Karnicki	69
Total	**686**

(1) Under a service contract between SECO/WARWICK S.A. and Andrzej Zawistowski, who conducts business activities as USŁUGI DORADCZE Andrzej Zawistowski. The contract of 2 January 2020 is for the provision of technical and product development advisory services.

(2) Under an employment contract between SECO/WARWICK Corp. and Jeffrey Boswell.

No Supervisory Board member receives remuneration for serving on the governing bodies of subsidiaries.

On 5 June 2020, the Company's Annual General Meeting adopted the Remuneration Policy for members of the Management Board and Supervisory Board of Seco/Warwick S.A. (the "Remuneration Policy"). The Remuneration Policy defines the organisational framework for remunerating members of the Management Board and Supervisory Board, establishing a coherent remuneration system. The Company pays remuneration to members of the Governing Bodies only in accordance with the Remuneration Policy. On 10 June 2021, by Resolution No. 20, the Annual General Meeting adopted amendments to the Remuneration Policy. On 25 May 2022, an amended Remuneration Policy for members of the Management Board and Supervisory Board of Seco/Warwick S.A. was adopted by Resolution No. 28. On 13 June 2024, by Resolution No. 23, the Annual General Meeting adopted amendments to the Remuneration Policy for members of the Supervisory Board.

1.5 Agreements between the SECO/WARWICK Group companies and their management staff, providing for compensation in the event of resignation or removal from office without a good reason or following acquisition of the Company by another company

Employment contracts concluded between the Company and its management staff do not provide for compensation in the event of their resignation or dismissal. Any severance or compensation payments are governed by the Labour Code, and the employment contracts do not contain any other specific provisions in this respect. Similarly, the contracts do not provide for severance payments in the event of removal from office or termination of contract due to acquisition of SECO/WARWICK S.A. by another company.

1.6 Liabilities arising from pensions or similar benefits to former members of management, supervisory or administrative bodies, and liabilities incurred in connection with such pensions, with a specification of the total amount for each body

The Parent does not have any pension or similar benefit obligations with respect to former members of its management, supervisory or administrative bodies.

1.7 Total number and par value of SECO/WARWICK shares and shares in related entities of the Parent, held by the management and supervisory staff

As at 31 Dec 2024:

	1 Jan 2024				31 Dec 2024			
	Number of S/W shares held	Ownership interest	% of total voting rights	Decrease/increase	Number of S/W shares held	Ownership interest	% of total voting rights	Total par value of shares (PLN)
Management Board								
Sławomir Woźniak	137,490	1.37%	1.37%	45,000	182,490	1.82%	1.82%	36,498
Bartosz Klinowski	144,253	1.44%	1.44%	22,500	166,753	1.67%	1.67%	33,351
Earl Good	26,225	0.26%	0.26%		26,225	0.26%	0.26%	5,245
Piotr Walasek	67,596	0.68%	0.68%	22,500	90,096	0.90%	0.90%	18,019

Supervisory Board								
Andrzej Zawistowski	65,000	0.65%	0.65%	-	65,000	0.65%	0.65%	13,000
Jeffrey Boswell	9,776	0.10%	0.10%	-	9,776	0.10%	0.10%	1,955
Marcin Murawski	-	-	-	-	-	-	-	-
Robert Jasiński	-	-	-	-	-	-	-	-
Maciej Karnicki	-	-	-	-	-	-	-	-
Total	**450,340**	**4.50%**	**4.50 %**	**90,000**	**540,340**	**5.40%**	**5.40 %**	**108,068**

As at the date of this Report, the number of SECO/WARWICK S.A. shares held by the management and supervisory personnel did not change.
Members of the SECO/WARWICK S.A. Management Board and Supervisory Board do not hold any shares in related entities.

Item	31 Dec 2024	31 Dec 2023
Number of shares	10,000,000	10,000,000
Par value per share	0.20	0.20
Share capital	**20,000,000.00**	**2,000,000.00**

1.8 Agreements (including agreements executed after the reporting period) known to the SECO/WARWICK Group which may result in changes in the proportions of shares held by the current shareholders and bondholders

SECO/WARWICK S.A. Incentive Scheme for 2022–2024

On 15 December 2022, by Resolution No. 2/2022 the Supervisory Board defined the individual targets for 2023 for the participants of the Incentive Scheme, as announced by the Company in Current Report No. 11/2022 of 15 December 2022. Achievement of the individual targets is a condition for the award of rights under the Incentive Scheme to its participants, provided they remain employed with the Company in the period from 1 January 2023 to 31 December 2023. The targets were approved by the General Meeting's Resolution No. 23 of 7 June 2023.

On 14 December 2023, by Resolution No. 1/2023, the Supervisory Board defined the individual targets for 2024 for the participants of the Incentive Scheme, as announced by the Company in Current Report No. 19/2023 of 14 December 2023. Achievement of the individual targets is a condition for the award of rights under the Incentive Scheme to its participants, provided they remain employed with the Company in the period from 1 January 2024 to 31 December 2024. The targets were approved by the General Meeting's Resolution No. 21 of 13 June 2024.

In the case of the Incentive Scheme for 2023 and 2024, the targets cover financial and operating ratios of the individual subsidiaries, the organisational units related to particular technologies, or the entire Group, depending on the position of a Scheme participant.

Achievement of the targets for 2023 was approved by the Annual General Meeting's Resolution No. 22 of 13 June 2024.

Costs incurred in 2023 in connection with the 2022–2024 Incentive Scheme amounted to PLN 1,726 thousand.
Costs incurred in 2024 in connection with the 2022–2024 Incentive Scheme amounted to PLN 1,342 thousand.

1.9 Control systems for employee stock option plans

The 2022–2024 Incentive Scheme, adopted by the Extraordinary General Meeting by Resolution No. 7 of 7 October 2021, is overseen by the Supervisory Board and Management Board of SECO/WARWICK S.A.

1.10 Share buybacks

On 24 September 2024, the Management Board of SECO/WARWICK S.A., acting pursuant to a Supervisory Board resolution of 24 April 2024 and Resolution No. 22 of the Annual General Meeting of 13 June 2024 concerning the verification of achievement of Annual Targets by Incentive Scheme Beneficiaries in 2023 (as announced by the Company in Current Report No. 7/2023), announced that a total of 118,542 treasury shares of the Company were effectively transferred to persons covered by the Incentive Scheme following registration of the shares in securities accounts held by them.

The shares were sold to the Incentive Scheme beneficiaries for PLN 0.20 (twenty grosz) per share.

The sold shares represent 1.19% of the Company's share capital and confer 118,542 voting rights, or 1.19% of total voting rights, at the General Meeting. Following the sale, the Company held 1,265,093 treasury shares, representing 12.65% of its share capital and 12.65% of total voting rights at its General Meeting.

As at the issue date of this Report, SECO/WARWICK S.A. held 1,265,093 treasury shares, representing 12.65% of the share capital. The Company does not exercise voting rights attached to treasury shares.

Pursuant to Art. 364.2 of the Commercial Companies Code, the Company may not exercise the rights attached to treasury shares other than the right to dispose of the shares and the right to take steps to preserve those rights.

In accordance with the decision of the Extraordinary General Meeting, own shares repurchased by the Company may be cancelled on the basis of a separate resolution of the General Meeting or, upon prior approval by the Company's Supervisory Board, may be held for the purposes of existing or future incentive schemes at the Company or its subsidiaries, for further resale or for any other purpose defined in a resolution of the Company's Management Board.

2. Discussion of key financial and economic data disclosed in the full-year consolidated financial statements and of factors and events, including non-recurring ones, with a material effect on the Group's operations and profits earned or losses incurred in the financial year; discussion of development prospects in a period covering at least the next financial year

STATEMENT OF COMPREHENSIVE INCOME

In 2024, the SECO/WARWICK Group reported PLN 712.8 million in revenue, up by PLN 29 million (+4.2%) on 2023. The following companies reported higher sales: SECO/WARWICK Corp. +138% (2024:

PLN 69.4 million; 2023: PLN 29.2 million) and SECO/WARWICK India PVT. Ltd. +125% (2024: PLN 11 million; 2023: PLN 4.9 million), Retech Systems LLC +12.23% (2024: PLN 228.4 million; 2023: PLN 203.5 million), and SECO VACUUM TECHNOLOGIES LLC +47% (2024: PLN 49.9 million; 2023: PLN 33.9 million). SECO/WARWICK Services Sp. z o.o. also saw a slight increase of +1.6% (2024: PLN 53.4 million; 2023: PLN 52.6 million).

The value of the Group's backlog of orders at the end of 2024 remained relatively unchanged year on year, at PLN 767.3 million, compared with PLN 776.1 million at the end of 2023.
Vacuum Furnaces and aftersales services accounted for the highest share of sales by main products in 2024. Geographically, in 2024 the largest contributors to the SECO/WARWICK Group's revenue included the US market (41.6%), the EU (32.2%) and Asia (17.9%).
In 2024, the Group earned a gross profit of PLN 149.6 million and EBIT of PLN 31.8 million.

In 2024, there were no material adverse factors with bearing on net profit. Taking into account the above factors, as well as finance costs, tax expenses and profit attributable to non-controlling interests, in 2024 the SECO/WARWICK Group posted a net profit attributable to owners of the Parent of PLN +24.3 million.

STATEMENT OF FINANCIAL POSITION

Compared with 2023, 2024 saw a +13.1% increase in total assets (from PLN 626.6 million to PLN 708.8 million). Non-current assets rose by 20.6% year on year. The change was driven mainly by investments in property, plant and equipment. A 9.9% increase in current assets in the reporting period was largely attributable to higher cash.

Compared with 2023, in 2024 there was a notable increase in non-current liabilities (36.1%), attributable mainly to bank borrowings of Retech Systems LLC, while equity rose by 7.4%.

In 2024, the share of equity in total equity and liabilities remained close to the 2023 level (37.2% relative to 39.2%).

The current, quick and cash ratios remained unchanged, at 0.4, 1.05 and 1.3, respectively. The ratios indicate that the Group is operationally stable and has the ability to pay its liabilities when due.

Higher sales brought about changes in the efficiency ratios in 2024. The average collection period was 64 days. Inventory turnover was 57 days, while the average payment period was 52 days. The asset turnover ratio of 3.4 (the non-current asset turnover ratio in particular) confirms the effective use of the Group's production potential.

STATEMENT OF CASH FLOWS

In 2024, the Group generated positive operating cash flows of PLN +109.9 million (2023: PLN +64 million). The largest items of operating cash flows included change in receivables (up by PLN +23.5 million), depreciation and amortisation (up by PLN +18.5 million), and change in contract assets and liabilities (up by PLN +22.5 million).

In 2024, cash flows from investing activities were negative at PLN -44.1 million (2023: PLN -21.6 million). A majority of cash flows from investing activities were expenditures on intangible assets and property, plant and equipment at SECO/WARWICK SA. and Retech Systems LLC.

Cash flows from financing activities included mainly repayment of bank and other borrowings of PLN 16.9 million. As a result, the carrying amount of cash increased to PLN 145.8 million at the end of 2024.

3. Assessment of factors and non-recurring events with bearing on the Group's results for the financial year; the extent to which such factors or non-recurring events affected the results

As at the date of this Report, the armed conflict in Ukraine did not have any material adverse effect on the Group's operations. However, based on current observations, the Group identifies the following main areas of possible impact of the war in Ukraine on the Company's and the Group's operations and financial condition:

- increased volatility of exchange rate movements,
- a global economic downturn coupled with growing inflation (stagflation),
- increased geopolitical risk, resulting in a risk of lower investment activity in the industries of the Group's customers,
- possible supply chain disruptions, including shortages of some components, feedstocks and materials, such as steel, and significant price hikes,
- growing costs of energy (electricity, fuels and natural gas),
- rising interest rates resulting in higher finance costs,
- IT risks.

As the Group has identified no material change in the timeliness of receivables collection, no material impairment losses on receivables or contract assets were recognised.

4. Information on the markets, broken down into domestic and foreign markets, on the supply sources for production materials, goods and services, including information on dependence, if any, on any single customer or supplier, or a group of customers or suppliers, and where the share of a single customer or supplier in total revenue equals or exceeds 10% – the company name of such customer or supplier, its share in total sales or purchases, and its formal links with SECO/WARWICK S.A.

Geographical areas are based on the Group's markets. The Group has identified the following areas:

- the EU market,
- the US market,
- the Asian market,
- other countries, including Ukraine.

The Group purchases the majority of materials used in the production of heat treatment equipment on three main markets.

Poland is the largest market supplying production materials for the SECO/WARWICK Group. It is followed by the EU (with Germany as the largest supplier). The US market is the third largest supply

market for the Group in terms of both importance and volume. In addition to these three main supply markets, the Group also procures production materials in India, China and Japan.

With a broad supplier base and access to numerous markets, the Group does not depend on any single supplier (there is no single supplier whose sales to the Group would account for more than 10% of the Group's total revenue) and is able to ensure uninterrupted production of heat treatment equipment.

Customers buying the Group's products operate in the automotive, aviation, power, machine-tool, medical equipment, electrical engineering and machine-building industries. The economic situation on those markets affects the situation of many other associated markets. The Group supplies its products both to manufacturers from the abovementioned industries and to their suppliers. The Group's customers include both automotive and aircraft manufacturers as well as producers of components and spare parts. The machine-building industry, understood as a group of customers purchasing the Group's products, encompasses a wide variety of business activities driven by GDP growth. There is no dependence on a single customer. There is no dependence on a single customer (no single customer accounts for more than 10% of total revenue).

5. Agreements significant to the Group's business, including shareholder agreements known to the Group, insurance, partnership or cooperation agreements

On 30 November 2023, in Current Report No. 18/2023, the Management Board of SECO/WARWICK S.A. announced the execution of a long-term loan agreement (the "Agreement") between the Company's subsidiary Retech Systems LLC of Buffalo, New York, USA, as the Borrower, and Fundusz Ekspansji Zagranicznej 2 FIZ AN as the Lender.
Under the Agreement, the Lender granted the Borrower a cash loan of up to USD 10 million, i.e. approximately PLN 39.81 million translated at the average USD/PLN exchange rate announced by the National Bank of Poland as at 30 November 2023 (the "Loan"). The Loan bears interest at a fixed, arm's-length rate.

The Loan was granted to finance some of the expenditure related to the implementation of the SECO/WARWICK Group Strategy for 2023–2026, announced in Current Report No. 17/2023 of 26 September 2023. Specifically, the Loan will be allocated to a project aimed at advancing metal powder manufacturing technology, including the construction and installation of Plasma Gas Atomizer furnaces, both on a large and small scale, utilising proprietary Retech PAM (Plasma Arc Melting) technology. Additionally, the project will involve expanding and equipping the production and assembly facility. The project, with an estimated total value of approximately PLN 45 million, is being executed at Retech Systems LLC in Buffalo, New York, USA. These expenses are anticipated to be incurred between 2023 and 2025.

All significant insurance, cooperation, or collaboration agreements entered into by the SECO/WARWICK Group adhere to typical operational practices of the Group and align with market standards. The SECO/WARWICK Group is not aware of any other significant agreements made between the shareholders.

6. Related-party transactions concluded by the SECO/WARWICK Group other than arm's length transactions

In 2024, SECO/WARWICK S.A. and its subsidiaries did not enter into any transactions with related entities other than transactions executed on an arms' length basis.

7. Information on loan agreements executed or terminated in the financial year, including at least information on the types, amounts and interest rates, as well as currencies and repayment dates

Short-term and long-term borrowings as at 31 December 2024

Lender	Amount		Currency	Limit/amount as per agreement	Repayment date	Security	Interest rate	Type
	PLN '000	In foreign currency ('000)						
Huntington National Bank	172	42	USD	36	31 Jan 2026		*fixed – 7%*	Overdraft facility
Volkswagen Credit	32	8	USD	27	30 Sep 2026		*fixed*	Overdraft facility
SANTANDER	1,157	-	PLN	2,000	28 Feb 2024	promissory note	1M WIBOR + 1.0% p.a.	Overdraft facility
mBank	74	-	PLN	-	-	promissory note	-	Credit card limit
mBank	22	5	EUR	-	-	promissory note	-	Credit card limit
mBank	87	-	PLN	-	-	promissory note	-	Credit card limit
mBank	28	6.8	USD	-	-	promissory note	-	Credit card limit
mBank	91	21	EUR	-	-	promissory note	-	Credit card limit
HSBC Bank	-	-	USD	1,300	31 Dec 2025		*fixed – 11%*	Overdraft facility
Fundusz Ekspansji Zagranicznej 2 Fundusz Inwestycyjny Zamkniety Aktywów Niepublicznych	26,658	6,500	USD	10,000	31 Dec 2030	mortgage, surety from SWSA, notarised consent to enforcement under Art. 777.1 of the Code of Civil Procedure	fixed – 7%	Investment facility
BNP Paribas	25,417	-	PLN	50,000	8 Dec 2025	notarised consent to enforcement under Art. 777.1 of the Code of Civil Procedure	1M WIBOR + 0.9% p.a.	Overdraft facility
PEKAO	-	-	PLN	15,000	31 Aug 2025	notarised consent to enforcement under Art. 777.1 of the Code of Civil Procedure	1M WIBOR + 1.25% p.a.	Overdraft facility
mBank	18,584		PLN	20,000	3 Sep 2026	notarised consent to enforcement under Art. 777.1 of the Code of Civil Procedure	ON WIBOR + 1.05% p.a.	Overdraft facility
mBank	806		PLN	14,500	31 Mar 2025	mortgage, hold on securities account	1M WIBOR + 1.35% p.a.	Investment facility
mBank	2,418	-	PLN	6,908	30 Sep 2026	mortgage, hold on securities account	1M WIBOR + 1.35% p.a.	Investment facility
Santander	9,801	-	PLN	19,000	28 Feb 2025	notarised consent to enforcement under Art. 777.1 of the Code of Civil Procedure	1M WIBOR + 0.9% p.a.	Overdraft facility
Car Loan facility	187	3,941	INR					Overdraft facility
Total:	**85,537**							

For detailed information on the liabilities of the SECO/WARWICK S.A. Group companies under borrowings, see Note 21 to the consolidated financial statements of the SECO/WARWICK Group for 2024.

In 2024, SECO/WARWICK S.A. did not take out any non-bank loans. No loan or credit facility agreements were terminated in 2024.

8. Sureties and guarantees issued and received in the financial year

Contingent liabilities under guarantees and sureties issued were PLN 1,370 thousand as at the end of 2024, and PLN 21,966 thousand as at the end of 2023. The following guarantees were issued:

Item	31 Dec 2024	31 Dec 2023
performance bond	504	14,798
bid bond	866	7,168
Total	**1,370**	**21,966**

9. Information on loans advanced in the financial year, in particular loans to the Company's related entities, including at least information on the types, amounts and interest rates, as well as the currencies and repayment dates

In 2024, SECO/WARWICK S.A. did not grant any loans to related entities.

No loans were advanced by SECO/WARWICK S.A. to members of the Management or the Supervisory Board, or any non-related parties in 2024.

10. Assessment (and grounds for the assessment) of financial resources management, including in particular an assessment of the Group's ability to repay its liabilities, as well as an identification of threats, if any, and measures used or intended to be used by the Group to mitigate such threats. Feasibility of planned investments, including equity investments, in view of the funds available to the Group; possible changes in the financing of the investments

As at 31 December 2024, the SECO/WARWICK Group's outstanding debt under investment credit facilities and overdraft facilities was PLN 85,537 thousand, up by PLN 32,280 thousand from PLN 53,257 thousand at the end of 2023.
The funds and credit facilities available to the Group were sufficient to finance investments and capital expenditure planned for and executed in 2024.
In the opinion of the Management Board of the Parent, as at the end of the reporting period there was no threat of the Company's failure to meet its liabilities.

The table below presents the liquidity ratios of the SECO/WARWICK Group.

LIQUIDITY RATIOS	31 Dec 2024	31 Dec 2023
Current ratio	0.4	0.2
Quick ratio	1.05	1.1

Cash ratio	1.28	1.3

11. Issue of securities and use of issue proceeds by SECO/WARWICK S.A.

No such events occurred in 2024.

12. Explanation of discrepancies between the financial results disclosed in the full-year report and the previously released forecasts for the year, if any

The SECO/WARWICK Management Board did not publish any forecasts of the Company's or the Group's financial results in 2024.

13. Description of material risk factors and threats, including information on the degree of the Group's exposure to such risks or threats

The fast-changing environment and growth of the SECO/WARWICK Group require seeking continuous improvement and ensuring highly active risk management. The SECO/WARWICK Group focuses mainly on financial risks (encompassing liquidity, credit, market and currency-related factors), operational risks (related mainly to quality, timeliness and project costs) and compliance risks (legal, regulatory).

Detailed overview of key risks to the SECO/WARWICK Group

Small risk ●○○	**Moderate risk** ●●○	**Significant risk** ●●●
Stable risk →	**Upward risk** ↗	**Downward risk** ↘

CATEGORY		RISK OVERVIEW	RISK MITIGATION / HANDLING	POTENTIAL ADVERSE IMPACT	RISK LEVEL	TREND
FINANCIAL RISKS						
1.	**War in Ukraine**	Russia's military aggression against Ukraine	• cooperation with reputable law firms on export control and sanctions	• the risk of sanctions breach	●○○	↘
	Macroeconomic and geopolitical situation	Inflation pressure, supply chain disruptions	• SW Group strategy	• inflation pressure on salaries and wages • significant rise in material and energy costs • risk of potential US – China conflict over Taiwan • increase in transport costs	●●●	↗

				• tariff war between US and Europe/China		
2.	**Liquidity and financing risk**	Inadequate working capital management	• analysis and forecasting of the Group's cash flows and liquidity • diversification of financing sources • securing additional credit facilities	• lower efficiency of sales activities • suspension or delay in the implementation of investment activities		
3.	**Market risk**	Changes in prices of materials, foreign exchange rates and interest rates	• following the adopted material price management policy and currency risk management policy	• deterioration of financial performance • deterioration of liquidity		
4.	**Credit risk**	Insolvent trading partners	• monitoring of partners' ratings and financial position • the use of diverse financial tools to hedge risk	• deterioration of financial performance • deterioration of liquidity		
OPERATIONAL RISKS						
5.	**IT system risk**	External or internal interference with IT systems (cyber-attack)	• IT security audits • in-house procedures for IT security management • security tests for IT systems • raising employees' awareness of cyber security issues (training, information, tests)	• loss of data confidentiality • revenue reduction and financial loss • penalties, loss of data		

6.	**Employee risk**	Difficulties with talent recruitment and retention of competent and experienced staff	• close cooperation with secondary schools and higher education facilities (vocational classes under the Group's patronage, student apprenticeship and internships, competitions for pupils to develop their vocational skills, participation in open days, job fairs, etc.) • employer branding through presence in social and traditional media • building career paths and opportunities for employees • development of leadership skills • building an engaging work environment • creation of space for innovation within the organisation • system of periodic employee assessment • satisfaction surveys and follow-up based on survey results • employee benefits	• scaling down of operations and financial performance • pressure on salaries and wages		
COMPLIANCE RISKS						
7.	**Legal risk – asbestos lawsuit against SWC**	Possible payment of damages for asbestos claims	• cooperation with a specialised law firm • use of existing insurance policies	• deterioration of financial performance • deterioration of liquidity		

14. Statement of compliance with corporate governance principles by the SECO/WARWICK Group in 2024

a. Identification of the set of corporate governance principles followed by the Parent of the SECO/WARWICK Group and place where the text of the rules is publicly available

Since 1 July 2021, SECO/WARWICK S.A. has been subject to Best Practice for WSE-Listed Companies 2021 adopted by Resolution No. 13/1834/2021 passed by the Supervisory Board of the Warsaw Stock Exchange on 29 March 2021.

Best Practice for WSE-Listed Companies 2021 is available at www.corp-gov.gpw.pl and www.secowarwick.com.

The Company did not observe any corporate governance principles going beyond the requirements stipulated by Polish law.

b. Scope of non-compliance with the corporate governance principles referred to above, specification of the principles not complied with, and explanation of why they were not complied with and how the company intends to eliminate the effects (if any) of non-compliance with a given principle or measures it intends to take to reduce the risk of non-compliance with a given rule in the future

In 2021, acting under Section 29.3 of the WSE Rules, the Company submitted a report on its compliance with the principles laid down in Best Practice for WSE-Listed Companies 2021. The report is available at www.secowarwick.com.
According to the report, SECO/WARWICK S.A. did not comply with the following principles:

- **1.3.** Companies integrate ESG factors in their business strategy, including in particular:

1.3.1. environmental factors, including measures and risks relating to climate change and sustainable development.

The Company's commentary: In its operations, the Group follows the principles of sustainable development and protects the environment by complying with the standards applicable in the countries where the Group companies are present. Given the international nature of the Company's and its Group's operations, the current business strategy does not address any environmental considerations or related risks. The Group takes into account the requirements of its internal and external stakeholders, striving to keep its environmental footprint at a minimum considering the nature of its business. In the course of preparing the sustainability statement, the Company did address environmental factors and related risks. The relevant information is available in Sections 27 to 33 of this Report.

1.3.2. social and employee factors, including among others actions taken and planned to ensure equal treatment of women and men, decent working conditions, respect for employees' rights, dialogue with local communities, customer relations.

The Company's commentary: The current business strategy does not fully address this topic. The Company follows the principles of gender equality, fair working conditions and respect for employee rights, and the working conditions are appropriate to the type and scale of the Company's business. In the course of preparing the sustainability statement, the Company did address social and employee factors. The relevant information is available in Sections 27 to 33 of this Report.

- **1.4.** To ensure quality communications with stakeholders, as a part of the business strategy, companies publish on their website information concerning the framework of the strategy, measurable goals, including in particular long-term goals, planned activities and

their status, defined by measures, both financial and non-financial. ESG information concerning the strategy should among others:

The Company's commentary: As she Company's business strategy does not integrate ESG factors, the Company does not currently have any relevant communication policy in place. In the course of preparing the sustainability statement, the Company did address ESG factors and is in the process of developing such communication policy. The relevant information is available in Sections 27 to 33 of this Report.

1.4.1. explain how the decision-making processes of the company and its group members integrate climate change, including the resulting risks;

The Company's commentary: As explained in Sections 1.3.1 and 1.4, the Company does not currently have any mechanisms in place to integrate climate change considerations in its decision-making processes. In the course of preparing the sustainability statement, the Company began to implement mechanisms that would integrate climate change in its decision-making processes.

1.4.2. present the equal pay index for employees, defined as the percentage difference between the average monthly pay (including bonuses, awards and other benefits) of women and men in the last year, and present information about actions taken to eliminate any pay gaps, including a presentation of related risks and the time horizon of the equality target.

The Company's commentary: As explained in Sections 1.3.2 and 1.4, the Company does not currently keep such statistics. In terms of remuneration equality, the Company applies the principles of non-discrimination on the grounds of gender, and the employees' performance is assessed solely on the basis of their contribution to the development of the Company's business. In the course of preparing the sustainability statement, the Company addressed the topic of equal pay, with the first statistics included in Section 30 of this Report.

2.1. Companies should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

The Company's commentary: The Company does not have any diversity policy in place addressing this matter. The Company ensures equal access to professional development and promotion opportunities for its employees (and members of its corporate bodies), irrespective of the colour of their skin, religion, gender, age, nationality, citizenship, membership of a minority, marital status, political beliefs, disability or any other legally protected status. The composition of the Supervisory Board is the result of decisions made by the General Meeting, while the composition of the Management Board is defined by the Supervisory Board. When selecting candidates, the governing bodies appointing members of the Management Board and Supervisory Board are guided by the Company's current and long-term needs in terms of the candidates' professional experience, competencies and education.

2.2. Decisions to elect members of the management board or the supervisory board of companies should ensure that the composition of those bodies is diverse by appointing persons ensuring diversity, among others in order to achieve the target minimum participation of the minority group of at least 30% according to the goals of the established diversity policy referred to in principle 2.1.

The Company's commentary: The composition of the Supervisory Board is the result of decisions made by the General Meeting, while the composition of the Management Board is defined by the Supervisory Board. When selecting candidates, the governing bodies appointing members of the Management Board and the Supervisory Board are guided by the Company's current and long-term needs, particularly in terms of the candidates' professional experience, competencies and education. As already mentioned in the commentary to Section 2.1, factors such as colour of skin, religion, gender, age, nationality, citizenship, membership of a minority, marital status, political beliefs, or disability are not taken into consideration in the selection of members of the Management Board and Supervisory Board.

2.11. In addition to its responsibilities laid down in the legislation, the supervisory board prepares and presents an annual report to the annual general meeting once per year. Such report includes at least the following:
2.11.6. information regarding the degree of implementation of the diversity policy applicable to the management board and the supervisory board, including the achievement of goals referred to in principle 2.1.

The Company's commentary: As there is no diversity policy in place relating to the Management Board and Supervisory Board, the principle is not applied.

- **3.6.** The head of internal audit reports organisationally to the president of the management board and functionally to the chair of the audit committee or the chair of the supervisory board if the supervisory board performs the functions of the audit committee.
  The Company's commentary: Due to the organisational structure of the Company and the scale of the Group's business, the head of internal audit reports organisationally to the relevant Management Board member and functionally to the Chair of the Audit Committee.

- **4.1.** Companies should enable their shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.
  The Company's commentary: The Company's General Meetings are not held by means of electronic communication (e-meeting). No expectations in this respect have been voiced so far by a wider group of the Shareholders, which the Company believes could be due to its shareholding structure. In view of the foregoing, the holding of General Meetings by means of electronic communication is not justified due to the considerable costs involved. However, the Company declares that it will make an effort to comply with the principle if a wider group of the Shareholders so request.

- **6.4.** As the supervisory board performs its responsibilities on a continuous basis, the remuneration of supervisory board members cannot depend on the number of meetings held. The remuneration of members of committees, in particular the audit committee, should take into account additional workload on the committee.
  The Company's commentary: This principle is not fully applied by the Company. The rules governing remuneration for Supervisory Board members are set forth in the Company's remuneration policy adopted by the General Meeting. Members of the Supervisory Board, irrespective of their membership of Supervisory Board committees, receive fixed remuneration irrespective of the number of meetings held. Members of the Supervisory Board who are members of committees do not receive any additional remuneration.

c. Main features of the SECO/WARWICK Group's systems of internal control and risk management with respect to preparation of financial statements and consolidated financial statements

The Management Board of the Parent is responsible for the Group's internal control system and its effectiveness in the process of preparation of periodic reports and financial statements prepared and published in accordance with the Regulation of the Minister of Finance on current and periodic information to be published by issuers of securities dated 29 March 2018.
The main objective of the Group's internal control system applied to financial reporting is to ensure adequacy, reliability, and accuracy of financial information presented in periodic reports and financial statements. The Group's internal control and risk management system applied to financial reporting was developed based on:

- **Clear division of responsibilities and organisation of work in the financial reporting process**

Responsibility for the preparation of the Group's financial statements, current management reports, and periodic financial reports lies with the Parent's Financial Department, headed by the Chief Financial Officer.
Financial statements of the SECO/WARWICK Group are prepared by the staff of the Parent's Financial Department, based on financial data contained in the financial and accounting system, as approved by the Chief Financial Officer, and on other additional data provided by designated employees from other departments in the Group. Prior to being handed over to an external auditor, complete financial statements are reviewed by the Head of the Accounting Department and then by the Chief Financial Officer.
Periodic reports of the Group are prepared by the staff of the Financial Department, based on financial data contained in the financial and accounting system, as approved by the Chief Financial Officer, and on other additional data provided by designated employees of other departments. Prior to being handed over to an external auditor, complete periodic reports are reviewed by the Head of the Accounting Department and then by the Chief Financial Officer.

- **Precise definition of the scope of the Group's financial reporting**

The Group reviews its strategy and business plans annually, in cooperation with the senior and middle management. Based on the outcome of the review, the Group carries out a budgeting process covering all areas of its operations. During the year, the Management Board of the Parent analyses current financial performance and compares it against the adopted budget in accordance with the management reporting system adopted by the Group and based on the Group's accounting policies (International Financial Reporting Standards), taking into account the format and level of detail of the financial data presented in periodic financial statements of the SECO/WARWICK Group.
The accounting policies applied to statutory reporting are included in the budgeting process and in the Group's management reporting system.
The Group makes every effort to ensure that the financial statements, periodic reports, and other reports presented to investors are based on consistently applied accounting policies.

- **Regular reviews of the Group's performance, based on the financial reporting system used by the Group**

Financial data used to prepare financial statements and periodic reports is sourced from the financial and operational reports prepared by the SECO/WARWICK Group. After the closing of accounts for each

calendar month, the employees of the Financial Department, acting under the direction of the Chief Financial Officer, analyse the Group's financial results by business segments in the context of original objectives.
Any errors revealed during the analysis are corrected immediately in accordance with the adopted accounting policies.
The work on financial statements and periodic reports starts only after the results recorded in a closed month (reporting period) have been approved by the Chief Financial Officer.

- **Requirement to submit financial statements for approval prior to their publication**

Periodic reports and financial statements, once reviewed or audited by the auditor, are submitted to the members of the Company's Supervisory Board.
All members of the Supervisory Board are offered the opportunity to get acquainted with the financial statements or auditor's report. All queries can be discussed with the Chief Financial Officer, who is available for this purpose to the members of the Supervisory Board.

- **Audit/review of financial statements by an external auditor**

In accordance with the applicable legal regulations, the SECO/WARWICK Group submits its financial statements for a review or audit, as appropriate, by an external auditor.

d. Shareholders holding, directly or indirectly, major holdings of the Company's shares

Table: Shareholders holding – directly or indirectly through subsidiaries – 5% or more of the total voting rights at the General Meeting as at 31 December 2024 and the issue date of this Report

Shareholder	Number of shares	Ownership interest (%)	Number of voting rights	% of total voting rights
SW Holding	3,387,139	33.87%	3,387,139	**33.87%**
Spruce Holding Limited Liability Company (USA)	1,091,952	10.92%	1,091,952	**10.92%**
Nationale-Nederlanden Otwarty Fundusz Emerytalny	600,000	6.00%	600,000	**6.00%**
Generali Otwarty Fundusz Emerytalny*	640,798	6.41%	640,798	**6.41%**
PKO BP Bankowy Otwarty Fundusz Emerytalny	506,504	5.07%	506,504	**5.07%**

* formerly: NNLife Otwarty Fundusz Emerytalny

The information presented in the table is based on notifications received by the Company from the shareholders under Art. 69 of the Public Offering Act.

As at 31 December 2024 and as at the issue date of this report, SECO/WARWICK S.A. holds 1,265,093 treasury shares, representing 12.65% of the share capital. The Company does not exercise voting rights attached to treasury shares.

e. Holders of any securities that confer special control powers, and description of such powers

SECO/WARWICK S.A. (Parent) has not issued any securities conferring special control powers with respect to SECO/WARWICK S.A.

f. Restrictions on the exercise of voting rights such as restrictions on the exercise of voting rights by holders of a certain portion or number of votes, time limits for exercising voting rights, and provisions under which, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of the securities

There are no restrictions on the exercise of voting rights such as restrictions on the exercise of voting rights by holders of a certain portion or number of votes, time limits for exercising voting rights, or provisions under which, with the Company's cooperation, the financial rights attaching to securities are separated from the holding of the securities.

g. Restrictions on transferability of the Company securities

To the best of the Company's knowledge, there are no restrictions on transferability of its securities.

h. Rules governing the appointment and removal from office of the management staff, and of their powers, including in particular the power to decide on an issue or buyback of shares

The Company's Management Board consists of two to seven members and is appointed and removed from office by the Supervisory Board, which has the power to appoint any number of Vice Presidents. Members of the Management Board are appointed for a joint three-year term of office. The Management Board comprises the President of the Management Board, Vice Presidents and members. When appointing the members of the Management Board, the Supervisory Board decides who will be appointed to the positions of the President and Vice Presidents of the Management Board. The mandate of a Management Board member expires on the date of the General Meeting approving the Directors' Report, the statement of financial position and the statement of comprehensive income for the last year in which the member held the office. Members of the Management Board may be re-appointed for another term of office. The Management Board may appoint one or more commercial proxies.

The Management Board has all powers to manage the Company's affairs other than those which fall within the exclusive scope of competence of the other governing bodies of the Company. The Management Board defines the overall organisation structure of the Company and the principles of its operation. For this purpose it may issue relevant rules and other internal regulations. Every member of the Management Board may, without a prior resolution of the Management Board, manage any affairs of the Company falling within the scope of day-to-day management, except where, before the matter is settled, at least one member objects to it. Each Management Board member may individually incur a liability or dispose of a right for an amount of up to PLN 200,000 (two hundred thousand złoty). Assuming an obligation or disposing of a right in excess of PLN 200,000 (two hundred thousand złoty) requires two Management Board members acting jointly or a Management Board member acting jointly with a commercial proxy authorised to act individually, or a Management Board member acting jointly with a commercial proxy holding joint powers of proxy. Any issues which fall beyond the scope of day-to-day management of the Company's affairs require a resolution of the Management Board.

The Company shares may be cancelled upon the shareholder's consent through the acquisition of the shares by the Company ("voluntary cancellation") or without the shareholder's consent ("compulsory cancellation"), in compliance with the provisions of the Commercial Companies Code. Shares may be cancelled without the shareholder's consent on the basis of a resolution of the General Meeting if: the shareholder is declared bankrupt; an enforcement procedure has been instituted with respect to the shares; a court of general jurisdiction has declared in civil proceedings that the shareholder acted to the detriment of the Company; a final ruling has been issued convicting the shareholder of a criminal offence connected with acting to the detriment of the Company.

Compulsory cancellation is effected against compensation, which may not be lower than the value of net assets attributable to the shares, as disclosed in the financial statements for the previous financial year, less the amount allocated for distribution among the shareholders. The General Meeting may cancel all or part of a shareholder's shares at the shareholder's written request. In such a case, the value of the cancelled shares is determined by a resolution of the Company's General Meeting, with a proviso that the resolution is valid only if the shareholder requesting the cancellation of the shares votes in favour of the resolution. The Company may acquire its own shares for the purpose of retiring them or for other purposes set forth in Art. 362.1 of the Commercial Companies Code. The General Meeting may authorise the Management Board to acquire the Company shares from the shareholders with a view to cancelling them. The Management Board is not authorised to make decisions on share issue.

i. Rules governing amendments to the Parent's Articles of Association

In accordance with Art. 430.1 of the Commercial Companies Code, any amendment to SECO/WARWICK S.A.'s Articles of Association requires a resolution by the General Meeting and must be entered in the relevant court register. Amendments to the Articles of Associations are submitted to the registry court by the Management Board of SECO/WARWICK S.A. The General Meeting of the Company may authorise the Supervisory Board to prepare a consolidated text of the amended Articles of Association or to make other editorial changes specified in the General Meeting's resolution.

j. Manner of operation of the General Meeting, its basic powers and description of the shareholder rights, along with the procedure for their exercise, including in particular rules provided for in the Rules of Procedure for the General Meeting, if any, unless such information follows directly from the provisions of law

The General Meeting operates according to the Rules of Procedure for the General Meeting of SECO/WARWICK S.A., adopted by virtue of Resolution No. 32 of the SECO/WARWICK S.A. General Meeting of 24 June 2016. The General Meeting may only be attended by persons who are the Company's shareholders sixteen days prior to the date of the General Meeting. The record date for participation in the General Meeting is the same for the holders of rights under bearer and under registered shares. (Art. 406 [1] of the Commercial Companies Code) Pledgees and usufructuaries holding voting rights may attend the General Meeting of a public company provided that the establishment of limited property rights for their benefit is registered in the securities account as at the record date. The General Meeting may be attended by persons whose presence is considered indispensable by the Supervisory Board or Management Board (Section 4 of the Rules of Procedure for the General Meeting).
After presentation of each item on the agenda, the Chair of the General Meeting opens the discussion and gives floor in the order in which the participants requested to speak. While taking the floor, the shareholder may speak only on the matters included on the agenda and discussed at a given moment. With respect to each agenda item being discussed, a shareholder is entitled to give one speech and one reply (Section 14 of the Rules of Procedure for the General Meeting).
Depending on their subject matter, resolutions of the General Meeting are adopted by the majority of votes required by the Company's Articles of Association, the Commercial Companies Code, or other generally applicable laws (Section 18 of the Rules of Procedure for the General Meeting).
Resolutions of the General Meeting are adopted in an open ballot, subject to the provisions of Section 17.2 on voting by secret ballot in the following cases: elections; proposals to remove a member of the Company's governing body or its liquidator; proposals to bring a member of the Company's governing body or its liquidator to account; proposals concerning personnel matters, at the request of at least one shareholder present or represented at the General Meeting; in any other cases provided for in generally applicable laws (Par. 16 of the Rules of Procedure for the General Meeting)

The Chair of the General Meeting presents the agenda of the Meeting and submits it for approval by the General Meeting. If no objections are raised, the agenda is deemed approved by the General Meeting (Section 9 of the Rules of Procedure for the General Meeting). After the Chair of the General Meeting closes the list of speakers, no speakers may be added to the list, and after the discussion is declared closed, no speakers may take the floor and no proposals referred to in Section 15 of Rules and Procedure for the General Meeting may be submitted

In 2024, one formally convened General Meeting of SECO/WARWICK S.A. was held, on 13 June 2024. No requests to convene a General Meeting were submitted by the Company's Shareholders in 2024.

The General Meeting was held in accordance with the Commercial Companies Code, the Rules of Procedure for the General Meeting of SECO/WARWICK S.A. and Best Practice for WSE-Listed Companies 2021. The shareholders were afforded the opportunity to read the draft resolutions for the General Meeting as these were published on the Company's website and in Current Report No. 5/2024 of 16 May 2024, at least 26 days prior to the General Meeting. The Company approved the documents submitted by the shareholders and their proxies, and recognised the validity of the powers of proxy, right to represent and participate in the General Meeting.

In 2024, in the exercise of its powers, the Annual General Meeting adopted resolutions essential for proper operation of the Company, including a resolution on the approval of the Directors' Report on the Company's operations and the financial statements for the financial year 2023, allocation of profit for the financial year 2023, approval of the Directors' Report on the Group's operations and the consolidated financial statements of the SECO/WARWICK Group for the financial year 2023, and granting discharge in respect of performance of duties to members of the Company's governing bodies. A resolution was also passed to provide an opinion on the Supervisory Board's remuneration report, a resolution to approve the report of the Supervisory Board of SECO/WARWICK Spółka Akcyjna, to approve a Resolution setting out the Annual Targets for 2024 passed by the Supervisory Board in connection with the 2022-2024 Incentive Scheme, to approve the Verification Resolution passed by the Supervisory Board in connection with the 2022-2024 Incentive Scheme, and to change the remuneration of members of the Supervisory Board. On 13 June 2024, the Supervisory Board re-appointed the existing Management Board for a new joint term of office.

The Chair of the General Meeting ensured procedural efficiency and respect for the rights and interests of all shareholders. The General Meeting was not adjourned or interrupted. Members of the Management Board and Supervisory Board were available to the shareholders and proxies, ready to provide explanations to the extent permitted by their knowledge and required by the provisions of law. None of the resolutions adopted at the General Meeting was challenged in court.

All the resolutions adopted in 2024 by the General Meeting are aimed at serving the interest of the Company, with due consideration given to other stakeholders' rights. The resolutions adopted by the General Meeting were published on the Company's website at: www.secowarwick.com.

k. Composition and changes in the composition of the Company's management, supervisory and administrative bodies and their committees, which took place in the last financial year; description of their activities

Management Board

Composition of the Management Board

As at the date of issue of this Report and as at 31 December 2024 and 31 December 2023, the Management Board of SECO/WARWICK S.A. consisted of:

- Sławomir Woźniak – President of the Management Board
- Bartosz Klinowski – Member of the Management Board
- Earl Good – Member of the Management Board
- Piotr Walasek – Member of the Management Board

Changes in the composition of the Management Board:

In the period from 1 January 2024 to the issue date of this Report, there were no changes in the composition of the Management Board of SECO/WARWICK S.A.

Operation of the Management Board

The Management Board operated under the regulations of the Commercial Companies Code, the Rules of Procedure for the Management Board, approved by the resolution of the Supervisory Board and available to the public, and in accordance with Best Practice for WSE-Listed Companies. The Rules of Procedure for the Management Board stipulate the division of responsibilities, tasks and authority among the members.

The Management Board is the executive body of the Company, managing its current operations and representing it in relations with third parties. The powers of the Management Board include all matters which do not fall within the exclusive scope of competence of the General Meeting or the Supervisory Board. A decision to acquire or dispose of property, perpetual usufruct right to or an interest in property, rests exclusively with the Management Board and requires approval by the General Meeting.

The Management Board is composed of 2 (two) to 7 (seven) members appointed by the Supervisory Board, including President, Vice President and members of the Management Board. The Supervisory Board may appoint any number of Vice Presidents. The Management Board members are appointed by the Supervisory Board for a joint three-year term of office. Each Management Board member may individually incur a liability or dispose of a right for up to the equivalent of PLN 200,000 (two hundred thousand złoty). Assuming an obligation or disposing of a right in excess of PLN 200,000 (two hundred thousand złoty) requires two Management Board members acting jointly or a Management Board member acting jointly with a commercial proxy authorised to act individually, or a Management Board member acting jointly with a commercial proxy holding joint powers of proxy.
The Management Board must act in accordance with the Rules of Procedure approved by the Supervisory Board at the request of the Management Board.
When formulating strategic objectives and setting current tasks, the Management Board was primarily guided by the Company's best interest and the provisions of law, while also protecting the interests of shareholders, employees and creditors.
In order to ensure the clarity and efficiency of the management system, the Management Board observed the rules of professional conduct within the limits of reasonable economic risk, using a wide range of information, opinions and analyses available.
The Supervisory Board decides on the remuneration of the members of the Management Board based on clearly defined procedures. The remuneration for serving as members of the Management Board was granted taking into account the economic results achieved on the basis of competence and

responsibility of the individual members of the Management Board. The amount of remuneration for Management Board members is determined in accordance with the Remuneration Policy for members of the Management Board and Supervisory Board of Seco/Warwick S.A., and is governed by resolutions of the Company's Supervisory Board of 21 April 2022. The remuneration paid to the members of the Management Board did not differ from the level of remuneration paid to members of management boards at electromechanical industry companies of comparable size.

Supervisory Board

Composition of the Supervisory Board

As at the issue date of this Report and as at 31 December 2024 and 31 December 2023, the Supervisory Board of SECO/WARWICK S.A. consisted of:

- Andrzej Zawistowski – Chair of the Supervisory Board
- Maciej Karnicki – Deputy Chair of the Supervisory Board
- Jeffrey Boswell – Member of the Supervisory Board
- Marcin Murawski – Member of the Supervisory Board
- Robert Jasiński – Member of the Supervisory Board

Changes in the composition of the Supervisory Board:

In the period from 1 January 2024 to the issue date of this Report, there were no changes in the composition of the Supervisory Board of SECO/WARWICK S.A.

Operation of the Supervisory Board

The Supervisory Board of SECO/WARWICK S.A. operates under the regulations of the Commercial Companies Code, the Rules of Procedure for the Supervisory Board (approved by the General Meeting and available to the public), and in accordance with Best Practice for WSE-Listed Companies. The Rules of Procedure for the Supervisory Board stipulate the division of responsibilities, tasks and authority among the members.

The Supervisory Board of SECO/WARWICK S.A. adopts resolutions and provides opinions on matters falling within its exclusive scope of competence under the Articles of Association, and in a manner provided for in the Articles of Association and applicable laws.
The Supervisory Board complied with the requirement of having at least two independent members, meeting the independence criteria specified in the Company's Articles of Association.

In 2024, the Supervisory Board meetings were held on a regular basis, and were attended by members of the Management Board, who provided the Supervisory Board with reliable and complete information on material issues relating to the operation of the Company. The Supervisory Board held five meetings, at which resolutions were adopted with respect to the matters included in the meeting agendas. The resolutions were sent to the members of the Supervisory Board in the notices of the meetings.
Provision of any benefits by the Company or related parties to members of the Management Board was approved by virtue of a resolution adopted by a majority of members of the Supervisory Board.
Remuneration of Supervisory Board members is determined based on the Remuneration Policy for members of the Management Board and Supervisory Board of Seco/Warwick S.A. The remuneration for serving as members of the Supervisory Board was granted taking into account the economic results achieved on the basis of competence and responsibility of the individual members of the Supervisory Board Remuneration paid to the members of the Supervisory Board did not vary from the level of

remuneration paid to members of supervisory boards at electromechanical industry companies of comparable size. Throughout 2024, members of the Supervisory Board informed the Company's Management Board of their trades in SECO/WARWICK S.A. shares.
In 2024, the Supervisory Board focused primarily on the matters significant to the Company's operations.
Within its powers to define the development strategy for the Company, the Supervisory Board made a number of analyses of the directions for long-term growth of the SECO/WARWICK Group in the context of the changes taking place in the market of manufacturers of heat treatment furnaces, including technological changes and growing competition.
The Supervisory Board, within its powers to supervise the Company's and the Group's operations, conducted an analysis and carried out periodic assessments of the financial statements of SECO/WARWICK S.A. and the Group, as well as of the Directors' Reports on the Company's operations.

The Supervisory Board will provide the Annual General Meeting with an assessment of the Company's situation, including an assessment of the system for internal control and management of risk material to the Company, assessment of the Company's fulfilment of disclosure requirements, assessment of the reasonableness of the Company's policy for sponsorship and charitable activities, as assessment of the operation of the Supervisory Board, for 2024, prepared in accordance with Best Practice for WSE-Listed Companies 2024, along with a report on the activities of the Supervisory Board in 2022, prepared in accordance with Art. 382.3(1) of the Commercial Companies Code.

Committees of the Supervisory Board

In 2024, an Audit Committee operated within the Supervisory Board, performing analytical and control functions under the Rules of Procedure for the Supervisory Board, the guidelines set out in the Act on Statutory Auditors, Audit Firms, and Public Oversight of 11 May 2017 (the "Act"), and in Best Practice for WSE-Listed Companies 2021.

In 2024, the Audit Committee held four meetings. The Audit Committee performed analytical and control functions in line with the Rules of Procedure for the Supervisory Board, the Rules of Procedure for the Audit Committee, and the guidelines set out in Best Practice for WSE-Listed Companies. The Committee's activities included in particular:

a) regular monitoring of the Company's and Group's financial reporting process and informing the Supervisory Board about the results of the process,
b) monitoring of internal control systems and risk management systems used to control the main risks to which the Company was exposed,
c) monitoring of the Company's relations with related parties and business risks of the companies operating abroad,
d) monitoring of the performance of financial audit tasks, in particular the audit of the Company's and Group's financial statements performed by an audit firm,
e) monitoring of the performance by the Company and other Group companies of the activities requested by the auditor,
f) monitoring of periodic reports intended for publication and supervision of the Company's and the Group's financial reporting process,
g) monitoring of the adopted best practices, i.e. the recommendation that an effective internal control,
risk management and compliance system be maintained,
h) monitoring of internal audit and internal control activities, in particular regarding compliance of the operations of the Company and the Group companies with applicable laws,

i) monitoring of the auditor's independence,
j) supervising the assessment of the work of the Auditor and recommendations of the selection process for subsequent years,
k) the Audit Committee adopted the presented annual work plan for the Audit Committee for 2025.

All matters discussed at Audit Committee meetings have been recorded in the minutes.

Regular reporting by the Audit Committee of the results of its supervisory and monitoring activities to the Supervisory Board helped deepen the understanding of these areas, improved communication between the management and supervisory bodies, and, as a consequence, enhanced the quality of the monitored processes.

As at 31 December 2024 and the issue date of this Report, the Audit Committee was composed of:

1. Marcin Murawski – Chair
2. Robert Jasiński – Secretary
3. Maciej Karnicki – Member

The statutory criteria of independence and of having the experience in and knowledge of accounting and financial reporting on the Supervisory Board and Audit Committee were met by Marcin Murawski and Robert Jasiński.

Maciej Karnicki has extensive skills and knowledge of the industry in which the Company operates. He gained the industry knowledge at the Technical University of Dresden and during his long-standing professional career, especially while working for SECO/WARWICK S.A.

Audit firm selection policy

1. In the procedure for appointing an audit firm, the Supervisory Board takes the following into consideration:
   a) the experience of the audit team in the audit of financial statements of public interest entities (in particular joint stock companies whose securities are admitted to trading on a regulated market);
   b) the general competence of the audit team;
   c) financial criteria;
   d) audits of financial statements of companies with business profiles similar to the Company's profile (including in terms of industry and geographical structure) previously conducted by the audit firm and the audit team.
2. The Supervisory Board selects the audit firm with due regard to the principle of independence of the audit firm, and after analysing the work performed by the audit firm in the Company which went beyond the scope of audit of financial statements.
3. The Audit Committee may discuss with the audit firm the threats to the audit firm's independence and the safeguards used to mitigate those risks.
4. Prior to performing the audit, each year the audit firm and members of the audit team submit a declaration of meeting the independence criteria set out in Art. 69–73 of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017.

5. The audit firm will be selected and the audit will be performed pursuant to applicable laws, in particular the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017 (consolidated text: Dz.U. of 2023, item 1015, as amended) and the Accounting Act of 29 September 1994 (consolidated text: Dz.U. of 2023, item 120, as amended).
6. The audit will be conducted in accordance with the International Financial Reporting Standards as well as the requirements and rules applicable to the Company, in particular the principles of Best Practice for WSE-Listed Companies applied by the Company.
7. Introducing any contractual clauses that would require the Supervisory Board to select the statutory auditor from a specific category or list of statutory auditors is prohibited.

I. Spending on sponsorship, charitable or similar activities (principle 1.5 of Best Practice 2021)

In 2024, the largest expenditures of SECO/WARWICK S.A. related to sponsorship and charitable activities were as follows:

- BIKE&RUN Association, sponsorship during the Race Across India 2024 event – PLN 20,000
- e-Collection Box for the Great Orchestra of Christmas Charity (WOŚP) – PLN 5,376
- Noble Gift campaign – PLN 2,819
- MADA Foundation for Individuals with Autism – PLN 2,000
- Honey and Wine Run – PLN 2,000
- LUBUSKIE CYCLIST ASSOCIATION ŚWIEBODZIN – PLN 5,000
- Forest planting initiative – PLN 1,926

The expenditures related to sponsorship and charitable activities totalled PLN 49,989.

For more information on sponsorship activities, see Section 36 of this Report.

m. Diversity policy

The Company has not formally drawn up any diversity policy relating to the Management Board and Supervisory Board, but makes every effort to ensure that its governing bodies and management are diverse in terms of gender, age, education, and professional experience.

The aim of diversity management at SECO/WARWICK S.A. is to create a workplace where each employee feels respected and valued and where they can fully realise their potential, contributing to the Company's success.

The Company ensures equal access to professional development and promotion opportunities for its employees, irrespective of the colour of their skin, religion, gender, age, nationality, citizenship, marital and children status, political beliefs, disability or any other legally protected status.

Decisions on hiring new staff and appointing members of the Management and Supervisory Boards are made based on objective criteria. SECO/WARWICK S.A. strives to ensure versatility and diversity in the Company's governing bodies, especially with respect to gender, educational background, age and professional experience. Candidates for particular positions are selected based on their qualifications, professionalism and competence.

The measures undertaken by the Company aim to prevent discrimination at work and to build a corporate culture open for staff diversity, which helps build market position and competitive advantage.

Pursuant to Best Practice for WSE-Listed Companies 2021, the Company hereby discloses that in the last three years (2023−2024), the participation of men and women in the Company's Management Board and Supervisory Board was as follows: men - 100%, women - 0%.

15. Material court, arbitration and administrative proceedings

In 2024, no liabilities or receivables of SECO/WARWICK S.A. were disputed in any significant court, arbitration or administrative proceedings with any trading partner or its group.

16. External and internal drivers of the Group's growth

External factors:

- The Group's financial performance will be driven to a large extent by the macroeconomic conditions prevailing on the markets where the Group companies operate or which they plan to enter. The Group's growth will depend on key economic indicators reported for the markets where the Group is present, such as the demand for capital goods, GDP growth rate, inflation rate, unemployment rate, and capital expenditure.
- The achievement of the SECO/WARWICK Group's strategic objectives may be hindered by competition. If competitive pressures intensify, especially in Asian markets, they may adversely affect the Group's ability to meet its planned financial results.
- Foreign exchange rates, particularly the EUR/PLN rate, are a significant factor for the development of the Group's business. However, the Group actively mitigates currency risk by changing the reference rates used to calculate the price of the equipment it manufactures, executing hedging transactions on the futures market, and making purchases in the euro and US dollars.
- War in Ukraine – see Section 3 of this Report.

Internal factors:

- The achievement of the financial targets set by the SECO/WARWICK Group depends on its ability to retain highly-skilled professionals in managerial and specialist positions at the Group. In the sector where the Parent operates, as in many other sectors of the Polish economy, remuneration of highly qualified staff is lower compared with other EU countries, which may encourage employees to seek employment abroad. The Parent is actively trying to mitigate this risk by implementing such measures as a share-based incentive scheme or a financial assistance programme designed to help finance the costs of university and specialist courses. Retention of the highly-qualified staff in the mid- and long-term perspective may result in an increase in employment costs, which in turn may reduce the profitability of the Group's business.

17. Information on the Company's and Group's s growth strategy and measures taken as part of its implementation in the reporting period, including information on the Company's growth prospects in at least the next financial year

In Current Report No. 17/2023, the Management Board of Seco/Warwick S.A. (the "Company") announced that on 26 September 2023 it passed a resolution to adopt the SECO/WARWICK Group's Growth Strategy for 2023–2026 (the "Strategy"), following its approval and endorsement on the same day by the Supervisory Board.

The Strategy for the SECO/WARWICK Group (the "Group") outlines a vision for orderly and targeted development of the Group in the context of the fast changing market, especially opportunities and challenges offered by the external environment and the Group's internal resources, its strong capabilities and leading position on the global heat treatment and metallurgy markets.

The Group's Vision and Mission statement, as articulated in the Strategy, are as follows:

– Mission of SECO/WARWICK:

"Thanks to the experience and expertise of our employees as well as cooperation with our business partners, we create innovative products that provide customers with reliable, safe, and environmentally friendly solutions for heat treatment and metallurgy and ensure economic viability of their businesses."

– Vision of SECO/WARWICK:

"We aspire to be the preferred provider of heat treatment and metallurgy solutions.

Our commitment to innovation and reliability is evident in our approach to thinking and creating across the globe."

The implementation of the Strategy is underpinned by the following key growth directions, signifying priority:

1. Business agility – defined as the organisation's ability to adapt to a changing environment for the achievement of its business goals.

2. Industry 4.0 – which emphasises the ability to effectively leverage Industry 4.0 solutions for process enhancement and product development within the Group, encompassing further strides in automation, robotisation, and solutions driven by artificial intelligence.

3. Attractive workplace – involves the creation of a working environment grounded in mutual trust, partnership and responsibility, fostering professional and personal advancement, bridging generational needs, and including measures taken to enhance employee satisfaction, commitment and productivity, and to maintain a stable employee turnover rate.

4. Operational excellence – understood as the continuous process of the organisation's self-improvement to optimise quality, efficiency and productivity, for enhanced project execution and reduced cost of complaints.

5. Local autonomy within global architecture – a vision that local market companies retain operational independence while upholding the established Group standards, which involves strengthening international cooperation within the Group, leveraging local advantages and capabilities to develop competitive products, and adapting to both local and global requirements amidst changing market conditions.

6. Business growth – focuses on enhancing sales and product margins within current business segments across existing and new markets, which includes preparing companies for self-sufficiency, cultivating flexible production profiles to cater to local and global markets, and enhancing sales and product margins within current business segments across existing and new markets.

7. New business opportunities – involves the exploration and/or creation of new business prospects beyond the Group's existing operations, including a growing proportion of sales from new business areas relative to total sales.

Within the ambit of each development direction, the Group's Strategy sets out objectives and metrics to assess performance against these objectives, specifying concrete strategic projects to be implemented over the coming years. The strategic projects have been grouped into five initiatives, dedicated to the key Group entities, and to key markets, technologies or functions within its organisational framework.

These initiatives involve the following main strategic activities:

- continued market share expansion of local companies in key markets across Europe and beyond (US, China and India)
- reinforced positioning of the Group's technologies (vacuum / aluminium process and controlled atmosphere brazing / melting furnaces) in local markets and globally
- functions strengthening and operational self-sufficiency of local companies in key non-European markets
- leveraging local advantages in terms of costs and capabilities for competitive manufacturing of components and equipment for the entire Group
- technology and market diversification
- global harmonisation of the Group's processes and organisational culture for the achievement of business goals.

The Management Board expects that the delivery of these strategic intentions will translate into the achievement of the following financial targets by 2026:

- consolidated revenue of approximately PLN 980 million (2022-2026 CAGR: +12.1%)
- consolidated EBITDA* of approximately PLN 92 million (2022-2026 CAGR: +12.7%).

*The targets for 2026 outlined above are based on the assumption of a USD/PLN exchange rate of 4.2. It is important to consider that given its international operations the Group is exposed to a risk of exchange rate fluctuations and applies hedge accounting. Depending on exchange rate movements, this may lead to substantial positive or negative exchange differences and gains or losses arising from the valuation or settlement of hedging instruments. These items are accounted for in the statement of profit or loss below EBITDA. However, given their nature, if they reach significant amounts, they should be analysed in conjunction with EBITDA. In 2024, the Group reported a net gain of PLN 4.8 million arising from the valuation or settlement of hedging instruments.

The Management Board estimates total capital expenditure to be incurred in 2023-2026 at around PLN 110 million, of which about 55% will be allocated to strategic projects (development of new technologies and product lines, purchase of additional equipment to support manufacturing and assembly processes, and capacity expansion), while 45% will represent replacement CAPEX. At the same time, the anticipated consolidated net debt to consolidated EBITDA ratio on an annual basis is capped at 1.5x.

The Management Board's intention is for SECO/WARWICK to remain a profit-sharing entity, making distributions to its Shareholders throughout the period covered by the Strategy. Dividend recommendations will be made annually, factoring in the Group's growth prospects, the prevailing business environment, investment plans, financing capacities, as well as the Group's actual and anticipated liabilities and financial condition.

The Management Board also announces that the Group is currently in the process of implementing an ESG strategy.

The strategy will be regularly reviewed and revised by the Management Board, particularly in response to the dynamics of the macroeconomic environment. The financial figures presented in this Report represent the objectives pursued by the Company's Management Board in connection with the implementation of the Strategy and are not forecasts. The Strategy's objectives do not include specific figures for certain initiatives related to potential new product lines, which are at the pre-commercial stage.

18. Major R&D achievements

In 2024, the Research and Development division of the SECO/WARWICK Group worked on the following projects:

In 2024, the following development projects were successfully completed:

- Construction of the new Vortex 2.0 nozzle system as part of the SeCoil project
- New low-pressure carburising algorithm with a constant flow of carburising gas
- Manufacture and testing of a resistive susceptor for the JetCaster furnace
- Thermal simulation program for the PIT furnace

In 2024, patent applications were filed with the Patent Office of the Republic of Poland (UPRP) for the following inventions:

- Application No. P.448051, titled 'Vacuum furnace with water cooling'
- Application No. P.449230, titled 'Method for diffusion treatment of corrosion-resistant steel'

19. Environmental protection

Given the scale and type of its operations, the SECO/WARWICK Group is subject to environmental protection regulations in different jurisdictions.

For the purposes of its operations, the Company has secured two required permits: for waste generation and release of gas and dust into the air.

1. In the case of the waste generation permit, the Company holds a renewed permit of 16 June 2017, valid until 16 June 2027. The Company maintains a register of all generated waste. The Company has executed agreements with specialist companies which handle waste disposal, recycling and treatment (the companies hold relevant licences). In accordance with the applicable regulations, the Company is registered in the database on products and packaging and on waste management (BDO) under No. 00025175.
2. In the case of the permit for gas and particulate matter emissions into the atmosphere, the Company holds a renewed permit of 21 March 2017, valid until 21 March 2027. Measurements of dust and gas emissions into the air are carried out regularly once a year by a specialist external company in order to monitor the levels of emissions of pollutants.

SECO/WARWICK Corp. and Retech Systems LLC are not obliged to obtain any environmental permits. The companies comply with environmental protection regulations applicable in the United States and submit waste disposal reports to appropriate public administration authorities.

Given the scope of their activities within the Group, the other companies do not need any special environmental permits, and the applicable environmental norms do not affect the use of property, plant and equipment by those companies.
In compliance with applicable laws as well as regulations issued by competent administrative authorities, the SECO/WARWICK Group strives to ensure that neither its operations nor its products have any negative environmental impact. To this end, the Group maintains and upgrades its production plants, in particular the equipment used for production and the equipment used for collection and safe storage of hazardous waste, in accordance with technical guidelines, and conducts research on mitigating the environmental impact of the process lines and furnaces it produces. On principle, the SECO/WARWICK Group companies comply with the terms of their environmental permits and fulfil the applicable disclosure requirements.
In view of the above, the Company is not aware of any circumstances that could give grounds for instigating against the Company or the other SECO/WARWICK Group companies any proceedings based on environmental protection regulations. Furthermore, to the best of the Group's knowledge, no proceedings related to environmental protection are underway or have been instituted against the Company or any other Group members. The SECO/WARWICK Group is not aware of any obligations which may be imposed on the Company or any other SECO/WARWICK Group member in connection with environmental protection regulations.
For detailed information on environmental matters, see Section 36 of this Report.

20. Workforce

For information on the workforce at SECO/WARWICK S.A., see Note 30 to the full-year consolidated financial statements for 2024 and Section 30.1 of this Report.

21. Structure of assets and liabilities in the consolidated statement of financial position, including from the perspective of the Group's liquidity

For information on the structure of assets and liabilities in the consolidated statement of financial position, including from the perspective of the SECO/WARWICK Group's liquidity, as well as the key financial and economic data and indicators, see Section 11 of this Report.

22. Material off-balance sheet items by entity, type and value

For material off-balance sheet items by entity, type and value, see Section 2 of this Report.

23. Group's key capital and equity investments in the financial year

No equity investments were made in 2024.

24. Major events which had a material impact on the operations and financial performance of the Group in the financial year or which may have a material impact on the operations and performance of the Group in the coming years

For a description of major events with material bearing on the Group's business which occurred after the reporting date, see Section 3 of this Report.
Events that occurred after the reporting date are described in detail in Note 37 to the consolidated financial statements of the SECO/WARWICK Group for 2024.

25. Growth directions for the Group.

Key objectives of the Group's new development strategy for 2023–2026:

The mission and vision for the activities of the SECO/WARWICK Group (the "Group") in 2023–2026 are defined in the Strategy and presented in Section 16 of this Report.

26. Information on:

a) **Date of the agreement concluded by the Company with an audit firm for the audit or review of financial statements or consolidated financial statements, and the term of such agreement,**
b) **Whether the Company has used the services of the selected audit firm before and, if so, when the services were provided and what type of services they were,**
c) **The body which selected the audit firm,**
d) **The remuneration of the audit firm, paid or payable for the current and previous financial year, separately for:**
   - **audit of the full-year financial statements,**
   - **other assurance services, including review of financial statements,**
   - **tax advisory services,**
   - **other services.**

The agreement with the statutory auditor was executed for a term of three years. KPMG Audyt Sp. z o.o. Sp. K. of Warsaw, ul. Inflancka 4a, Warsaw, Poland, is entered in the list of statutory auditors of financial statements maintained by the National Council of Statutory Auditors under Reg. No. 3546.

In 2024, the Company used selected audit firm services, such as audit of the full-year separate financial statements of SECO/WARWICK S.A. and the consolidated financial statements of the SECO/WARWICK Group, review of the half-year separate and consolidated financial statements, and assessment of the report on remuneration of Supervisory Board and Management Board members. In addition, the audit firm also audited the financial statements of three subsidiaries: SWS, SWR and Retech.

On 7 March 2024, the Supervisory Board, acting under Art. 29.1.6 of the Articles of Association, which authorises it to appoint the Company's auditor, passed Resolution No. 2/2024 under which KPMG Audyt Sp. z o.o. Sp. K. of Warsaw, ul. Inflancka 4a, Warsaw, Poland, audited the full-year separate financial statements of SECO/WARWICK S.A. and the consolidated financial statements of the SECO/WARWICK Group and reviewed the half-year separate and consolidated financial statements for 2024.

The table below lists the entities authorised to review half-year and audit full-year consolidation packages of the Group companies for the purposes of consolidation.

Table: Names of entities authorised to review half-year and audit full-year consolidation packages of the SECO/WARWICK Group companies for the purposes of consolidation

SECO/WARWICK Group company	Entity authorised to audit financial statements
SECO/WARWICK S.A.	KPMG Audyt Sp. z o.o. sp. k.
Retech Systems LLC	KPMG Audyt Sp. z o.o. sp. k.
SECO/WARWICK Retech	KPMG Huazhen LLP Branch
SECO/WARWICK Services	KPMG Audyt Sp. z o.o. sp. k.

The table below presents total auditors' fees for 2024 and 2023.

Table: Total auditors' fees for 2024 and 2023

Service	Fees for 2024 (PLN '000)	Fees for 2023 (PLN '000)
Audit of full-year consolidated financial statements	773	707
Review of consolidated financial statements	266	245
Other services	28	25
Total	**1,067**	**977**



SUSTAINABILITY STATEMENT OF THE DIRECTORS' REPORT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024

II. SUSTAINABILITY STATEMENT OF THE DIRECTORS' REPORT FOR THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2024

27. General information

27.1 [BP-1] General basis for preparation of sustainability statements

This sustainability statement of the SECO/WARWICK Group (the "Sustainability Statement", the "Statement, or the "Report") was prepared on a consolidated basis for the period from 1 January to 31 December 2024. The scope of consolidation is consistent with that used in the preparation of the financial statements. Sustainability reporting is based on an annual cycle.

This Statement covers the following consolidated companies:

/ SECO/WARWICK S.A. (SWSA), Poland;
/ SECO/WARWICK Services Sp. z o.o. (SWS), Poland;
/ SECO/WARWICK Retech Thermal Equipment Manufacturing Tianjin Co., Ltd (SWR), China;
/ Retech System LLC (RETECH), USA;
/ SECO/WARWICK Germany GmbH (SWGe), Germany;
/ SECO/WARWICK Corporation (SWC), USA;
/ SECO/VACUUM Technologies LLC (SVT), USA;
/ SECO/WARWICK Systems and Services India PVT. Ltd. (SWI).

The following entities that do not engage in direct business operations and function as holding companies have been excluded from the scope of consolidation:

/ SECO/WARWICK of Delaware, Inc.;
/ Retech Tianjin Holdings LLC;
/ SECO/WARWICK USA Holding LLC;
/ SECO/WARWICK Technical Services Tianjin Co. Ltd; SECO/WARWICK INDIA Private Limited (Dubai Branch).

The consolidated subsidiaries were not subject to sustainability reporting obligations and, therefore, did not apply the exemption from separate or consolidated sustainability reporting.

The descriptions of policies, actions, targets and metrics presented in this Statement, as well as quantitative disclosures, cover all entities of the SECO/WARWICK Group (the S/W Group), unless otherwise indicated in the disclosure.

The undertaking has not elected to omit any information concerning intellectual property, know-how or the results of innovation, nor has it applied the exemption from disclosure of any impending developments or matters in the course of negotiation.

This Sustainability Statement is the first one prepared and issued by the S/W Group.

It has been drawn up in accordance with the following regulations:

/ Polish Accounting Act of 29 September 1994 implementing the CSRD Directive,

/ Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards (ESRS),

/ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment.

For the calculation of the S/W Group's carbon footprint, the Greenhouse Gas Protocol (GHG Protocol) was used.

The SECO/WARWICK Group discloses material information about its upstream and downstream value chain based on an analysis of the flows of materials and business processes within the Group and its business relationships along the upstream and downstream value chain. The S/W Group considered information received from its suppliers and customers when:

/ assessing the materiality of impacts, risks, and opportunities,
/ setting the policies, actions and targets,
/ calculating and disclosing carbon footprint emission indicators.

27.2 [BP-2] Disclosures in relation to specific circumstances

In preparing this Statement, the S/W Group applied the time horizons defined in ESRS 1 section 6.4, and, in the case of net-zero, adopted 2050 as the target year in line with the European Green Deal.

Estimation and outcome uncertainty

The estimation of metrics was based on data sources derived from internal operations, including the ERP and CRM systems, and the proprietary databases. In the case of the value chain, direct sources (e.g. supplier invoice data) were used where practicable. However, most disclosures in this area were based on indirect sources.

For a detailed description of the estimation of Scope 3 carbon footprint, see chapter E1-6. In the case of the subsidiaries, Scope 3 emissions were estimated based on their revenue data, adjusted as appropriate for intra-group transactions.

Such estimates were applied in cases where suitable quantitative data could not be obtained. In the following years, the S/W Group expects to obtain increasingly accurate data from its own operations and value chain for improved precision of quantitative disclosures.

Scope 3 greenhouse gas emissions and total GHG emissions are subject to a high degree of measurement uncertainty. Sources of this uncertainty include:

- availability of data from customers on the emissions intensity of electric power used by them to operate equipment;
- estimated emission factors and estimates of demand within Scope 3 Category 11;
- availability of data from the supply chain on the emissions intensity of components.

Assumptions:

- scope of disclosure – the undertaking determines which emissions in the value chain are material and reportable;
- data sources – selection of information sources (e.g. internal operational data, supplier data, customer data);
- calculation method – the undertaking decides whether emissions are calculated based on actual operational data or standard emission factors;
- system boundaries – the undertaking determines which stages of the product life cycle are included within Scope 3 Categories 10, 11, and 12.

Approximations:

- modelling based on representative samples – used when actual data for customer equipment usage is unavailable;
- use of emission indicators – e.g. CO2 emissions per revenue unit or cost unit;
- historical data and extrapolation – if data for previous years is available, emissions may be estimated based on trends;

- conservative scenarios – where uncertainty exists, the undertaking may adopt more cautious estimates (e.g. assuming higher emissions rather than underestimating them).

Judgements:

- choice of methodology – whether to apply a bottom-up approach (based on operational data) or a top-down approach (based on macroeconomic models);
- assessment of the materiality of emissions – the undertaking determines which emissions are material enough to be reported;
- interpretation of available data – e.g. how to allocate the inflows and outflows of materials;
- selection of data sources – deciding whether to rely more on external data (e.g. from suppliers) or official statistical sources.

Additionally, to estimate the overall weight of products and technical materials disclosed in chapter E5-4, data for finished product shipments was used, and the weight of recycled raw materials was based on estimates of the quantity used in the manufacture of structural steel.

Certifications

The S/W Group has implemented the following ISO standards:

SWSA:

ISO 9001: Quality Management System

ISO 14001: Environmental Management System

ISO 45001: Health and Safety Management System

ISO 3834: Quality requirements for fusion welding of metallic materials

Module H1 Quality System in accordance with the requirements set out in Directive 2014/68/EU, implemented into Polish law by the Regulation of the Minister of Economic Development of 11 July 2016 on the requirements for pressure equipment and assemblies.

Internal Control System compliant with Article 11(2) of the Act of 11 November 2000 on foreign trade in goods, technologies and services of strategic importance for the security of the state, as well as for the maintenance of international peace and security (as amended).

SWR and RETECH:

ISO 9001: Quality Management System

All the systems listed above have been fully certified by an external auditor, which means that the data and procedures covered by the relevant standards have been assessed as compliant with the requirements established by these standards. The external certification ensures that the company operates in accordance with best practices and complies with the international standards of quality, environmental protection, and occupational health and safety.

Incorporation by reference

The Group has not applied the concept of disclosing information by reference to other documents.

Phased-in provisions

The Group has elected to omit disclosures of anticipated financial effects from the impacts, risks and opportunities related to sections E1-9, E5-6, in accordance with the transitional provisions of Appendix C to ESRS 1.

27.3 [Gov 1] The role of the administrative, management and supervisory bodies

At the S/W Group, the administrative, management and supervisory bodies comprise the Management Board, the Supervisory Board and the General Meeting of the Parent – SECO/WARWICK S.A. There is no representation of employees on these bodies. Information on the available expertise in accordance with G1 Gov-1 is provided below, as part of the description of members of the Management Board and Supervisory Board.

Management Board

In 2024, the Management Board consisted of four members, appointed by the Supervisory Board on 5 June 2019.

- Sławomir Woźniak – President of the Management Board

He began his professional career at SECO/WARWICK in 1994, initially as a service engineer and later as Deputy Head of the CAB segment. From 2005, he was responsible for managing the CAB segment. Five years later, he was seconded to the subsidiary SECO/WARWICK Retech in China, where he assumed the position of Deputy Managing Director. Subsequently, from 2011 to 2012, he served as Managing Director of SECO/WARWICK Retech in China. For the following two years, he was appointed Managing Director of SECO/WARWICK Allied in India and Chief Operating Officer of the SECO/WARWICK Group. From 2014 to 2016, he again held the position of Managing Director of SECO/WARWICK Retech China and, simultaneously from 2016, Managing Director of SECO/WARWICK Allied (India). At the end of 2016, he assumed the role of Managing Director (Asia) and Member of the Management Board of SECO/WARWICK S.A., and in 2018 became Vice President of the Management Board of SECO/WARWICK S.A. and Chief Operating Officer of the SECO/WARWICK Group. He currently serves as President of the Management Board of the SECO/WARWICK Group. The area of his responsibility on the Management Board includes social impacts and human rights, corporate governance as it relates to the organisational culture and business ethics, political influence and lobbying activities, management of complaints and violations, and due diligence. He is not an independent member.

- Bartosz Klinowski – Member of the Management Board

He began his professional career at SECO/WARWICK in 2003 as an engineer, after five years assuming the position of Deputy Head of the Electrical Plant. From 2011 to 2012, he served as Vice President of the Management Board of SECO/WARWICK Thermal. Between 2013 and 2016, he was President of the Management Board of SECO/WARWICK Europe Sp. z o.o. At the end of 2016, he became Managing Director (Europe) and Member of the Management Board of SECO/WARWICK S.A. On the Management Board, he is responsible for the environmental area and corporate governance as it relates to the management of supplier relationships, prevention and detection of corruption and bribery. He is not an independent member.

- Earl Good – Member of the Management Board

He has spent most of his working life at three companies: General Electric Environmental Services, Marsulex Environmental Technologies and Metso Minerals. Over the course of his career, he has held various positions with increasing responsibilities, including various managerial roles. On 2 January 2019, Earl Good was appointed Member of the Management Board of SECO/WARWICK S.A. He currently serves as Managing Director of Retech Systems LLC and Vice President of the Melting Furnace

segment. For the time being, he has not been assigned responsibility for ESG areas. He is not an independent member.

- Piotr Walasek – Member of the Management Board

He began his professional career in 2003 as a Financial Controller at DaimlerChrysler Financial Services in Salzburg and Berlin, where he was responsible for management accounting reports for DaimlerChrysler companies based in Central Europe. He joined SECO/WARWICK as Chief Financial Officer in December 2006 and is responsible within the SECO/WARWICK Group for finance, consolidation and reporting, mergers and business acquisitions, investor relations, treasury, legal and tax matters. He is a member of the UK Association of Chartered Certified Accountants (ACCA). He currently holds the position of the Group's Chief Financial Officer and Member of the Management Board. On the Management Board, he is responsible for corporate governance as it relates to risk management (impacts, risks and opportunities), legal compliance, payment practices, and reporting (including ESG). He is not an independent member.

As regards product knowledge and the development of product strategies for individual product groups, the Management Board is supported by the Vice Presidents of product segments. The role of a Product Segment Vice President at the S/W Group is key to project management and the development of new technologies. A VP monitors the direction of technological work and the shaping of new product concepts.

Supervisory Board

As at the date of issue of this disclosure, the Supervisory Board was composed of five members:

- Andrzej Zawistowski – Chair of the Supervisory Board

He is a graduate of the University of Engineering in Zielona Góra. From 1970 to 1984, he worked as Unit Manager at Lubuskie Zakłady Termotechniczne ELTERMA S.A. From 1984 to 1986, he served as Head of the Maintenance Department at Inter-Vac of Warsaw. From 1986 to 1991, he was a co-owner and director of TransVac s.c. of Świebodzin. From 1996 to 2005, he was a shareholder and President of the Management Board of HTC Nitrex of Częstochowa. From 1991, he was a co-owner of SECO/WARWICK Sp. z o.o., and from 1991 to 1 February 2007 served as President of its Management Board. From 1 March 2007, he was employed by SECO/WARWICK S.A. as Chief Strategy Officer. From February 2007 to 25 May 2012, he was Vice President of the Management Board of SECO/WARWICK S.A. He is not an independent member.

- Maciej Karnicki – Deputy Chair of the Supervisory Board

He is a graduate of the Technical University of Dresden. He also holds an MBA from the Poznań University of Economics and Georgia State University. He worked for SECO/WARWICK for two years as a sales representative. From 1994 to 2021, he was associated with the Swiss Krono Group, where from 2000 to 2006 he served as Director of Sales and Marketing at Swiss Krono Polska. He was also a Member of the Management Board of Swiss Krono Polska (2004–2021) and President of its Management Board (2006–2021), concurrently serving as a Member of the Management Board of Krono Group (2006–2016) and President of Swiss Krono Group (2009–2016). He is an independent member.

- Jeffrey Boswell – Member of the Supervisory Board

He is a graduate of Gannon University. From 1978 to 1983, he worked as a project engineer at Sunbeam Equipment Corp., which after 1984 became SECO/WARWICK Corp. From 1984 to 1986, he continued as project engineer, then from 1987 to 1989 as product manager, and subsequently as Vice President of SECO/WARWICK Corp in charge of sales. For the past 12 years, Mr Boswell has served on the Management Board of Industrial Heating Equipment Association, first as President and now as Member. In addition, he has been a Member of the Management Board of Cupro Braze Alliance for

eight years. In 2005, he became President of the Management Board of SECO/WARWICK Corp. From 1 February 2007 to 1 March 2009, he served as President of the Management Board of SECO/WARWICK S.A., and is currently Vice President of Retech Systems, LLC. Since 29 April 2009, he has served as a Member of the Supervisory Board of SECO/WARWICK S.A., and since 18 June 2009 – as Chair of the Supervisory Board of SECO/WARWICK S.A. He is not an independent member.

- Marcin Murawski – Member of the Supervisory Board

He is a graduate of the University of Warsaw. Since 2000, he has been a member of ACCA. He holds the UK ACCA Practicing Certificate, Polish statutory auditor credentials (KIBR Auditor No. 90053), and is a Certified Internal Auditor (CIA). From 1997 to 2005, he worked at PricewaterhouseCoopers as a Manager at the Audit Department. From November 2005 to November 2012, he served as Head of Internal Audit and Inspection at the WARTA Group and as Secretary of the Audit Committees at TUIR WARTA S.A. and TUNŻ WARTA S.A. On the S/W Supervisory Board, he serves as Chair of the Audit Committee. He is an independent member.

- Robert Jasiński – Member of the Supervisory Board

He is a graduate of leading European economics universities. He holds the ACCA International Qualification and the UK Chartered Global Management Accountant (CGMA) designation. Since 2018, he has been a member of the UK Chartered Institute of Management Accountants (FCMA). From 1996 to 2001, he worked for UNI-Net as CFO and Management Board Member. He then served as CFO at Netia, General Manager at UNI-Net, and Director of Integration of Acquired Assets at EI-Net (2001–2005). From 2006 to 2008, he held the role of Group Controlling and Technology Director and advisor to the CTO at Telekomunikacja Polska. Subsequently, between 2008 and 2018, he was with PKN Orlen, serving as Executive Director for Business Controlling, Management Board Member for Restructuring at Orlen LIETUVA, Management Board Member of Orlen Finance and Orlen Capital, and Deputy Chair of the Supervisory Boards of Orlen DEUTSCHLAND, Anwil and Orlen UPSTREAM, as well as a Member of the Supervisory Board and Audit Committee at UNIPETROL. From 2019 to 2020, he served as Management Board Member at TRACK TEC S.A. He is an independent member.

Table Diversity of governance bodies

Management Board	Number of persons	Proportion [%]
SWSA	4	100.0%
women	0	0%
men	4	100%

Supervisory Board	Number of persons	Proportion [%]
SWSA	5	100.0%
women	0	0%
men	5	100%

At the other Group companies, management boards have not been appointed. These companies are managed by Managing Directors (one woman and six men, including two who are also members of the Management Board). The Managing Directors report to the Management Board of SECO/WARWICK S.A.

The number of executive body members is four (Management Board), and the number of non-executive body members is five (Supervisory Board).

In 2024, three out of the five members of the Supervisory Board (60%) met the independence criteria as defined in the ESRS.

The Management Board and managers of the companies expanded their expertise to oversee sustainability matters through:

- cooperation with an external expert in performing the double materiality assessment, developing the ESG and decarbonisation strategies, appropriately aligning the internal policies and procedures, and preparing the Sustainability Statement;
- training conducted by an external consultant, covering the following topics:
  - key ESG information;
  - legal requirements and ESG reporting obligations;
  - reporting according to ESRS standards;
  - organisational challenges arising from ESG requirements;
  - ESG-related risks;
  - ESG implementation and organisational roles;
  - carbon footprint;
  - decarbonisation strategy;
  - taxonomy.

The respective ESG responsibilities of Management Board members have been defined in an executive order issued by the Management Board. The Group-level directive on sustainability reporting outlines the rules for preparing and the process of developing the annual Sustainability Statement of the SECO/WARWICK Group. The principles described below concern the target supervisory activities in the ESG area. 2024 was the implementation year, during which the following arrangements were developed.

Responsible body	Scope of duties	Form and frequency of oversight
Supervisory Board of SECO/WARWICK	Oversight and validation of strategic plans of the SECO/WARWICK Group, including sustainability plans	Supervisory review twice a year Additional reviews as needed
Audit Committee of SECO/WARWICK	Monitoring of the ESG reporting process	Supervisory review twice a year
Management Board of SECO/WARWICK	Management of the business strategy, including sustainability strategy, of the SECO/WARWICK Group	Review as part of the Strategy Committee work
Designated Member of the Group's Management Board	Oversight of the implementation of the ESG Strategy of the SECO/WARWICK Group	Status meetings at least once a quarter

Managing Directors of the companies	Coordination and oversight of the implementation of the ESG Strategy of the SECO/WARWICK Group within the subsidiaries	Management review twice a year during Group Management Board meetings Additional reviews as needed

The Chief Financial Officer of SWSA (Member of the Management Board) is responsible for overseeing the double materiality assessment process (covering impacts, risks and opportunities) and for approving its outcomes (including any revisions). The person responsible for coordinating the verification and update process of the double materiality assessment (covering impacts, risks and opportunities) is the Deputy Finance Director for Financial Controlling and Reporting at SWSA. The Managing Directors, Heads of Organisational Units, and Process Owners are responsible for ongoing monitoring and for notifying relevant parties of any changes in the organisation's operations and how they influence the impacts, risks and opportunities. If such changes require additional mitigating actions, responsibility for their implementation lies with the Managing Directors of the respective companies, while monitoring of their execution has been assigned to the Head of the Integrated Management System (at SWSA).

The Managing Directors, Heads of Organisational Units, and persons designated by the Management Board to enhance and increase process efficiency (Process Owners) assess how changes in the organisation's operations influence the impacts, risks and opportunities. Where necessary, they determine appropriate actions to pursue opportunities or mitigate risks.

Monitoring of the execution of these tasks has been assigned to the Head of the Integrated Management System (at SWSA).

The individuals referred to above have long-standing experience within their respective areas of responsibility. They continue to develop their competencies through training, participation in conferences, and business interactions. Since sustainability is an integral part of process management, their professional development also encompasses ESG topics and trends. The S/W Group has implemented evaluation and training procedures designed to identify and plan competencies for further improvement. Training was also provided for the Group's managers on the fundamentals of ESG.

The individuals responsible actively participated in the double materiality assessment workshops (covering impacts, risks and opportunities).

At the S/W Group, implementation and reporting responsibilities for each policy and procedure have been assigned to designated individuals. For key policies, the responsibilities have been assigned as follows:

- Sustainability Policy – President of the Management Board; (Areas: Environmental, Social, Governance),
- S/W Group Business Code of Ethics – President of the Management Board; (Areas: Environmental, Social, Governance),
- Group-level directive: The SECO/WARWICK Group's Policy and Business Code of Ethics Implementation – Managing Directors (Areas: Environmental, Social, Governance),
- Group-level directive: Purchasing & Suppliers Qualification – Managing Directors (Areas: Environmental, Social, Governance),
- Group-level directive: HR Management – Managing Directors, individuals responsible for HR at the respective companies, and managers (Area: Social).

27.4 [Gov 2] Information provided to and sustainability matters addressed by the administrative, management and supervisory bodies

The S/W Group has in place a double materiality assessment procedure, implemented in December 2024. Its framework was based on the Materiality Assessment Report for SECO/WARWICK S.A., which was presented to the Management Board in September 2024.

Members of the Management Board and Supervisory Board are kept regularly informed about material impacts, risks and opportunities during meetings held by these bodies and through management reports. These updates are typically provided to the Management Board on a weekly basis by relevant managers. The Supervisory Board convenes quarterly and receives relevant information when any material issues arise.

In November 2024, the Management Board adopted the S/W Group's ROAD MAP, outlining the sustainability-related goals and progress monitoring process. The first review of progress against these goals is scheduled for the first half of 2025.

The Management Board integrates material impacts, risks and opportunities into the S/W Group's strategy through the adoption of a Transition plan for climate change mitigation at the Parent SWSA and of the ESG ROAD MAP. These documents define actions in the following areas:

- E1 (Climate change – climate change mitigation),
- E5 (Resource inflows and outflows, including resource use),
- S1 Own workforce (Secure employment, Occupational health and safety, Training and skills development, Diversity),
- S2 Workers in the value chain (Occupational health and safety, Secure employment, Forced labour),
- S4 Consumers and end-users (Access to information, Health and safety, Personal safety),
- G1 Business conduct (Management of relationships with suppliers, including payment practices, corruption and bribery).

The Management Board and Supervisory Board oversee the risk management system and plan to integrate material impacts and risks into the system starting from 2025.

Material impacts are also considered by the Management Board in its decisions on major transactions. This is achieved by integrating them into strategic projects such as the launch of production in India (TIGER project), expansion of production in China (DRAGON project), and integration initiatives within the Group's HR and IT functions (CROSS project).

List of material impacts, risks and opportunities addressed by the Management Board and Supervisory Board during the reporting period:

No.	Format	Topics
1.	Management Board meeting	Approval of the Transition plan for climate change mitigation and definition of emission reduction targets for SWSA
2.	Management Board meeting	Adoption of the ESG ROAD MAP
3.	Management Board meeting	Discussion of findings from the double materiality assessment
4.	Strategy Committee of the Supervisory Board	In-depth analysis of the CROSS project

27.5 [Gov 3] Integration of sustainability-related performance in the incentive scheme

In 2024, the SECO/WARWICK Group did not incorporate sustainability-related criteria into the remuneration framework and did not set financial targets linked to ESG performance. Accordingly, no such targets were considered in determining the remuneration of board members at the Group companies. No climate-related considerations were factored into the remuneration of members of the Management Board and Supervisory Board (disclosure E1 GOV-3).

This matter will be subject to analysis in the coming years.

The non-financial management objectives for 2024 included progress against the business strategy, wherein the ESG strategy is regarded as a strategic initiative.

27.6 [Gov 4] Statement on sustainability due diligence

Table Elements of due diligence

Core elements of due diligence	Paragraphs in the Sustainability Statement
Embedding due diligence in governance, strategy and business model	GOV-2, SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	SBM-2, S1-2, S1-3, S4-2, S4-3
Identifying and assessing adverse impacts	IRO-1, SBM-3
Taking actions to address those adverse impacts	E1-3, S1-4, S4-4
Tracking the effectiveness of these efforts and communicating	E1-5, E1-6, E5-5

27.7 [Gov 5] Risk management and internal controls over sustainability reporting

The SECO/WARWICK Group has adopted a Group-level reporting directive to support risk management and internal controls over its sustainability reporting. The document sets out relevant responsibilities, activities and principles of cooperation among the S/W Group companies and organisational units involved in the preparation of the consolidated Sustainability Statement. Its primary objective is to ensure the proper and timely fulfilment of legal obligations by clearly defining the scopes of responsibilities for individuals engaged in specific reporting tasks.

The risk assessment approach includes an expert review of the reporting process carried out by the Deputy Finance Director for Financial Controlling and Reporting and the Head of the Integrated Management System.

The main risks arise from the fact that the Sustainability Statement for 2024 is the first one being prepared. They are associated with the completeness and integrity of data, the accuracy of estimates, and the availability of information about the value chain. Mitigation strategies include compiling disclosures and statements for annual reports and consolidated reports, as well as their formal verification by the Chief Financial Officer (SWSA).

Findings from the risk assessment and internal controls are periodically communicated to members of the Management Board.

27.8 [SBM-1] Strategy, business model and value chain

The SECO/WARWICK Group is a manufacturer of equipment for metal heat treatment and metallurgy.

Its operations are organised into five main technological segments:

- Vacuum Furnaces,
- Atmosphere Furnaces (Thermal),

- Aluminium heat treatment systems (Aluminium Process + Controlled Atmosphere Brazing),
- Melting Furnaces,
- Aftersales services.

The S/W Group comprises eight companies operating across three continents, with customers in 70 countries and production facilities located in Poland, United States, India and China. These companies operate and implement technological processes for manufacturers engaged in steel, titanium and aluminium production, aluminium recycling, forging, automotive, aviation, commercial heat treating, HVAC/R, electronics, wind energy, medical equipment, nuclear, and other industries.
The Group includes a number of sales and maintenance companies located in countries such as Germany, Poland, and the United States.
The number of employees broken down by geographical areas is provided in chapter S1-6.
Total revenue for 2024 amounted to PLN 712,825 thousand.

Given the nature of the Group's business, highly industrialised economies, including those with access to natural resources and focused on advanced technologies, are of strategic importance to the Group's operations. In terms of sales volumes, the SECO/WARWICK Group's key strategic markets are the EU, North America, and Asia (especially China and India).

The Group supplies standard or dedicated state-of-the-art heat treatment equipment and technologies to leading companies operating in the automotive, aviation, electronic, machine-building, tool, medical, recycling, and power generation (including nuclear, wind, fuel, and solar power) industries, and to manufacturers of steel, titanium and aluminium products. Approximately 80% of the Group's revenue is derived from services provided to the aviation and aerospace (30%), automotive (30%), and power generation (20%) industries.
Geographical areas are defined based on the Group's markets. The Group has identified the following areas:

- the EU market,
- the North American market,
- the Asian market,
- other countries.

Aluminium heat treatment systems and CAB lines

The furnaces and systems for aluminium heat treatment and controlled atmosphere brazing (CAB) are designed according to the individual needs of the customer, with processes adapted to the characteristics of the batch as well as to performance and quality requirements. Thanks to the customised approach, the customer is able to reduce the consumption of electricity and other energy carriers and to meet the required aviation, automotive and environmental standards.
Aluminium heat treatment systems and CAB lines are applied in particular in the automotive, mechanical engineering, power engineering, aviation, marine, chemical, defence and electronic industries.

Technology and equipment for vacuum heat treatment

The SECO/WARWICK Group offers state-of-the-art, precise, energy-efficient and environmentally-friendly vacuum heat treatment equipment with guaranteed technology. Its experience in developing such solutions dates back to the 1970s, when vacuum-based heat treatment technologies emerged in the aviation, automotive, defence, metallurgical, medical, nuclear, and machine tool industries. These systems have a compact and modular design with a dynamic and efficient heating system ensuring precise temperature control and excellent temperature distribution in the operating space.

Vacuum melting technologies and equipment

Vacuum metallurgical equipment is manufactured at the S/W Group's facilities in the United States, Poland and China, the regions with the highest demand for advanced melting and foundry technologies.
The technologies and equipment offered by the Group are mainly used in the aviation, energy, defence, medical, automotive, nuclear and powder metallurgy industries.

Atmosphere heat treatment furnaces

In the production of atmosphere heat treatment solutions, the Group leverages its extensive experience and advanced technologies to simplify installations, reduce capital expenditures, and minimise the consumption of process agents. Solutions offered by the S/W Group are used in various heat treatment processes, such as normalisation, relaxation, annealing, spheroidisation, austenitisation, tempering, and solution heat treatment. The technologies and equipment are used mainly in the following industries: aviation, automotive, machine-building, energy, bearings, fasteners, and commercial heat treatment.

Professional aftersales services

The Aftersales segment focuses on the conversion, modernisation and modification of customers' equipment, including other manufacturers' equipment, as well as the sale of spare parts and other aftersales services. As part of SECO/ENGINEERING, the Group also offers professional engineering services tailored to individual customer needs.

The SECO/WARWICK Group also engages in R&D activities. Research and Development are key drivers of the S/W Group's competitive advantage, whose activity in this area is reflected in the number of patents, implemented projects, research initiatives, and partnerships with universities and research institutions. The R&D team conducts studies, calculations, and comprehensive analyses for external entities, institutions, academic centres, and commercial clients. It also carries out its own proprietary research, full metallographic testing, further develops licensed or acquired technologies, and collaborates with product departments to create unique solutions.
Through its automation-related products and services, the S/W Group supports customers in implementing Industry 4.0 concepts and technologies, as well as in managing their processes more efficiently.

These products and services enable the S/W Group to offer customers comprehensive upgrades of metal heat treatment lines, aimed at reducing greenhouse gas emissions – through electrification and the application of more energy-efficient technologies.

The SECO/WARWICK Group's business model is based on the careful selection of suppliers. For critical components and services, supplier relationships are structured through long-term contracts. The supply chain does not involve the procurement of raw materials but instead focuses on acquiring finished materials, components, or equipment used in the production of machinery.
In 2024, the S/W Group undertook the challenge of developing an innovative and environmentally-friendly device and technology for Free High Pressure Gas Quenching by Single-Piece Flow, offering high precision, control and minimal quenching distortion as an alternative to press quenching. Additionally, in support of continuous improvement in product quality and safety, infrastructure requirements for testing and technology trials across all technologies are being evaluated.

The S/W Group's sustainability-related goals with respect to its products and stakeholders are reflected in the ESG Road Map, adopted by the Management Board of the Parent in November 2024.These goals are detailed in the respective topical chapters.

The S/W Group has not carried out an assessment of its current significant products and/or services, and significant markets and customer groups, in relation to its sustainability-related goals.

Value chain

Material stakeholders across the value chain

Suppliers, sub-suppliers, subcontractors, natural environment

Employees, investors, banks, public administration, media, local communities, universities and schools, natural environment

Customers, local communities at equipment usage locations, employees, natural environment

Supply		**Processes within the SECO / WARWICK Group**	**Sales**	**Use**	**Waste (product end-of-life)**
Suppliers of goods	**Suppliers of services**	**Operational processes:** / Sales (including concept development) / Design / Procurement and warehousing / In-house production and assembly / Testing / Shipping / Commissioning / Aftersales **Strategic process** / Leadership and strategic management (including investor relations, legal services, administration) **Support processes**	Sales are carried out through relationship building, participation in conferences and industry events. Solutions are tailored in response to customer inquiries. Customers receive support throughout the product life cycle – aftersales services.	Customers within the AP, CAB, VM, THE, VAC product groups	/ Waste is a product that ceases to meet the quality expectations or other needs of customers as a result of its use. / Packaging waste / Worn out or damaged equipment parts / Hazardous waste
Suppliers of commercial goods: / Electrical equipment and automation devices / Metallurgical products / Insulation materials / Other materials used in equipment construction / Fuels / Other	Suppliers of services essential to the Group's operations: / Cooperative services (subcontractors manufacturing equipment/systems/parts) / Utilities / IT services / Telecommunications / Advisory services / Other				

		/ Trade control / Project management / Operational planning / Quality control / Infrastructure management (investments, maintenance services) / Research and Development (R&D) / HR management (including training) / Health, safety, and fire protection management / Environmental management / Finance (including accounting, financial controlling) / Information security and IT resource management / Marketing			
	Delivery logistics Inbound logistics: delivery of goods from suppliers to the Group		Outbound logistics: delivery of goods to customers		

The manufacture of equipment is carried out in Poland, the United States, India, and China.

The procurement of materials and components takes place primarily in the markets of the EU, United States, China, and India. With a broad supplier base and access to numerous markets, the SECO/WARWICK Group does not depend on any single supplier of components and is able to ensure uninterrupted production of equipment.

Sales and distribution to customers are organised directly by the Group companies operating in the respective countries.

The main users of the equipment are its operators and technical service personnel.

The S/W Group raises, develops and ensures the availability of funds for:

- procurement of materials,
- development of advanced technologies,
- development of digital technologies for equipment management,
- staff recruitment and training.

Investment in the development of these resources is carried out through:

- investment in equipment upgrades and the deployment of new technologies to enhance operational efficiency and reduce material losses,
- improvement of project management processes through digitisation and the integration of progress monitoring systems,
- enhancement of team competencies through training programmes in sustainability, risk management, and innovative technologies in metal heat treatment,
- implementation of quality and safety certification systems,
- application of risk management procedures, including audits and equipment insurance,
- optimisation of warehousing processes.

27.9 [SBM-2] Interests and views of stakeholders

The SECO/WARWICK Group engages in ongoing dialogue with key stakeholders and considers their views in its day-to-day operational decisions and strategic planning. The Management Board receives summary reports presenting the findings of stakeholder opinion surveys. These reports serve as a foundation for integrating stakeholder expectations into both strategic and operational decision making. Further details are provided within the relevant topical areas.

Based on the mapped value chain, a list of stakeholders was prepared and subjected to a materiality assessment from the Group's perspective. To be considered key stakeholders, they must reach a predetermined threshold of points based on the assessment of either the Group's impact on the stakeholders or the stakeholders' impact on the Group.
Stakeholders, along with their needs and expectations, must be reviewed during each update of the double materiality assessment.

The process of engaging with key stakeholders is outlined in the table below.

No.	Stakeholder	Group characteristics	Frequency of engagement	Communication channels/ form of engagement
1.	Employees	Workforce members under all forms of employment, including former and prospective employees.	Ongoing	Social consultations (as needed), notice boards, works council. Internal portal – intranet, employee opinion surveys, current and periodic reports, events, job postings, internal training, performance reviews. Bulletin boards, SECO/SFERA newsletter, SECO/SPHERE newsletter.
2.	Shareholders, Supervisory Board, capital market	Capital market participants, shareholders, bondholders, rating agencies.	Periodic	Indirect: Annual and interim reports; Direct: general meetings, market announcements, investor relations portal, on-site visits, webinars
3.	Customers	Legal persons or unincorporated entities to which the S/W Group provides services or sells products in the course of its business activities.	Ongoing	Direct contact (F2F meetings), emails, email campaigns, conferences, corporate website, annual non-financial reports, newsletter, social media, webinars, company SEMINAR, trade fairs
4.	Suppliers and sub-suppliers	Suppliers and subcontractors across the entire value chain.	Ongoing, depending on the level of cooperation and current needs	Direct meetings (negotiations), emails, phone calls, annual supplier evaluations, annual and interim reports, Business Code of Ethics, and General Terms and Conditions of Purchase for materials and services (GTCP).
5.	Competitors	Domestic and international companies operating within the same market niche.	As needed	Industry conferences and events, trade fairs, internet, media

27.10 [SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

The S/W Group has identified areas of material impacts, risks and opportunities relevant to its operations and undertakes actions to minimise the risks and negative impacts while seeking to pursue the opportunities.

Table Material impacts, risks and opportunities

ESRS	Topic	Sub-topic	Sub-sub-topic	Impact/Risk/ Opportunity	IRO description	Where in the business model , own operations and value chain these impacts, risks and opportunities are concentrated
ESRS E1	Climate change	Climate change mitigation		Actual negative short-term impact	Scopes 1, 2, 3 GHG emissions related to business processes and value chain	Upstream, own operations, downstream
				Potential positive medium-term impact	Decarbonisation actions undertaken as part of the ESG Road Map and Transition plan for climate change mitigation, aimed at reducing the Group's carbon footprint across Scopes 1, 2, and 3.	Upstream, own operations, downstream
				Medium-term risk	CBAM (Carbon Border Adjustment Mechanism) – negatively affects product pricing.	Upstream, own operations, downstream
				Long-term risk	Loss of reputation across the fossil fuel-powered furnace sector, potentially driving away investors.	Upstream, own operations, downstream

			Long-term opportunity	Competitive advantage built through innovation in low- or zero-carbon technologies.	Own operations
			Long-term opportunity	Increased sales opportunities due to regulatory pressure on customers to reduce their own emissions.	Own operations, downstream
			Medium-term risk	Tightening legal requirements related to efficiency, carbon emissions limits, and ESG compliance.	Own operations
			Long-term risk	Shifting customer preferences and growing competition from low-carbon products.	Upstream, own operations, downstream
			Long-term risk	Risk of asset impairment due to competition from manufacturers relying on low-carbon technologies.	Own operations, downstream
			Actual positive medium-term impact	Implementation of climate adaptation measures at production sites and within products.	Own operations
		Energy	Short-term risk	Rising energy costs associated with the energy transition and increasing carbon pricing.	Upstream, own operations, downstream
			Medium-term opportunity	Energy efficiency improvements resulting from investments in EE solutions.	Own operations
			Actual positive short-term impact	Renewable energy generation through on-site photovoltaic (PV) systems.	Own operations
ESRS E5	Circular economy	Resource inflows, including resource use.	Medium-term opportunity	Product line based entirely or predominantly on recycled materials.	Upstream, own operations, downstream

			Medium-term risk	Increased cost of raw materials due to legislative changes under the European Green Deal.	Upstream, own operations, downstream
		Resource outflows related to products and services.	Medium-term opportunity	Integration of the ecodesign concept to expand the product portfolio with innovative, energy-efficient, and renewably powered solutions.	Upstream, downstream
ESRS S1	Own workforce	Working conditions – Secure employment.	Actual positive medium-term impact	Stable employment conditions providing a sense of security for employees and their families.	Own operations
			Medium-term opportunity	Stability of employment enhancing the Group's employer brand.	Own operations
		Working conditions – Working time.	Short-term risk	Deterioration of working conditions, incidents involving labour or human rights violations, or a decline in regional employer reputation may result in higher employee turnover in key positions, lowered morale, and reduced workforce productivity.	Own operations
		Working conditions – Adequate wages.	Actual positive medium-term impact	Competitive remuneration on local labour markets positively affecting employee satisfaction and team stability.	Own operations
		Working conditions – Occupational health and safety.	Actual positive short-term impact	Creation of a safe and efficient work environment, supported by the implementation of ISO 9001, 14001 and 45001 systems (at SWSA). Respect for labour and human rights as defined in the Business Code of Ethics.	Own operations

	Potential negative short-term impact	Failure to adhere to occupational health and safety (OHS) rules in manufacturing processes.	Own operations
Equal treatment and opportunities for all – Gender equality and equal pay for work of equal value.	Medium-term opportunity	Open organisational culture and adherence to the Business Code of Ethics promote inclusivity, equal treatment and equal opportunities for all employees.	Own operations
Equal treatment and opportunities for all – Training and skills development.	Actual positive medium-term impact	Continuous development of employee competencies. Strong offering of internal and external training programmes. Expansion of training programmes.	Own operations
Equal treatment and opportunities for all – Measures against violence and harassment in the workplace.	Actual positive short-term impact	Open organisational culture and adherence to the Business Code of Ethics promote inclusivity, equal treatment and equal opportunities for all employees.	Own operations
Equal treatment and opportunities for all – Diversity.	Potential negative short-term impact	Cultural differences.	Own operations
	Short-term risk	Incidents of discrimination.	Own operations
Other work-related rights – Privacy.	Short-term risk	Violations of employee privacy rights.	Own operations

ESRS S2	Workers in the value chain	Working conditions – Occupational health and safety.	Actual positive medium-term impact	Corporate and organisational culture, policies and codes of conduct influencing supplier and subcontractor practices in the areas of human and labour rights.	Upstream, downstream
		Other work-related rights – Secure employment.	Actual positive medium-term impact	Impacts on workers in the value chain arising from supplier and subcontractor selection practices, technology choices, component specifications, and due diligence approaches.	Upstream, own operations, downstream
		Other work-related rights – Forced labour.	Actual positive medium-term impact	Corporate and organisational culture, policies and codes of conduct also influencing supplier and subcontractor practices with respect to child labour, forced labour, and privacy in the workplace.	Upstream, own operations, downstream
ESRS S4	Personal safety of consumers and/or end-users	Health and safety.	Actual positive medium-term impact	Product quality has a direct impact on improved safety of consumers and end-users.	Own operations, downstream
		Personal safety	Potential positive medium-term impact	Improper equipment operation due to non-compliance with safety guidelines may result in user injuries.	Own operations, downstream
			Medium-term risk	Product failures or incidents may lead to serious safety breaches.	Own operations, downstream

	Information-related impacts for consumers and/or end-users	Access to (quality) information.	Actual positive medium-term impact	Development of diverse communication channels to engage with end-users, including customer training and workshops. Provision of quality product documentation.	Own operations, downstream
ESRS G1	Business conduct	Corporate culture.	Medium-term risk	Communication errors, poorly executed marketing campaigns, inaccurate or misleading sustainability disclosures may lead to reputational damage and financial penalties.	Upstream, own operations, downstream
		Cybersecurity and data protection.	Medium-term risk	Cyberattack and data breach risks may result in financial losses and potential penalties.	Upstream, own operations, downstream
			Actual positive long-term impact	Data protection and cybersecurity policies enhancing resilience to external threats and preventing data leaks.	Upstream, own operations, downstream
		Corruption and bribery. Prevention and detection, including training.	Medium-term opportunity	Implementation and enforcement of anti-corruption policies within the organisation.	Own operations
		Management of relationships with	Medium-term risk	Risk of violation of the Business Code of Ethics in own operations or the value chain.	Upstream, own operations, downstream

	suppliers, including payment practices.	Actual positive long-term impact	Adherence to the supplier code of conduct, due diligence in supply chains, and commitment to sustainable procurement.	Upstream, own operations, downstream
		Long-term opportunity	Modification of procurement policy to lower the carbon footprint of production inputs and mitigate ESG risks, thereby building sustainable supply chains.	Upstream, own operations
		Medium-term risk	Risk of non-compliance with the Business Code of Ethics in supply chains (including environmental violations, human rights, labour rights, corruption).	Upstream, own operations, downstream

The identified risks, impacts and opportunities arise from the business model and the strategy being implemented.

In 2024, no financial effects of the identified risks were observed. The S/W Group does not anticipate any material adjustments to its financial statements in 2025 as a result of the identified impacts, risks and opportunities.

The business model is resilient to the identified impacts and risks while being positioned to take advantage of opportunities. The approaches to managing impacts, risks and opportunities are described in the relevant topical chapters.

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

In 2024, the SECO/WARWICK Group conducted a comprehensive double materiality assessment. The initial identification of key sustainability matters was carried out during workshops with the ESG Team. The resulting list was then extended to include matters specific to the sector and the undertaking.

Based on the mapped value chain, a stakeholder list was compiled.

As a result of the workshop, the following groups were identified as key stakeholders:
- Customers,
- Suppliers and sub-suppliers,
- Shareholders, Supervisory Board, capital market,
- Employees,
- Competitors

See [SBM-2]

The next step involved assessing stakeholder perceptions of the materiality of sustainability matters, which included:
- CAWI (Computer-Assisted Web Interview) survey among 623 S/W Group employees,
- individual in-depth interviews (IDI) with four stakeholder representatives selected by the ESG Team from among the customer, supplier, and shareholder/capital market groups,
- focus group interview with representatives of one of the key customers,
- CAWI survey conducted among the S/W Group's customers and suppliers, involving 17 respondents,
- desk research analysis of sustainability matters reported by competitors.

A crucial phase of the materiality assessment was the identification of priority sustainability matters and the resulting material impacts, risks and opportunities (IRO), based on stakeholder feedback preceded by a round of internal and external analyses, including:
- ESG gap audit conducted at the organisation between September and December 2023;
- analysis of the organisation's business model, products, services, and their geographic locations;
- review of carbon footprint inventories and the Transition plan for climate change mitigation prepared for SECO/WARWICK S.A.;
- analysis of the ESG Industry Materiality Map published by MSCI for the industrial machinery sector;
- review of the SASB Standards for the 'Industrial Machinery & Goods' sector.

Following the stakeholder engagement phase, additional workshops were held with the ESG Team, during which:

- a final list of material sustainability matters was drawn up meeting the criteria defined for impact materiality (in terms of the Company's impacts on people and the environment) or financial materiality (in terms of material financial effects on the Company's operations);
- each matter was discussed and reviewed in detail to support the impact description;
- actual and potential, positive and negative impacts of the Company on people and the environment were identified and assessed;
- severity of impacts arising from selected matters was evaluated based on the scope and scale, in accordance with the ESRS 1 guidelines.

The impact parameters were scored on a scale from 1 to 5 for:

/ actual negative impacts – evaluated in terms of scale, scope, and remediability;
/ actual positive impacts – evaluated in terms of scale and scope,
/ potential negative impacts – evaluated in terms of scale, scope, likelihood, and remediability;
/ potential positive impacts – evaluated in terms of scale, scope, and likelihood.

The assessment of risks and opportunities – that could have financial effects on the Company and are related to the identified impacts or dependencies on natural, human, and social resources – was carried out in consultation with representatives responsible for financial management. The identified risks and opportunities were assessed in terms of financial materiality for the S/W Group.

In line with the ESRS 1 guidelines, financial materiality was assessed using a 1-to-5 scale, taking into account:

- potential financial effects of each risk or opportunity; and
- the likelihood of occurrence,

over the short-, medium-, and long-term time horizons.

The method for identifying and assessing physical and transition risks, along with key conclusions, is detailed in chapter E1 – **ESRS 2 SBM-3.**

As part of the assessment process for material impacts, risks and opportunities related to the circular economy (topic E5), the SECO/WARWICK Group reviewed purchased components and materials, including structural steel, copper (including wiring), electronics, graphite and external services, based on factors such as energy consumption, potential pollutant emissions, and the impact of their procurement on biodiversity and water resources. Additionally, the assessment covered the effects of product use, focusing on demand for industrial gases, energy carriers (including natural gas), and future recyclability of the equipment. This analysis was performed for all product groups manufactured by the SECO/WARWICK Group.

The Group also assessed policy-related risks and opportunities linked to the transition away from natural gas fuel and the effects of rising energy costs.

Importantly, the Group's production processes do not involve the use of resources that are subject to significant legal or policy risks, such as potential bans on their extraction or use. No physical risk associated with the potential depletion of resources used in production was identified.

The analysis highlighted business opportunities associated with the durability of equipment, potential upgrades to enhance process parameters and control quality, and implementation of the ecodesign concept aimed at increasing equipment efficiency by reducing the duration of customer production and heat treatment cycles, ultimately leading to lower energy and process gas consumption.

The outcomes of the assessment were evaluated and categorised based on impact materiality and financial materiality,

using a five-point scale. The following thresholds were applied, corresponding to the point scores:

- Minimal materiality: 0 - <2;

- Medium materiality: ≥2 - <3;

- Significant materiality: ≥3 - <4;

- Critical materiality: ≥4.

All impacts, risks and opportunities that scored 3 or higher were classified as material.

28.11 [IRO-2] Disclosure Requirements in ESRS covered by the undertaking's sustainability statements

Disclosure code	Disclosure title	Chapter in the statement
ESRS 2 GENERAL DISCLOSURES		
BP-1	General basis for preparation of sustainability statements	27.1
BP-2	Disclosures in relation to specific circumstances	27.2
GOV-1	The role of the administrative, management and supervisory bodies	27.3
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	27.4
GOV-3	Integration of sustainability-related performance in incentive schemes	27.5
GOV-4	Statement on due diligence	27.6
GOV-5	Risk management and internal controls over sustainability reporting	27.7
SBM-1	Strategy, business model and value chain	27.8
SBM-2	Interests and views of stakeholders	27.9
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	27.10
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	27.11
IRO-2	Disclosure Requirements in ESRS covered by the undertaking's sustainability statements	27.12
E1-1	Transition plan for climate change mitigation	28.1.1
E1-2	Policies related to climate change mitigation and adaptation	28.1.2
E1-3	Actions and resources in relation to climate change policies	28.1.3
E1-4	Targets related to climate change mitigation and adaptation	28.1.4

E1-5	Energy consumption and mix	28.1.5
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	28.1.6
E1-7	GHG removals and GHG mitigation projects financed through carbon credits	N/A
E1-8	Internal carbon pricing	N/A
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities will be reported starting from 2025	Omitted under ESRS 1 Appendix C
E5-1	Policies related to resource use and circular economy	28.2.1
E5-2	Actions and resources in relation to resource use and circular economy	28.2.2
E5-3	Targets related to resource use and circular economy	28.2.3
E5-4	Resource inflows	28.2.4
E5-5	Resource outflows	28.2.5
E5-6	Anticipated financial effects from resource use and circular economy-related risks and opportunities	Omitted under ESRS 1 Appendix
S1-1	Policies related to own workforce	30.1.3
S1-2	Processes for engaging with own workers and workers' representatives about impacts	30.1.4
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	30.1.5
S1-4	Taking action on material impacts and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions and approaches	30.1.6
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	30.1.7
S1-6	Characteristics of the undertaking's employees	30.1.8
S1-7	Characteristics of non-employee workers in the undertaking's own workforce	N/A
S1-8	Collective bargaining coverage and social dialogue	N/A
S1-9	Diversity metrics	30.1.9
S1-10	Adequate wages	30.1.10
S1-11	Social protection	30.1.11
S1-12	Persons with disabilities	N/A
S1-13	Training and skills development metrics	30.1.12
S1-14	Health and safety metrics	30.1.13

S1-15	Work-life balance	N/A
S1-16	Remuneration metrics (pay gap and total remuneration)	30.1.14
S1-17	Incidents, complaints and severe human rights impacts	30.1.15
S2-1	Policies related to value chain workers	31.3
S2-2	Processes for engaging with value chain workers about impacts	31.4
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	31.5
S2-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions and approaches	31.6
S2-5	Disclosure Requirement S2-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	31.7
S4-1	Policies related to consumers and end-users	32.2
S4-2	Processes for engaging with consumers and end-users about impacts	32.3
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	32.4
S4-4	Taking action on material impacts, and approaches to mitigating material risks and pursuing material opportunities related to consumers and end-users and effectiveness of those actions and approaches	32.5
S4-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	32.6
G1-1	Business conduct policies and corporate culture	33.1.1
G1-2	Management of relationships with suppliers	33.1.2
G1-3	Prevention and detection of corruption and bribery	33.1.3
G1-4	Confirmed incidents of corruption or bribery	N/A
G1-5	Political influence and lobbying activities	N/A
G1-6	Payment practices	33.1.4

No.	Disclosure Requirement and related datapoint	SFDR reference	Pillar 3 reference	Benchmark Regulation reference	EU climate law reference	Section of the statement
1.	ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 Table #1 of Annex I		Annex II to Commission Delegated Regulation (EU) 2020/1816		27.3
2.	ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		27.3
3.	ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex I				27.6
4.	ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicator number 4 Table #1 of Annex I	Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453 Table #1 Qualitative information on Environmental risk and Table #2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		N.A.

5.	ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II	N.A.
6.	ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex I		Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N.A.
7.	ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II	N.A.
8.	ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14			Regulation (EU) 2021/1119, Article 2(1)	28.1.1
9.	ESRS E1-1 Undertakings excluded from Paris-aligned		Article 449a Regulation (EU) No 575/2013; Commission	Delegated Regulation (EU) 2020/1818, Article	28.1.1

	Benchmarks paragraph 16 (g)		Implementing Regulation (EU) 2022/2453, Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	12(1), (d) to (g) and Article 12 (2)	
10.	ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex I	Article 449a regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6	28.1.4
11.	ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator number 5 Table #2 of Annex I			28.1.5

12.	ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex I			28.1.5
13.	ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex I			28.1.5
14.	ESRS E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex I	Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation (EU) 2022/2453, Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), Article 6 and Article 8(1)	28.1.6
15.	ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicator number 3 Table #1 of Annex I	Regulation (EU) No 575/2013, Article 449a; Commission Implementing Regulation	Delegated Regulation (EU) 2020/1818, Article 8(1)	28.1.6

		(EU) 2022/2453, Template 3: Banking book – Indicators of potential climate change transition risk: Alignment metrics		
16.	ESRS E1-7 GHG removals and carbon credits paragraph 56		Regulation (EU) 2021/1119, Article 2(1)	28.1.7
17.	ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66		Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II	Omitted under ESRS 1 Appendix C
18.	ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk (paragraph 66 (a)) ESRS E1-9 Location of significant assets at material physical risk	Regulation (EU) No 575/2013, Article 449a; points 46 and 47 of Commission Implementing Regulation (EU) 2022/2453; Template 5: Banking book - Climate change		Omitted under ESRS 1 Appendix C

	paragraph 66 (c).		physical risk: Exposures subject to physical risk.	
19.	ESRS E1-9 Breakdown of the carrying value of real estate assets by energy-efficiency classes paragraph 67 (c)		Regulation (EU) No 575/2013, Article 449a; point 34 of Commission Implementing Regulation (EU) 2022/2453; Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral	Omitted under ESRS 1 Appendix C
20.	ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69		Delegated Regulation (EU) 2020/1818, Annex II	Omitted under ESRS 1 Appendix C
21.	ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex I Indicator number 2 Table #2 of Annex I Indicator number 1 Table #2 of Annex I		not material

		Indicator number 3 Table #2 of Annex I	
22.	ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex I	not material
23.	ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex I	not material
24.	ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex I	not material
25.	ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex I	not material
26.	ESRS E3-4 Total water consumption in m^3 per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex I	not material
27.	ESRS 2 SBM 3-E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex I	not material
28.	ESRS 2 SBM 3-E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex I	not material
29.	ESRS 2 SBM 3-E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex I	not material

30.	ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex I	not material
31.	ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex I	not material
32.	ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex I	not material
33.	ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex I	not material
34.	ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex I	not material
35.	ESRS 2 SBM-3-S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I	30.1.2
36.	ESRS 2 SBM-3-S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I	30.1.2

37.	ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		30.1.3
38.	ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21		Delegated Regulation (EU) 2020/1816, Annex II	30.1.3
39.	ESRS S1-1 processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I		33.1.1
40.	ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I		30.1.3
41.	ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I		30.1.5
42.	ESRS S1-14	Indicator number 2 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	30.1.13

	Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)			
43.	ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I		30.1.13
44.	ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	30.1.14
45.	ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I		30.1.14
46.	ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I		30.1.15
47.	ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	30.1.15

48.	ESRS 2 SBM-3-S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and number 13 Table #3 of Annex I		31.2
49.	ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		31.3
50.	ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and number 4 Table #3 of Annex I		31.3
51.	ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	31.3
52.	ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8, paragraph 19		Delegated Regulation (EU) 2020/1816, Annex II	31.3
53.	ESRS S2-4	Indicator number 14 Table #3 of Annex I		31.6

	Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36			
54.	ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex I and Indicator number 11 Table #1 of Annex I		not material
55.	ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)	not material
56.	ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex I		not material
57.	ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I		32.2
58.	ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation	32.2

			(EU) 2020/1818, Art 12 (1)	
59.	ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex I		32.5
60.	ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex I		33.1.1
61.	ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex I		33.1.1
62.	ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex I	Delegated Regulation (EU) 2020/1816, Annex II	not material
63.	ESRS G1-4 Standards of anti-corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex I		not material

28. Environmental information

28.1 ESRS 1 Climate change

28.1.1 [E1-1] Transition plan for climate change mitigation

In 2024, the S/W Group did not prepare a transition plan for climate change mitigation that would cover the entire the Group.

SECO/WARWICK S.A. has developed and adopted a standalone Transition plan for climate change mitigation for SECO/WARWICK S.A., which includes short-, medium-, and long-term actions aimed at reducing the carbon footprint.

Key elements of the carbon footprint reduction strategy include:

- Product energy efficiency: improving thermal insulation of products, implementing self-recuperative systems, and heat recovery.
- Electrification of equipment: Transitioning to low-carbon fuels and energy sources.
- Customer support: Upgrade of existing production lines to improve energy efficiency and reduce greenhouse gas emissions.
- Green steel: Production and delivery of technologies enabling decarbonisation of steel manufacturing.

The Group plans to expand the Transition plan for climate change mitigation to cover other S/W Group companies over the years to come.

28.1.2 [ESRS 2 SBM-3] – Material impacts, risks and opportunities and their interaction with strategy and business model

In 2024, the S/W Group carried out, for the first time, an identification and analysis of climate-related risks as part of its risk management system. Climate-related risks were assessed from two perspectives:

1. the Group's impact on climate change,

2. the impact of climate change on the Group.

In line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), both direct impacts (affecting the SECO/WARWICK Group) and indirect impacts (e.g. disruptions in supply chains and markets) were analysed. The climate-related risks were verified and revised by the internal team in collaboration with an external advisor.

As part of the analysis, an assessment of climate resilience of the Group's strategy and business model was also performed.

Climate-related risks were assessed across the following time horizons:

- short-term – current financial year
- medium-term – up to and including 2029
- long-term – post-2029

The Group conducted an analysis of all operational sites (within its own operations) to determine their exposure to physical climate risks. All the sites were reviewed based on geographical location, proximity to natural resources, and exposure to physical hazards (both natural and neighbour-related). The assessment took into account the vulnerability and exposure of each site using climate scenarios – specifically the RCP 8.5 scenario for the 2021–2029 period, which assumes continued growth in greenhouse gas emissions and an increase in average global temperature of 4.5°C. The analysis found that physical risk levels for SECO/WARWICK Group locations were low to moderate.

The identification of material transition risks and assessment of their impact on the Group's business model and its resilience were conducted through a climate scenario workshop held by the ESG Team in June 2024.

As a result of the assessment, the following material transition risks related to climate change mitigation were identified:

- **Legal risk:** The current form of CBAM (Carbon Border Adjustment Mechanism) will adversely affect product pricing for customers.

Commodity markets are experiencing rising prices of steel and other essential raw materials used in SECO WARWICKS's production processes, with legislative changes cited by analysts as a key driver of the price growth. Once CBAM enters into force on 1 January 2026, importers will be required to annually declare the volume of goods imported into the EU during the previous year along with their embedded GHG emissions, and then surrender the corresponding number of CBAM certificates. The certificate price will be calculated based on the weekly average auction price of EU ETS allowances, expressed in EUR per tonne of CO_2 emitted. This mechanism poses a risk of further cost increases for raw materials used to manufacture the S/W Group's products and, consequently, may lead to higher product prices, potentially reducing demand. The material impacts associated with this risk could significantly affect the Group's business model, operations and value chain. The Group's response to the regulatory changes includes reviewing and updating its policies, adjusting business processes, and allocating dedicated resources, which may affect operations across all levels of the value chain and within the Group's own operations.

In response to the current and anticipated effects of this risk, the Group is adapting its strategy and business model, starting with a baseline analysis to improve readiness for the new requirements. These actions are intended to minimise adverse financial effects, such as penalties for non-compliance, and to seize opportunities such as gaining competitive advantage and increasing stakeholder value through early adaptation. From a financial standpoint, material risks and opportunities can affect the Group's financial position, financial performance and cash flows. To mitigate this risk, the Group continually monitors the legislative processes, responds to any developments and recommendations, and aligns with emerging requirements.

- **Reputational risk:** Loss of reputation across the fossil fuel-powered equipment sector, potentially driving away investors.

Suppliers of gas-powered equipment are facing growing reputational risks. On certain markets (especially in Europe), this may directly result in financial effects on the S/W Group, such as declining sales due to shifting consumer preferences or new environmental and social regulations.

The S/W Group's business model is resilient to this risk. The share of gas-powered equipment in the Group's total sales has been steadily declining, with electric-powered alternatives increasingly offered in their place.

- **Legal risk:** Intensifying regulatory requirements on efficiency and carbon emissions limits.

The European Commission and EU institutions have announced plans for additional legislation under the Green Deal. The S/W Group is actively monitoring these developments. In response, the Parent – based in the EU – has developed a Transition plan for climate change mitigation. The Group's business model is grounded in product innovation. For years, the companies have been developing SECO ECO products, which improve process efficiency and reduce customer emissions.

- Market risk: Shifting customer preferences and growing competition from low-carbon products.

Shifts in customer preferences and market trends are a material factor that may impact the business model, operations and value chain of the S/W Group. In the short term, these changes do not carry any direct financial effects. The Group is diversifying its product portfolio and adjusting its marketing strategy to better respond to evolving trends. It offers product lines powered by renewable energy and decarbonisation supporting solutions.

The S/W Group's strategy and business model are highly resilient to this risk and well-positioned to adapt to changes and capitalise on emerging opportunities.

- Technology risk: Risk of asset impairment due to competition from manufacturers relying on low-carbon technologies.

This risk may affect revenue and efficiency of the S/W Group's business model. To mitigate it, the Group is developing the Seco Eco product line, implementing innovative, environmentally friendly technologies that enable significant environmental improvements across the energy, aviation, automotive, and recycling industries. The S/W Group is transitioning to green technologies by delivering solutions that reduce energy intensity in industrial manufacturing, increase process efficiency by significantly shortening production and heat treatment times, lower consumption of energy and process gases, and enable equipment to be powered by renewable energy.

- Market risk: Rising energy costs associated with the energy transition and increasing carbon pricing.

In recent years, significant increases in energy prices have been observed across markets where the Group operates. Analyst forecasts suggest these trends will persist in the near future. Higher energy prices are likely to force an increase in product prices, which may cause a decline in sales. To mitigate this risk, the Parent has developed and adopted the Transition plan for climate change mitigation, which includes future energy demand analysis, mitigating measures and decarbonisation strategies. Additionally, the Company monitors and analyses wholesale energy and fuel prices and conducts tranche-based energy procurement during favourable market periods. Energy prices have been locked in through supplier contracts for the next five years.

The S/W Group undertakes R&D and implementation activities aimed at developing increasingly energy-efficient and climate-neutral equipment under the Seco Eco product line. SWSA also operates solar photovoltaic systems that satisfy around 14% of the Company's electricity needs, with the remainder sourced from national power grids.

These measures enable the Group to effectively manage climate-related risks and strengthen the climate resilience of its business model.

Risks and opportunities arising from climate-related challenges are addressed by the Group's strategy and are translated into both strategic initiatives (related to products, markets, and group-wide) and day-to-day operational activities (e.g. optimisation of sourcing, production, and other processes).

As part of the double materiality assessment, a negative impact related to climate change mitigation was identified: the S/W Group manufactures furnaces that are powered by fossil fuels. However, most products can also be powered by electricity. In the Group's case, the majority of emissions fall under Scope 3, Category 11 – use of sold products, representing more than 90% of total emissions across all

scopes. The energy source for the S/W Group's products selected by the customer – whether gas or renewable electricity – is a key factor affecting both the Group's and the customer's carbon footprint, with direct implications for the Group's business model and performance.

At the same time, the Group exerts a positive impact on the value chain through the Transition plan for climate change mitigation adopted by the Parent. This includes carbon footprint management, particularly in Scope 3. The Group is actively reducing emissions from electricity consumption by expanding its solar PV sources and entering into renewable energy supply contracts.

28.1.2 [E1-2] Policies related to climate change mitigation and adaptation

The primary policy framework governing climate change mitigation is the Sustainability Policy, in which the S/W Group commits to embedding sustainable development principles into its operations, alongside the Business Code of Ethics. For a detailed description of these policies, refer to chapter G1-1. The S/W Group has outlined its sustainability action plan in the form of the ESG ROAD MAP for 2025–2030, which is an integral part of its broader strategy.

Environmental stewardship is a core value for the SECO/WARWICK Group and is reflected in its Business Code of Ethics. This responsibility encompasses not only the sustainable manufacture of innovative, eco-friendly equipment, but also a commitment to energy efficiency, involvement in social initiatives focused on environmental protection, and support for partners who contribute to improving environmental conditions. These efforts form part of the Group's long-term strategy. The Group aims to ensure that its equipment contributes to reducing the environmental impacts of customer operations. Its portfolio of technical and technological solutions is continuously improved to enhance environmental performance – for example, through the application of environmentally-friendly technologies (e.g. LPC), replacement of outdated atmospheric technologies with cleaner vacuum solutions, and a shift toward electric-powered equipment enabling customers to rely on renewable energy in their production processes.

The Business Code of Ethics addresses the following areas:

- Climate change mitigation and energy efficiency – environmental protection is a fundamental value for the SECO/WARWICK Group, interpreted not only as sustainable production of environmentally-friendly and innovative equipment, but also as the concern for energy conservation, involvement in social initiatives focused on environmental protection, and support for partners who contribute to improving environmental conditions. This is an element of the Group's long-term strategy.
- Use of renewable energy – the Group is committed to the rational use of natural resources in its operations. It recognises that increasing the share of renewables in the operational energy mix is key to achieving climate neutrality. Actions are taken to continuously increase this share, including through the installation of photovoltaic panels and the use of the generated electricity to power operational processes. The Group strives to ensure that its products help customers minimise their environmental footprints.

The quality management policies implemented by the S/W Group's production companies set objectives across all activities aimed at delivering the highest product quality and meeting customer expectations – objectives that translate directly into lower emissions associated with the Group's product portfolio.

All the S/W Group companies estimated and reported their carbon footprint for the first time in 2024 across all three scopes. In the coming years, the Group will continue to refine the methodology used for calculating greenhouse gas emissions.

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

In 2024, the S/W Group companies undertook the following actions in response to material impacts, risks and opportunities related to climate change mitigation:

- GHG inventory across all Group entities, in accordance with the GHG Protocol, including identification of emission sources and volumes;
- identification of short-, medium-, and long-term risks, threats and opportunities associated with climate change;
- decarbonisation levers:

Decarbonisation levers	Planned actions	Time horizon	Expected outcomes	Status
Use of renewable energy	Construction and commissioning of a rooftop photovoltaic system at SWSA with a capacity of 435.42 kWp	Short-term	Reduction of grid electricity consumption in favour of renewable energy generated on-site	completed
Use of renewable energy	Construction and commissioning of an additional photovoltaic system with a capacity of 435.42 kWp	Long-term	Reduction of grid electricity consumption in favour of renewable energy generated on-site	planned
Use of renewable energy	Signing a cPPA agreement or purchasing guarantees of origin for electricity	Medium-term	Increased share of renewables in the energy mix	planned
Improvement of energy efficiency	Energy retrofitting of the facility on Zachodnia Street	Medium-term	Reduction in heat demand	completed
Electrification	Transition from district heating and partial gas use to heat pumps	Medium-term	Reduction of the carbon footprint by switching to a lower-carbon energy carrier. This benefit will increase in line with a decrease in the emission intensity of electric power.	planned
	Transition from district heating and partial gas use to heat pumps****	Medium-term	Reduction of the carbon footprint by switching to a lower-carbon energy carrier. This benefit will increase in line with a decrease in the emission intensity of electric power.	2,030

The S/W Group's customers are offered **FURNACE/PLUS**, an innovative service package for comprehensive furnace and process management, encompassing decision-making, control, monitoring, assessment, trend analysis and data collection. Its detailed description is provided in chapter S4-3.

In the 2024 reporting year, financial resources amounting to PLN 444 thousand were allocated to the implementation of climate policy actions, categorised as capital expenditures (CapEx).

28.1.4 [E1-4] Targets related to climate change mitigation and adaptation

The SECO/WARWICK Group has not adopted targets within the meaning of MDR-T. However, the Group is implementing its strategy and monitoring policies related to climate change mitigation through:

- **Supporting customers in emissions reduction:** By 2030, the S/W Group plans to implement tools for calculating the carbon/environmental footprint for 90% of its products.
- **Providing green product options:** By 2025, the parent company, SWSA, intends to include green options in its new product offerings.
- **Upgrading legacy equipment:** The parent company, SWSA, and SECO/WARWICK Services sp. z o.o. plan to identify product groups for which modernisation would be effective and to conduct a marketing campaign targeted at customers.
- **Implementing a sustainable supply chain:** By 2030, the S/W Group plans to implement a sustainable supply chain and to conduct ESG assessments of its suppliers.
- **Calculating the carbon footprint:** The S/W Group is implementing carbon footprint calculation processes across multiple categories, including purchased goods and services, capital goods, transport, waste, business travel, employee commuting, and leased assets.
- **Reducing emissions:** The parent company, SWSA, plans to reduce Scope 1 and Scope 2 emissions and increase the share of renewable energy used for electricity and domestic hot water.

28.1.5 [E1-5] Energy consumption and mix

In 2024, the S/W Group's total energy consumption amounted to 7,917 MWh.

	Energy consumption and mix	2024
1.	Fuel consumption from coal and coal products (MWh)	0.00
2.	Fuel consumption from crude oil and petroleum products (MWh)	2,359.74
3.	Fuel consumption from natural gas (MWh)	1,573.24
4.	Fuel consumption from other fossil sources (MWh)	74.14
5.	Consumption of purchased or acquired electricity, heat, steam, and cooling from fossil sources (MWh)	2,102.54
6.	Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)	6,109.66

	Share of fossil sources in total energy consumption (%)	77%
7.	Consumption from nuclear sources (MWh)	374.95
	Share of consumption from nuclear sources in total energy consumption (%)	5%
8.	Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0.00
9.	Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	1,108.13
10.	Consumption of self-generated non-fuel renewable energy (MWh)	324.30
11.	Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	1,432.43
	Share of renewable sources in total energy consumption (%)	18%
	Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	7,917.04

In the 2024 reporting year, the Group companies in the United States and China sourced part of their electricity from low-emission sources, including renewable, hydro, and nuclear energy, through external suppliers. The parent company, SECO/WARWICK S.A., continued to use electricity generated from its own solar PV installations, supporting its emission reduction targets and enhancing energy self-sufficiency. This energy accounted for 18% of the Group's total electricity consumption.

The volume of self-generated energy from the Group's own renewable sources amounted to 324.30 MWh.

	Value [MWh]
Self-generated energy from renewable and non-renewable sources	**324.30**
of which from renewable sources	324.30
of which from non-renewable sources	0.00

The S/W Group's **energy and emissions intensity indicators** for industrial operations in high climate impact sectors related to NACE code C28.21 – Manufacture of ovens, furnaces and furnace burners (excluding electric furnaces) are presented in the tables below.

Energy intensity

Energy intensity	**2024**
Total energy consumption from activities in high climate impact sectors per net revenue from activities in high climate impact sectors (MWh per PLN 1 million)	**11.11**

Scope 1 + 2 + 3 emissions intensity

Emissions intensity	2024
Total Scope 1 + 2 + 3 CO_2 emissions (location-based) per net revenue from activities in high climate impact sectors (tCO_2e per PLN 1 million)	279.84
Total Scope 1 + 2 + 3 CO_2 emissions per net revenue from activities in high climate impact sectors (tCO_2e per PLN 1 million)	279.68

	Value
Net revenue from activities in high climate impact sectors used to calculate energy intensity (PLN thousands)	712,825
Net revenue (other)	
Total net revenue (in financial statements) (PLN thousands)	712,825

28.1.6 [E1-6] Gross Scopes 1, 2, 3 and total GHG emissions

The data for the Group cover the parent company and all subsidiaries of the SECO/WARWICK Group, based on the operational and financial control approach (100% of each subsidiary's emissions).

This Report presents, for the first time, Scopes 1 and 2 emissions calculated according to the revised Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, as well as Scope 3 emissions following the Greenhouse Gas Protocol Value Chain (Scope 3) Accounting and Reporting Standard.

The reported emissions include:

• Scope 1 (direct) GHG emissions. The primary sources of Scope 1 GHG emissions were the combustion of natural gas in buildings and installations, and the consumption of fuels for transport by the Group's vehicle fleet.

• Scope 2 (indirect) GHG emissions from purchased energy calculated using both the location-based and market-based approaches.

• Scope 3 (indirect) GHG emissions.

Methodology and calculations

Emissions were estimated using calculation tools provided by the GHG Protocol (https://ghgprotocol.org/calculation-tools). The analysis covered six GHG gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF_6), in accordance with the GHG Protocol guidelines. Emission calculation results are presented in megagrams (Mg) expressed as carbon dioxide equivalent (CO_2e).

The Global Warming Potential (GWP) factors applied in the calculations are based on the Fifth Assessment Report (AR5) of the Intergovernmental Panel on Climate Change (IPCC).

In addition, the calculations were performed based on the following methodological assumptions:

- For Scope 1 emissions, the calculations were based on fuel-specific emission intensity factors sourced from the DEFRA (2024) database.

- Scope 2 emissions were calculated using both the location-based and market-based methods. Scope 2 location-based emissions were calculated using average emission intensity factors published by the National Centre for Emissions Balancing and Management (KOBiZE) (2022 data for Poland), and by the International Energy Agency (IEA) (2023 projections for energy purchased by subsidiaries outside Poland). Scope 2 market-based emissions were calculated using emission intensity factors provided by electricity suppliers of the SECO/WARWICK Group.

- Scope 3 emissions were calculated using emission factors derived from the following databases: Ingwersen, W. and M. Li. *Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities*. U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-20/001, 2020 (v1.3); DEFRA UK Government GHG Conversion Factors for Company Reporting (version 2024); KOBiZE; Ecoinvent Version 3.10; GILA Emission Intensity Factors for Logistics Hubs (version 2023); *Environmental Benchmarks for Buildings*, Gervasio, H. & Dimova, S., 2018; GHG Emission Factors Hub | US EPA (2024); IGES List of Grid Emission Factors (version 11.6); European Environment Agency (EEA) 2024; Ecometrica (2011), *Electricity-Specific Emission Factors for Grid Electricity*; Canada's Greenhouse Gas (GHG) Offset Credit System; GHG Emission Factors for Electricity Consumption 2024.

Presentation of GHG emissions data (in metric tonnes of CO_2 equivalent)

		2024
Scope 1 GHG emissions		**916.17**
Gross Scope 1 GHG emissions (tCO_2e)		916.17
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)		
Scope 2 GHG emissions		**1,514.64**
Gross location-based Scope 2 GHG emissions (tCO2e)		1,514.65
Gross market-based Scope 2 GHG emissions (tCO_2e)		1,400.73
Significant Scope 3 GHG emissions		
Total gross Scope 3 (indirect) GHG emissions (tCO_2e)		**197,046.73**
1	Purchased goods and services	18,504.50
2	Capital goods	777.71
3	Fuel- and energy-related activities (not included in Scope 1 or 2)	324.90
4	Upstream transportation and distribution	1,440.17
5	Waste generated in operations	13.61
6	Business travel	791.45
7	Employee commuting	837.85
8	Upstream leased assets	286.95
9	Downstream transportation	69.33
10	Processing of sold products	not applicable
11	Use of sold products	173,669.98
12	End-of-life treatment of sold products	330.28
13	Downstream leased assets	not applicable
14	Franchises	not applicable
15	Investments	not applicable
Total GHG emissions (Scope 1 + Scope 2 location-based + Scope 3)		**199,477.55**
Total market-based GHG emissions		**199,363.61**

Scope 1 and 2

Direct **Scope 1 emissions** resulting from the combustion of fuels in buildings and the use of fuels for transport, amounted to 916.17 Mg CO_2e in 2024 for the SECO/WARWICK Group. This represented 39.54% of GHG emissions from operational activities (Scope 1 + Scope 2 market-based emissions) and 0.46% of the Group's total GHG emissions (Scope 1 + Scope 2 market-based + Scope 3 emissions). The emissions were calculated based on actual data.

Scope 2 emissions, calculated using the market-based method and representing indirect emissions arising solely from purchased electricity, amounted to 1,400.72 Mg CO_2e in 2024 for the SECO/WARWICK Group. This accounted for 60.46% of Scope 1 + Scope 2 market-based emissions and 0.70% of the Group's total GHG emissions (Scope 1 + Scope 2 market-based + Scope 3 emissions). The emissions were calculated based on actual data.

Scope 3

The overwhelming majority – 99% – of the SECO/WARWICK Group's total GHG emissions in 2024 were Scope 3 emissions, comprising all indirect emissions across the value chain. Total Scope 3 emissions for the year amounted to approximately 197,046.71 Mg CO_2.

The largest and most significant source of Scope 3 emissions is Category 11, which includes emissions from the use of SECO/WARWICK equipment commissioned in 2024, based on an assumed average life cycle of 10 years. In 2024, Category 11 emissions amounted to 173,669.98 Mg CO_2e, representing 88.14% of total Scope 3 emissions and 87.11% of total Scope 1, Scope 2 (market-based) and Scope 3 emissions. Category 11 emissions are also the least controllable from the company's perspective, as they are primarily determined by the geographical location of end-users and the energy sources used to operate the equipment manufactured by the Group.

Nevertheless, the SECO/WARWICK Group continuously improves the energy efficiency of its metal heat treatment equipment, contributing indirectly to the reduction of Category 11 emissions.

The second-largest Scope 3 emissions category in terms of carbon dioxide equivalent (Mg CO_2e) was Category 1, accounting for 9.39% of total Scope 3 emissions and 9.28% of total Scope 1, Scope 2 market-based and Scope 3 emissions. These emissions relate to the purchase of materials and services used in production. In 2024, Category 1 emissions amounted to 18,504.50 Mg CO_2e.

The third-largest Scope 3 emissions category was Category 4, accounting for 0.73% of total Scope 3 emissions and 0.72% of combined Scope 1, Scope 2 market-based and Scope 3 emissions. These emissions arise from downstream transportation and distribution. In 2024, Category 4 emissions totalled 1,440.17 Mg CO_2e.

In 2024, the SECO/WARWICK Group calculated Scope 3 GHG emissions for the following material categories: 1, 2, 3, 4, 5, 6, 7, 8, 9, 11, and 12. Categories 10, 13, 14, and 15 emissions were not applicable.

In 2024, the SECO/WARWICK Group adopted a materiality threshold for Scope 3 emissions of 0.01%.

The majority of Category 3 emissions (96%) were estimated.

The following assumptions were applied in the calculation of Scope 3 emissions:

- **Category 1** – calculations were based on data relating to materials and services used in the production processes of SECO/WARWICK S.A. For SWSA, inventory turnover data and accounting records were combined to ensure consistency in reporting. For the remaining Group companies, emissions were estimated based on revenue structure, adjusted for intra-Group transactions.
  Carbon footprint calculations were performed using emission factors from: Ingwersen, W. and M. Li. *Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities*. U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-20/001, 2020. (v1.3)

- **Category 2** – calculations were based on depreciation expense incurred in 2024. The calculations were made using the spend-based method and emission factors sourced from: Ingwersen, W. and M. Li. *Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities*. U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-20/001, 2020. (v1.3).

- **Category 3** – calculations were based on data on fuel and energy consumption within the SECO/WARWICK Group reported under Scope 2 emissions. The following emission factors were applied: DEFRA UK Government GHG Conversion Factors for Company Reporting (version 2024), KOBiZE.x

- **Category 4** – calculations were based on the costs of transport services incurred in 2024 by SWSA. For the remaining Group companies, estimates were based on the share of transport costs in the technical production cost (TPC), using the cost structure of SWSA as a reference. Emissions were calculated using emission factors from Ingwersen, W. and M. Li, *Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities*. U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-20/001, 2020. (v1.3).

- **Category 5** – calculations were performed in 2024 based on waste data from SWSA and emission factors sourced from the Ecoinvent (version 3.10) database. For the remaining Group companies, waste volumes were allocated based on production profiles and revenue proportions. For non-manufacturing companies, only packaging waste was considered.

- **Category 6** – calculations were performed in 2024 based on business travel expenses incurred across various travel categories at SECO/WARWICK S.A. These served as the basis for estimating and allocating travel expenses among Group companies using an emission intensity factor expressed in $kgCO_2e$ per PLN 1 of revenue generated. Emissions were calculated using emission factors from Ingwersen, W. and M. Li. *Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities*. U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-20/001, 2020. (v1.3).

- **Category 7** – calculations were performed in 2024 based on data collected from employee surveys completed by SWSA staff in 2024 and emission factors from DEFRA UK Government GHG Conversion Factors for Company Reporting (version 2024). Due to the low materiality of this category in the context of total Scope 3 emissions and the absence of data from the other Group companies, an emission factor for travel-related emissions per employee (in $kgCO_2e$)

was estimated based on SWSA data. It was assumed that employees of the other Group companies commute exclusively by car.

- **Category 8** – calculations were based on balance sheet data concerning the value of short-term leases, with specific allocations to office space and other buildings. Emission factors were sourced from Ingwersen, W. and M. Li. *Supply Chain Greenhouse Gas Emission Factors for US Industries and Commodities*. U.S. Environmental Protection Agency, Washington, DC, EPA/600/R-20/001, 2020. (v1.3), Ecoinvent Version 3.10, and *Environmental benchmarks for buildings*, Gervasio, H. & Dimova, S., 2018.

- **Category 9** – due to the unavailability of actual cost data for certain shipments covered by the customer, data from SWSA on the product of distance and weight for equipment shipped at the customer's expense was used. Costs were then estimated proportionally to revenue for the largest manufacturing subsidiaries. Emission factors were sourced from Ecoinvent Version 3.10.

- **Category 11** – calculations were based on source data from a register of SECO/WARWICK S.A. equipment commissioned at customer sites, incorporating average energy consumption for each category of equipment (by technology type) as estimated by engineers using SECO/WARWICK S.A. data from 2023. The methodology for estimating annual energy demand of equipment involves several key steps. First, contractual data and client-specific arrangements related to the project are gathered. Then, the planned number of operating hours per year is determined based on contractual values or estimates derived from previous projects. The next step involves establishing the average annual load of the equipment based on the production plan, reference load parameters, or best available information from earlier projects. Average annual energy consumption is then calculated based on the collected data, taking into account the operating mode of the equipment and the nature of its power demand during production. Emission intensity factors for electricity were sourced from: DEFRA UK Government GHG Conversion Factors for Company Reporting (version 2024), KOBiZE, IGES List of Grid Emission Factors (version 11.6), European Environment Agency (EEA) 2024, Ecometrica 2011 – *Electricity-specific emission factors for grid electricity*, Canada's Greenhouse Gas (GHG) Offset Credit System, GHG Emission Factors for Electricity Consumption 2024.

- **Category 12** – calculations were based on estimates prepared by the Group's engineers regarding the key raw materials and processed materials contained in the equipment manufactured by the SECO/WARWICK Group in 2024. Emission factors were sourced from Ecoinvent Version 3.10 and the GHG Emission Factors Hub | US EPA (2024).

28.1.7 [E1-7] [E1-8] GHG removals and GHG mitigation projects financed through carbon credits, and internal carbon pricing

The SECO/WARWICK Group does not carry out GHG removal or emission reduction projects financed through carbon credits.

The Group does not apply internal carbon pricing mechanisms, as it does not fall within the scope of the EU Emissions Trading System (EU ETS).

28.2 [ESRS 5] Resource use and circular economy

In the manufacture of its equipment, the SECO/WARWICK Group uses structural steel, copper (including cabling), electronics, and graphite, among other materials. A material matter identified concerns rising costs resulting from the introduction of new legal regulations under the Green Deal, particularly those affecting the metallurgy sector.

The materiality assessment highlighted business opportunities associated with the durability of equipment, potential upgrades to enhance process parameters and control quality, and implementation of the ecodesign concept aimed at increasing equipment efficiency by reducing the duration of customer production and heat treatment cycles, ultimately leading to lower energy and process gas consumption.

28.2.1 [E5-1] Policies related to resource use and circular economy

The principal document governing resource use and circular economy within the SECO/WARWICK Group is the Sustainability Policy. It affirms the Group's ongoing commitment to enhancing quality in order to ensure the durability and reliability of its equipment, while also protecting the environment from potential adverse impacts associated with its use.

The adopted Code of Ethical Conduct in Business also addresses the sustainable sourcing and use of renewable resources, along with the proper management of chemicals and waste. For a detailed description of these documents, please refer to sections S2-1 and G1-1.

In accordance with the ISO 9001-compliant quality management systems implemented at the Group's manufacturing companies, objectives are established for all activities aimed at ensuring the highest product quality, meeting customer expectations, and ensuring the safe operation of SECO/WARWICK Group equipment – thereby directly supporting the longevity of the products offered.

SECO/WARWICK S.A. has implemented a system compliant with ISO 14001, covering the management of waste and chemical substances.

The transition away from the use of virgin resources, including the increased utilisation of secondary (recycled) materials, is specifically addressed in procedures and instructions concerning waste management, equipment repairs/overhauls, routine maintenance, and the design and development of products. Internal policies place particular emphasis on waste prevention and minimisation by enabling the repair and comprehensive modernisation of its equipment. Given that the equipment is primarily constructed from steel and copper, it is assumed that over 90% of the materials will be recyclable at the end of their service life.

28.2.2 [E5-2] Actions and resources related to resource use and circular economy

In the 2024 reporting year, the SECO/WARWICK Group initiated preparations for developing an innovative and environmentally-friendly device and technology for Free High Pressure Gas Quenching by Single-Piece Flow, offering high precision, control, and minimal quenching distortion as an alternative to press quenching.

Actions undertaken during the 2024 reporting year:

– research and development of individual technology components,

– experimental validation of the device and technology concept.

In 2025, the Group plans to validate the general design assumptions of the prototype device, including its technical parameters, applied technologies, performance characteristics, and environmental features.

In 2026, the construction of the prototype device is planned, along with the development of its digital models.

The device, designed for free high-pressure gas quenching using a single-piece flow method, will offer several environmental advantages over conventional press quenching systems, including:

- nitrogen quenching at speeds comparable to oil quenching (eliminating the need for oil and thereby reducing material consumption in downstream value chain),
- elimination of oil contamination and oil vapour emissions (contributing to lower pollutant emissions),
- elimination of washers and chemical substances (reducing chemical use and preserving resources, particularly in downstream processes).

The Free High Pressure Gas Quenching device aligns with the Group's Sustainability Policy and will be designed to minimise the use of virgin raw materials and process waste. Its streamlined construction will also support greater durability and enable ease of repair and upgrade.

The SECO/WARWICK Group takes measures to reduce its environmental footprint by applying eco-design principles and offering upgrade, overhaul, and life-extension services for its products. In the 2024 reporting year, the Group allocated PLN 50 thousand in capital expenditure (CapEx) to support the implementation of its circular economy policies and initiatives.

28.2.3 [E5-3] Targets related to resource use and circular economy

The Group has not adopted targets aligned with MDR-T. However, it monitors progress in implementing its policy through product development under strategic projects.

In 2024, the SECO/WARWICK Group launched an initiative to develop an innovative and environmentally-friendly device and technology for Free High Pressure Gas Quenching by Single-Piece Flow, offering high precision, control, and minimal quenching distortion as an alternative to press quenching. The project will be continued in the coming years and will be incorporated into the Group's targets related to resource use and circular economy.

28.2.4 [E5-4] Resource inflows

In 2024, the SECO/WARWICK Group introduced over 4,603 Mg of materials into the organisation. Key materials included:

- steel,
- critical raw materials – copper and graphite,
- rare earth elements – used in electronic equipment.

The total weight of product inflows was estimated for each Group company based on the weight of products shipped to customers, excluding production losses, which were considered immaterial.

Due to the highly customised nature of the equipment, which is manufactured to meet specific client requirements, large-scale reuse of packaging materials is not practicable.

For items 2–5 in the table below, actual data were used for the parent company. In the case of the subsidiaries, Scope 3 emissions were estimated based on their revenue data, adjusted as appropriate for intra-group transactions.

The weight of secondary raw materials used in the products was estimated by Group engineers based on the proportion of steel in the total weight of the equipment. Assuming that 50% of the steel

purchased was scrap, the Group estimated that approximately 1,844 Mg of the steel used was sourced from recycled materials.

No.	Category	Quantity [Mg]
1.	Total weight of products and technical and biological materials used during the reporting period	4,603.33
2.	Total weight of biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services (including packaging) that is sustainably sourced (in this case, paper and cardboard packaging)	17.41
3.	Percentage of biological materials (and biofuels used for non-energy purposes) used to manufacture the undertaking's products and services (including packaging) that is sustainably sourced (in this case, paper and cardboard packaging)	0.4%
4.	Absolute weight of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (in this case scrap and waste paper)	166.9
5.	Percentage of secondary reused or recycled components, secondary intermediary products and secondary materials used to manufacture the undertaking's products and services (in this case scrap and waste paper)	4%
6.	Weight of secondary raw materials in products	1,844.32
7.	centage of secondary raw materials in products	40%
8.	Content of secondary raw materials in product packaging	not available

28.2.5 [E5-5] Resource outflows

The Company places emphasis on the development of the Seco Eco product line and sees opportunities in implementing innovative, environmentally sustainable technologies that support a wide range of pro-environmental advancements across the energy, aerospace, automotive and recycling sectors. The SECO/WARWICK Group is transitioning its technologies to deliver solutions that reduce the volume of process gas emissions.

All equipment manufactured by the SECO/WARWICK Group is designed in line with circular economy principles, including durability, reusability, repairability, disassembly, remanufacturing, refurbishment, and recycling.

The equipment is designed for a minimum service life of 10 years, as required under the Machinery Directive.

The equipment can be upgraded and repaired, thereby extending its durability.

In practice, all manufactured equipment and packaging materials are recyclable. The Company is currently unable to estimate the share of recyclable materials contained in its products.

29. Taxonomy

29.1 Contextual information

The EU Taxonomy is a classification system enabling the determination of what proportion of turnover, capital expenditure (CapEx), and operating expenditure (OpEx) is associated with the SECO/WARWICK Group's environmentally sustainable activities.

29.2 Taxonomy alignment assessment process

An assessment of the alignment of economic activities with the Taxonomy was carried out based on the technical screening criteria set out in Commission Delegated Regulations (EU) 2021/2139, 2022/1214, 2023/2486, and 2023/2485.

29.3 Analysis and identification of eligible activities

The review covered revenue, capital expenditure, and operating expenditure. For the purpose of the analysis, the Group's activities were compared against the activity descriptions set out in the annexes to Commission Delegated Regulations (EU) 2021/2139 and 2023/2486.

The Group's principal activity codes are not listed in the delegated acts defining the Technical Screening Criteria (TSC) and the Do No Significant Harm (DNSH) criteria. Consequently, all of the Group's revenue is derived from activities that are not eligible under the EU Taxonomy. However, an assessment was carried out to evaluate the eligibility of certain CapEx and OpEx items related to the purchase of products and individual assets that support the decarbonisation of the Group's target activities or contribute to the reduction of greenhouse gas emissions.

29.4 Assessment of compliance with environmental criteria

The assessment aimed to determine the extent to which individual activities contribute to environmental objectives such as climate change mitigation while ensuring compliance with the DNSH criteria.

The application of precise environmental performance metrics and indicators enables an objective assessment of the impact and effectiveness of the environmental actions taken.

29.5 Verification of compliance with Minimum Safeguards

Compliance with the Minimum Safeguards requirements was assessed on the basis of the recommendations set out in the Final Report on Minimum Safeguards issued by the Platform on Sustainable Finance. The Minimum Safeguards are defined in Article 18 of Regulation (EU) 2020/852 and are primarily based on the implementation of due diligence processes as set out in the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises. Although the Final Report on Minimum Safeguards is not a legally binding act, it constitutes the only currently available interpretative source on Minimum Safeguards issued by a body established by the European Commission under Regulation (EU) 2020/852. The Platform on Sustainable Finance identified four criteria and concluded that failure to meet any one of them constitutes non-compliance with the Minimum Safeguards. These criteria and the assessment methodology are presented in the table below.

In 2024, the activities of the Seco/Warwick Group were conducted partially in alignment with the Minimum Safeguards referred to in Article 18 of Regulation (EU) 2020/852.

29.6 Development and implementation of the reporting process and final result calculation

Based on the information gathered during the preceding three stages, tables for turnover, CapEx, and OpEx were prepared in accordance with the requirements of Regulation (EU) 2021/2178, as amended by Regulation (EU) 2023/2486.

Accounting policies applied

To calculate the percentage of Taxonomy-eligible revenue, capital expenditure (CapEx), and operating expenditure (OpEx), the following accounting policies were applied:

- **Revenue**

Revenue was based on the consolidated sales revenue of the Seco/Warwick Group for 2024, as reported in the Group's consolidated financial statements for the reporting year. The numerator includes revenue from Taxonomy-eligible activities.

- **Capital expenditure (CapEx)**

Capital expenditure (CapEx) was based on the investment outlays incurred in 2024 by the SECO/WARWICK Group companies included in the consolidated financial statements. The numerator includes the portion of capital expenditure associated with Taxonomy-eligible activities.

- **Operating expenditure (OpEx)**

Operating expenditure (OpEx) was based on all expenditures incurred for the day-to-day servicing of the Group's assets and maintaining them in proper condition. They include expenses related to the collection and transport of non-hazardous waste separated at source, leasing costs for electric vehicles, and operating costs associated with wastewater collection and treatment systems. The numerator includes the categories of expenses associated with Taxonomy-eligible activities.

Development over time of economic activities related to the EU Taxonomy

In the 2023 statement, the methodology applied to calculate the Turnover KPI was based on consolidated revenue, other income, and other finance income. In the 2024 statement, only revenue was used as the basis for calculation.

The impact of this change on comparative data for selected items is presented in the table below:

Item in the 2023 statement	2023 data before restatement	Change	2023 data after restatement
Revenue used as the basis for calculating Turnover KPI (PLN '000)	701,613	-17,954	683,659
Percentage of Taxonomy-eligible turnover	0.13%	-0.13pp	0.00%
Turnover of Taxonomy-non-eligible activities	99.88%	0.12pp	100%

29.7 Monitoring, updates and communication

Mechanisms implemented to ensure the ongoing monitoring of changes in the regulatory environment and internal performance indicators enable the regular updating of information disclosed in reports. Due diligence procedure

29.8 Turnover KPIs

Proportion of total turnover from environmentally sustainable economic activities (Taxonomy-aligned) and Taxonomy-eligible economic activities, but not environmentally sustainable in the total revenue disclosed in the consolidated statement of comprehensive income of the SECO/WARWICK Group for the year ended 31 December 2024 (consolidated revenue).

Assessment of compliance with Regulation (EU) 2020/852. The individual categories of the SECO/WARWICK Group's revenue were analysed in terms of their eligibility for the Taxonomy. The process involved an analysis of Taxonomy-eligible activities as defined in Regulation (EU) 2021/2139 and Regulation (EU) 2022/1214 taking into account Regulation (EU) 2023/2485 and Regulation (EU) 2023/2486.

The proportion of revenue derived from Taxonomy-aligned activities and Taxonomy-eligible activities was 0.0%.

Proportion of turnover/Total turnover

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Table 1: Proportion of Taxonomy-aligned turnover

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code (2)	Turnover (3) [PLNm]	Proportion of Turnover (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Circular Economy (8)	Pollution (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Circular Economy (14)	Pollution (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy-aligned (A.1.) or -eligible (A.2.) turnover Turnover, 2022 (18)	Category enabling activity (19)	Category transitional activity (20)
		Currency (PLN	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Of which enabling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Of which transitional	-	-	-	-						-	-	-	-	-	-	-	-		-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
	-	-	-	-	-	-	-	-	-								-		
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	-	-	-	-	-	-	-	-								-		
TOTAL (A.1 + A.2)		-	-	-	-	-	-	-	-								-		
B. TAXONOMY-NON-ELIGIBLE ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		712,825	100.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00%	-	-
TOTAL (A + B)		**712,825**	**100.00%**	-	-	-	-	-	-	-	-	-	-	-	-	-	100.00%	-	-

29.9 KPI related to capital expenditure (CapEx) (CapEx KPI)

The proportion of environmentally sustainable economic activities and Taxonomy-eligible economic activities in SECO/WARWICK S.A.'s total capital expenditure was calculated by dividing the total capital expenditure meeting the criteria set out in Annexes to Regulation 2021/2178 by the total capital expenditure disclosed in SECO/WARWICK Group's consolidated financial statements for 2024.

Assessment of compliance with Regulation (EU) 2020/852

The assessment identified capital expenditure related to emission reduction initiatives,

including expenditure incurred for the installation, maintenance, and repair of equipment aimed at enhancing energy efficiency, as well as funding allocated to market research, development, and innovation activities intended to reduce the emissions intensity of the equipment produced.

Proportion of CapEx/Total CapEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	1.06%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Table 2: Proportion of Taxonomy-aligned CapEx

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code(s) (2)	CapEx (3) [PLNm]	Proportion of CapEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Circular Economy (8)	Pollution (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Circular Economy (14)	Pollution (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) activities CapEx, 2022 (18)	Category enabling activity (20)	Category transitional activity (21)
		Currency (PLN '000)	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which enabling	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which transitional	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
A.2 Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	194	0.46%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-
Close to market research, development and innovation	CCM 9.1	250	0.59%	EL	N/EL	N/EL	N/EL	N/EL	N/EL	-	-	-	-	-	-	-	-	-	-
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)	-	444	1.06%	100%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	-	-	-
TOTAL (A.1 + A.2)	-	444	1.06%	100%	0%	0%	0%	0%	0%	-	-	-	-	-	-	-	-	-	-

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES		
CapEx of Taxonomy-non-eligible activities (B)	41,550	99.49%
TOTAL (A + B)	**41,994**	**100.55%**

The proportion of CapEx of Taxonomy-eligible activities was 1.06%, which represents a small portion of SECO/WARWICK Group's capital expenditure.

29.10 OpEx KPIs

In accordance with the definition contained in Regulation 2021/2187, operating expenditure included in the denominator of the SECO/WARWICK Group's OpEx KPI and serving as the basis for calculating the OpEx KPI includes operating expenditure on:

▪ non-capitalised costs that relate to research and development, ▪ building renovation measures,

▪ short-term lease,

▪ maintenance and repair,

▪ any other direct expenditures relating to the day-to-day servicing of assets of property, plant and equipment by the undertaking or third party to whom activities are outsourced that are necessary to ensure the continued and effective functioning of such assets.

The Group did not identify any operating expenses associated with Taxonomy-eligible activities.

Assessment of compliance with Regulation (EU) 2020/852

The assessment identified no Taxonomy-aligned OpEx.

Proportion of OpEx/Total OpEx

	Taxonomy-aligned per objective	Taxonomy-eligible per objective
CCM	0%	0%
CCA	0%	0%
WTR	0%	0%
CE	0%	0%
PPC	0%	0%
BIO	0%	0%

Table 3: Proportion of Taxonomy-aligned OpEx

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")									
Economic Activities (1)	Code(s) (2)	OpEx (3)	Proportion of OpEx (4)	Climate Change Mitigation (5)	Climate Change Adaptation (6)	Water (7)	Circular Economy (8)	Pollution (9)	Biodiversity (10)	Climate Change Mitigation (11)	Climate Change Adaptation (12)	Water (13)	Circular Economy (14)	Pollution (15)	Biodiversity (16)	Minimum Safeguards (17)	Proportion of Taxonomy aligned (A.1.) or eligible (A.2.) activities OpEx, 2024 (18)	Category enabling activity (19)	Category transactional activity (20)
		Currency (PLN '000)	%	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y; N; N/EL	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	E	Y
A. TAXONOMY-ELIGIBLE ACTIVITIES																			
A.1. Environmentally sustainable activities (Taxonomy-aligned)																			
		0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which enabling		0	0.00%	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which transitional		0	0.00%	-						-	-	-	-	-	-	-	-		-
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)																			
Acquisition and ownership of buildings		0	0.00%														-		
A.2. OpEx of Taxonomy-eligible, but not environmentally sustainable activities (not Taxonomy-aligned activities)		0	0.00%														-		
TOTAL (A.1 + A.2)		0	0.00%														-		

B. TAXONOMY-NON-ELIGIBLE ACTIVITIES

OpEx of Taxonomy-non-eligible economic activities	9,115	100.00%

TOTAL (A + B)	**9,115**	**100.00%**

Explanation of the terminology used in the above tables:

▪ The Code (column 2) constitutes the abbreviation of the relevant objective to which the economic activity is eligible to make a substantial contribution, as well as the Section number of the activity in the relevant Annex covering the objective (column 2), i.e., Climate Change Mitigation (CCM); Climate Change Adaptation (CCA); Water (WTR); Circular Economy (CE); Pollution Prevention and Control (PPC); Biodiversity and ecosystems (BIO);

▪ Y (columns 5 to 10) – YES, Taxonomy eligible and Taxonomy-aligned activity with the relevant environmental objective;

▪ N (columns 5 to 10) – NO, Taxonomy eligible but not Taxonomy-aligned activity with the relevant environmental objective;

▪ EL (columns 5 to 10) – Taxonomy eligible activity for the relevant environmental objective;

▪ N/EL (columns 5 to 10) – not eligible, Taxonomy non-eligible activity for the relevant environmental objective;

▪ N/A – not applicable;

▪ Y/N (columns 11 to 17) = YES/NO response for 'Does Not Significantly Harm' or Minimum Safeguards (select Y/N);

▪ E (column 19) = designation of business activity specified in Delegated Regulation 2021/2139 as enabling;

▪ T (column 20) = designation of business activity specified in Delegated Regulation 2021/2139 as transitional.

Disclosures of nuclear energy and fossil gas related activities in accordance with Delegated Regulation (EU) 2022/1214

Pursuant to Article 8 of Regulation (EU) 2020/852 and Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022, the Company presents information on activities related to nuclear energy and fossil gas that may be classified as transitional activities supporting climate change mitigation.

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

30. Social

30.1 ESRS S1 Own workforce

30.1.1 [SBM-2] Interests and views of stakeholders

In 2024, the SECO/WARWICK Group conducted an employee satisfaction survey, supplemented by a materiality assessment, which identified key areas of impact on employees as well as matters requiring targeted action. The Group intends to conduct such surveys on a regular basis (at least once every three years, prior to the review or formulation of strategy, or in the event of anticipated material changes in stakeholder expectations and needs) to monitor evolving employee views.

30.1.2 [SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

More than 98% of the SECO/WARWICK Group's workforce are employed under employment contracts. Over 60% are engineers with higher education in technical disciplines, specialising in areas such as materials science, heat treatment technology, mechanical engineering and machine design, automation, and electrical engineering. These employees form the core of R&D, concept development, sales, design, project execution support, production, and service teams.

The production division is further supported by highly qualified personnel with specialist skills, including welders, fitters, electricians, and industrial equipment assemblers.

In supporting functions – such as quality control, procurement, logistics, finance, human resources, payroll, marketing, occupational health and safety, integrated management systems, and administration – the Group consistently prioritises appropriate attitude, knowledge, skills, and experience relevant to each area of expertise.

A decisive factor in the Group's competitive advantage lies in its people – their expertise, skills, and experience. The Group fosters an attractive working environment founded on mutual trust, partnership, and accountability, supporting both professional and personal development while addressing the needs of a multigenerational workforce. A core element of the Group's HR strategy is the establishment of common principles and standards applicable to all employees globally, with due regard for local conditions, customs, and legal frameworks. Among the Group's core values are employee safety – ensuring the protection of health and life – and secure employment.

Another strategic pillar is the promotion of innovation by recognising employee initiatives and ideas, and by initiating and implementing changes aimed at improving work, products, operations, and processes, and/or developing new solutions.

Given the specific nature of the industry in which we operate, the structure of our workforce primarily reflects the fact that the knowledge and skills essential for our business development are typically acquired through vocational and technical university programmes, which are predominantly pursued by men. As such, the 80:20 male-to-female ratio is considered characteristic of our sector. We do not impose any barriers and ensure equal opportunities and access to all positions for both women and men. The key criteria are always knowledge, skills, and experience. Accordingly, our policies on recruitment, promotion, development, and related areas do not differentiate remuneration or any other benefits based on gender, but are instead guided by defined criteria such as seniority, level of knowledge, skills, conduct, and performance.

The SECO/WARWICK Group recognises the risks arising from cultural differences across the geographical regions in which it operates (Europe, the United States, India, and China) and, in 2024, implemented programmes under its human resources policy to mitigate these risks.

The Group has not identified any risks related to forced or compulsory labour or child labour in its operations.

30.1.3 [S1-1] Policies related to own workforce

The SECO/WARWICK Group has implemented a number of policies aimed at managing risks, pursuing opportunities, and advancing positive impacts on employees.

To minimise risks associated with the loss of key personnel, the Group has adopted policies governing working time and addressing potential discrimination in access to training, development, and promotion, in accordance with the Group HR Directive.

The Group identifies an opportunity in providing job stability and fostering an open organisational culture, where adherence to the Code of Ethics promotes inclusivity, equal treatment, and equal opportunities for all employees.

Areas identified as having a positive impact on employees include competitive pay, a comprehensive system for continuous professional development, and the assurance of high standards of occupational health and safety.

The structure and links of employee-related policies are described below:

– **SECO/WARWICK Group Sustainability Policy** states that: The Group fosters strong, long-term cooperation and partnership with its employees, founded on high ethical standards and shared values, while honouring its commitments to stakeholders. The Policy highlights that employees are the driving force of the Group. Therefore, it is committed to providing them with a favourable and positive working environment. It further affirms that the Group operates in line with the Code of Ethical Conduct in Business, which provides a detailed account of the Group's approach to human rights and labour rights. The Code sets out the SECO/WARWICK Group's policy on equal treatment and the prevention of discrimination on the grounds of gender, race, skin colour, ethnic or social origin, genetic characteristics, language, religion or belief, political opinion, membership of a national minority, birth, disability, age, or sexual orientation. It explicitly prohibits the use of forced or compulsory labour and the employment of children. Furthermore, it sets out commitments relating to the protection of employee health and safety, including the provision of personal protective equipment, fire safety measures, safe handling of hazardous substances, and the active involvement of employees in occupational health and safety practices. The Code also addresses respect for human rights in the context of employment. These provisions are implemented through the Group's personnel management directive, which governs all processes from recruitment and employment to termination. For more information on the Policy, please refer to section G1.

– **Group HR Directive** affirms that SECO/WARWICK is an equal opportunity employer, with all decisions based on merit – defined as knowledge, professional and interpersonal skills, qualifications, experience, and education. This principle applies to recruitment, access to training and development, performance evaluation, promotions, remuneration, benefits, and working conditions.

All of the above-mentioned documents have been approved by the President of the SECO/WARWICK Group and communicated to all Managing Directors of the Group companies, who are responsible for their implementation within their respective companies. These documents include commitments aligned with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises. In addition, they address policies on equal treatment and the prevention of discrimination on the grounds of gender, race, skin colour, ethnic or social origin, genetic characteristics, language, religion or belief, political opinion, membership of a national minority, birth, disability, age, or sexual orientation. They

prohibit the use of forced or compulsory labour and the employment of children. Furthermore, they set out commitments relating to the protection of employee health and safety, including the provision of personal protective equipment, fire safety measures, safe handling of hazardous substances, and the active involvement of employees in occupational health and safety practices.

Local HR procedures reflect the Group-wide directives and uphold the values set out in the Code of Ethical Conduct in Business.

At SECO/WARWICK S.A. (Poland), an Occupational Health and Safety Management System has been implemented and certified in accordance with ISO 45001.

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

The SECO/WARWICK Group maintains ongoing dialogue with its employees. Employee feedback plays a significant role in shaping management decisions and actions. It contributes to improving decision-making processes, provides insights into the organisation's strengths and weaknesses, supports the resolution of emerging issues, and fosters mutual trust, accountability, and a sense of empowerment among employees.

Employee views are taken into account when implementing procedural or organisational changes, which are developed in close collaboration with the workforce.

Employee feedback is collected directly through:

- organisational culture surveys,
- management competency assessments – 360° Feedback,
- online satisfaction and engagement surveys,
- regular meetings and discussions.

The findings from these surveys are discussed with the management team and communicated to employees. Management, together with employee representatives, develops initiatives aimed at enhancing process efficiency and aligning the work environment with employee expectations and needs.

The employee dialogue process is led by the Group HR Director, with support from local HR teams, the Managing Directors of the Group companies, and the President of the SECO/WARWICK Group.

To minimise cultural and language barriers in collaboration with employees, the Group runs the Across Cultures programme.

To ensure effective communication and information accessibility for employees, the process is structured around:

– annual Global Management Meetings (GMM),

– annual summary meetings,

– quarterly meetings,

– direct meetings between employees and their line managers,

– company-wide email communications,

– the SECO/SPHERE newsletter for all employees across the Group, and Seco/Sfera for employees of SECO/WARWICK S.A. and SECO/WARWICK Services Sp. z o.o.

30.1.5 [S1-3] Processes to remediate negative impacts and channels for own workforce to raise concerns

Each company within the SECO/WARWICK Group ensures that any employee who believes that HR processes are not being conducted in accordance with the Sustainability Policy, the Code of Ethical Conduct in Business, or the Group HR Directive has the opportunity and the appropriate channels to initiate a grievance or complaint procedure.

The SECO/WARWICK Group has implemented mechanisms for raising concerns, needs, and complaints, providing employees with a variety of communication channels. Employees may submit concerns, needs, and complaints through:

- reporting to their direct line manager or a higher-level manager,
- whistleblowing channel outlined in the SECO/WARWICK Group Code of Ethical Conduct in Business – an email to the President of the SECO/WARWICK Group, which also allows for anonymous submissions,
- internal whistleblowing mechanisms available within each company (in accordance with applicable local laws),
- trade unions and other employee organisations operating within the companies, subject to the legal framework of the respective country.

Whistleblowers and complainants are protected against any form of retaliation. Each report is reviewed on a case-by-case basis, with strict confidentiality and safeguards in place to protect the reporting party. Where appropriate, corrective actions are taken and disciplinary measures imposed on the party responsible for the violation.

In the Group companies operating in Poland, dedicated whistleblowing channels have been implemented, with related procedures conducted in accordance with applicable national legislation. Employees receive training on the whistleblowing process.

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

The SECO/WARWICK Group has identified material impacts, risks, and opportunities in the following areas:

- secure employment
- working time
- adequate wages
- health and safety
- gender equality and equal pay for work of equal value
- training and skills development
- measures against violence and harassment in the workplace
- diversity
- privacy.

In 2024, the following actions were implemented to manage risks and opportunities related to multiculturalism (diversity):

- harmonisation of SECO/WARWICK Group processes and organisational culture to support project management and the achievement of business objectives,
- delivery of a series of workshops, led by external experts, to highlight cultural differences across all Group companies under the Across Cultures programme,
- global alignment and strengthening of the Employee Value Proposition (EVP).

Furthermore, the following actions were undertaken in relation to material impacts on employees:

- implementation of Group-wide guidelines on remuneration and benefits policy (gender equality and equal pay for work of equal value; adequate wages),
- conducting an employee satisfaction and engagement survey, covering all material impacts, risks, and opportunities,
- standardisation of recruitment policies across the Group (adequate wages; gender equality and equal pay for work of equal value; diversity; privacy).

Further initiatives have been planned for 2025 as part of the efforts to establish a consistent HR policy framework, aimed at developing uniform principles for performance evaluation and launching a succession planning process for key managerial and expert roles.

In the area of health and safety, the following measures were implemented:

- regular health and safety training aimed at raising employee awareness and competencies in accident prevention (training and skills development; health and safety),
- development and implementation of detailed procedures and instructions for the safe execution of work tasks (health and safety),
- regular monitoring of working conditions and analysis of potential hazards to facilitate the timely introduction of appropriate preventive measures (health and safety),
- provision of access to first aid equipment and employee training in first aid procedures (health and safety),
- promotion of a safety culture by encouraging employees to report potential hazards and actively participate in initiatives aimed at improving workplace conditions (measures against violence and harassment in the workplace).

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

No targets meeting the MDR-T requirements were set in 2024.

The SECO/WARWICK Group's targets related to its own workforce in 2025 focus on enhancing HR process management through the Group-wide:

- standardisation of procedures related to recruitment, employee performance evaluations, and career and development paths,
- implementation of an occupational health and safety directive aimed at harmonising health and safety requirements across the Group companies.

30.1.8 [S1-6] Characteristics of the undertaking's employees

This section provides a description of the SECO/WARWICK Group's workforce. Over 83% of employees are men, which reflects historical trends in the gender distribution within technical education at the secondary and tertiary levels over the past four decades.

Information on employee headcount by gender

Gender	Number of employees
Men	771
Women	156

Other	0
Not reported	0
Total (headcount)	927
Employees (average headcount)	912

Employee headcount in countries where the undertaking has at least 50 employees representing at least 10% of its total number of employees

Country	Number of employees (31 December 2024)	Employees (average headcount in 2024)
Poland	635	629
China	100	102
USA	147	136.25

Information on employees by contract type, broken down by gender

	WOMEN	MEN	OTHER	NOT REPORTED	TOTAL
Number of employees	**156**	**771**	**-**	**-**	**927**
Number of permanent employees	115	609	-	-	724
Number of temporary employees	41	162	-	-	203
Number of non-guaranteed hours employees	-	-	-	-	-
Number of full-time employees	150	739	-	-	889
Number of part-time employees	6	32	-	-	38

Information on employees by contract type, broken down by region

	Poland	China	USA	India	Germany	Russia
Number of employees	**635**	**100**	**147**	**32**	**6**	**7**
Number of permanent employees	520	17	147	27	6	7
Number of temporary employees	115	83	-	5	-	-

Number of non-guaranteed hours employees	-	-	-	-	-	-
Number of full-time employees	600	100	145	32	6	7
Number of part-time employees	35	-	2	-	-	-

Turnover rate	**2024**
Percentage of employees who left the undertaking	7%

30.1.9 [S1-9] Diversity metrics

The number of women in managerial positions reflects the overall structure of female employment, as outlined in section S1-6.

S1-9 – Diversity metrics

	WOMEN	**MEN**	**OTHER**	**NOT REPORTED**	**TOTAL**
Number of employees (headcount) at top management level (Management Board, Managing Directors)	1	10	-	-	11
Gender distribution at top management level	**9%**	**91%**	**-**	**-**	**100%**
Number of employees (headcount) at management level n-1 (Directors, Deputy Directors)	10	38	-	-	48
Number of employees (headcount) at management level n-2 (Managers, Team Leaders)	14	86	-	-	100
Number of employees (headcount) under the age of 30	18	152	-	-	170
Number of employees (headcount) aged 30 to 50	118	4,441	-	-	558
Number of employees (headcount) over the age of 50	20	179	-	-	199

30.1.10 [S1-10] Adequate wages

The companies comply with statutory minimum wage regulations in each of the countries in which they operate. The minimum wage is paid exclusively to employees undergoing training to independently perform tasks in production roles.

Period	**2024**
Percentage of employees paid below the adequate wage	0.00%

30.1.11 [S1-11] Social protection

In 2024, all SECO/WARWICK Group employees with employment contracts were afforded social protection under public programmes.

In the United States, employees are insured against short-term and long-term disability. In addition, they are covered by a retirement plan and are entitled to parental leave.

Employees in China are covered by employment-based insurance and are entitled to various forms of parental leave following the birth of a child, including maternity and paternity leave, childcare leave, breastfeeding breaks, maternity benefits, and medical insurance.

Employees in India are covered by insurance policies that provide protection in the event of illness, retirement, accidents, and loss of life.

30.1.12 [S1-13] Training and skills development metrics

Training and skills development metrics

	WOMEN	MEN	OTHER	NOT REPORTED	TOTAL
Percentage of employees that participated in regular performance and career development reviews	97%	97%	0%	0%	97%
Average number of training hours per employee	9.11	7.31			7.77

30.1.13 [S1-14] Health and safety metrics

Accidents

Percentage of people in own workforce who are covered by the undertaking's health and safety management system based on legal requirements and/or recognised standards or guidelines	100%
Number of fatalities among own employees as a result of work-related injuries and work-related ill health	-

Number of fatalities among other workers operating on the undertaking's sites as a result of work-related injuries and work-related ill health	-
Number of recordable work-related injuries among employees	8
Rate of recordable work-related injuries among employees	0.43
Number of recordable cases of work-related ill health among employees	-
Days lost to work-related injuries and fatalities from work-related accidents, work-related ill health and fatalities from ill health	438

30.1.14 [S1-16] Remuneration metrics (pay gap and total remuneration)

Tables – Gender pay gap and remuneration

	Poland	USA	China	India
Gender pay gap	7%	24%	30%	50%
Ratio of highest annual total remuneration to the median	13.84	10.09	14.4	15.04

The gender pay gap was calculated based on the average remuneration of male and female employees in the Group's companies in each respective country. The remuneration used in the calculation of the ratio of the highest annual total remuneration to the median excludes the cost of the incentive scheme.

This ratio reflects the employment structure at the c-level and n-1 management levels.

30.1.15 [S1-17] Incidents, complaints and severe human rights impacts

In 2024, the Group recorded no incidents or complaints related to human rights.

31 ESRS S2 Workers in the value chain

31.1 [SBM-2] Interests and views of stakeholders

In 2024, the SECO/WARWICK Group conducted a supplier survey to assess the maturity of its suppliers and their plans for implementing ESG policies and reporting practices. At the same time, the surveyed suppliers confirmed their compliance with the SECO/WARWICK Group Code of Ethical Conduct in Business. The survey identified that non-European suppliers lack clearly defined procedures and/or

policies prohibiting forced labour and have insufficient requirements regarding occupational health and safety conditions for their workers.
The SECO/WARWICK Group has not developed tools other than the supplier survey to account for the interests and views of value chain workers.

The Group's business model is based on fostering long-term relationships with suppliers, with the objective of ensuring secure employment and minimising the negative impacts associated with accidents and occupational health and safety risks for workers in the value chain.

31.2 [SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

The SECO/WARWICK Group has a direct impact on the workers of companies providing subcontracted services, such as cleaning, maintenance, and security on the premises of its production facilities, as well as logistics companies responsible for shipping equipment to customers and agency personnel supporting sales operations in certain markets. The Group has an indirect impact on the employees of its suppliers.
The Group monitors local and global developments and refrains from engaging in business with companies based in countries where there is a significant risk of child labour, forced labour, or compulsory labour.
The SECO/WARWICK Group's business model is based on the careful selection of suppliers. For critical components and services, supplier relationships are structured through long-term contracts. The supply chain does not involve the procurement of raw materials but instead focuses on acquiring finished materials, components, or equipment used in the production of machinery.
Maintaining long-term relationships with suppliers supports their financial stability, which in turn contributes positively to job security for their employees. At the same time, the Group places strong emphasis on ensuring that supplier personnel working on its premises comply with occupational health and safety standards.

31.3 [S2-1] Policies related to value chain workers

The SECO/WARWICK Group has implemented and made available to its suppliers the SECO/WARWICK Group Code of Ethical Conduct in Business, as described in section G1-1. In the context of the value chain, the document sets out principles for respecting fundamental human rights, including:

- the right to dignity, freedom, and privacy,
- equal treatment and non-discrimination,
- the prohibition of forced labour and child labour,
- the right of workers to freedom of association.

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

Current business processes related to the supply chain focus on building long-term relationships with suppliers. The SECO/WARWICK Group has not implemented a general process for engaging directly with value chain workers. However, occupational health and safety oversight is carried out at the Group's production sites.
Operational responsibility for positive cooperation and accountability in supplier relations rests with the team members in charge of the procurement of relevant categories of materials or services.

For subcontractors working on SECO/WARWICK S.A. sites, it is mandatory for the service provider to brief its employees on the basic rules of occupational safety, fire protection, environmental protection, and personal data processing. The service provider is also required to supervise its personnel to ensure

compliance with these rules. In addition, formal procedures have been introduced for visitor notification, enabling more effective monitoring of compliance with occupational health and safety standards.

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

The SECO/WARWICK Group has provided mechanisms for raising concerns and handling complaints, as outlined in the Code of Ethical Conduct in Business. The primary tool is a dedicated email address: alertetyczny@secowarwick.com / ethicsalert@secowarwick.com, which is available to all stakeholders, including workers in the value chain.
Whistleblowers are protected against retaliation, and all reports are treated with the utmost confidentiality. Appropriate procedures are in place to ensure a thorough and reliable investigation process. Reports may also be submitted anonymously. Reports may also be submitted anonymously.

Additionally, category buyers engage in dialogue with supplier representatives as part of the qualification process and periodic supplier evaluations, facilitating the monitoring and resolution of potential irregularities.
The Group does not monitor the level of awareness of whistleblowing channels among supply chain workers.

In the event of a breach of safety regulations, SECO/WARWICK S.A. has implemented a penalty schedule for non-compliance, which is communicated to service providers prior to the commencement of work. Disciplinary proceedings for the imposition of penalties on suppliers are conducted by the Occupational Health and Safety Department.

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

In 2024, the SECO/WARWICK Group commenced the implementation of ESG requirements across its own supply chain. The actions taken included:

- appointment of a person responsible for the global supply chain function,
- assessment of the maturity level and future plans of suppliers regarding the implementation of a sustainable supply chain, as well as their activities related to environmental, social, and governance matters,
- implementation by SECO/WARWICK S.A. of a supplier assessment process incorporating ESG criteria and the terms of purchase of services and materials,
- introduction of a formal visitor notification system at SECO/WARWICK S.A.

These actions will be continued in the coming years with the aim of encompassing all companies within the SECO/WARWICK Group and further improving the efficiency and effectiveness of the process.
No material issues or incidents related to human rights violations in the upstream or downstream value chain were reported.

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

The SECO/WARWICK Group has not set specific targets or implemented procedures for monitoring the effectiveness of policies relating to workers in the value chain.
To advance its positive impact on the supply chain, the Group plans to implement a supplier qualification process based on ESG criteria, with the objective of covering 100% of its suppliers in the coming year.

32 [S4] Consumers and end-users

32.1 [SBM-3] Material impacts, risks and opportunities and their interaction with strategy and business model

In 2024, as part of the double materiality assessment process (described in ESRS2 IRO1 and IRO2), material impacts, risks and opportunities were identified in the context of end-users. Consumers are not considered the S/W Group's stakeholders because the Group does not sell its products on the consumer market.

The closest interaction of the identified risks, opportunities and impacts with the business model is seen in the delivery of the most innovative, quality products and services to customers. A potential negative impact identified by the S/W Group is associated with the physical safety of end-users while operating its equipment. Additionally, there is a risk of equipment failure during operation, making user safety and occupational health material concerns. The Group sees an opportunity in developing quality communication channels to engage with equipment users and providing quality documentation, operational training and opportunities for technology testing.

The types of end-users on the customer side who may be subject to material potential impacts, as identified during the assessment, include equipment operators and technical service personnel.

The S/W Group has not received any reports from customers regarding negative impacts of its equipment on users (including accidents caused by equipment defects).

32.2 [S4-1] Policies related to consumers and end-users

The S/W Group does not sell consumer products. Key policy objectives of the S/W Group related to end-users are defined in its Sustainability Policy, where the Group confirms that it:

- implements solutions in products, technologies, operations and equipment improvements to support customers in conducting sustainable production;
- offers a flexible approach to customer relationships, with tailored solutions proposed by experienced and efficient product teams;
- prioritises quality and reliability, continuously improving the quality and safety of its equipment to remain an industry leader across international markets;
- provides resources and capabilities to operate effectively across all areas, especially ensuring occupational safety and health, preventing injuries and illnesses, ensuring product safety, and protecting the natural environment and human rights.

The Sustainability Policy and the Business Code of Ethics form the basis for setting goals and objectives to deliver the highest quality products and services, meet customer expectations, and ensure safe use of the S/W Group's products.

In the Business Code of Ethics, the Group also commits to cooperating with end-users and respecting their human rights. Further details are provided in chapter G1-1.

Equipment manufactured for the European market falls under the Machinery Directive 2006/42/EC, which obliges manufacturers to conduct risk assessments and mitigate identified risks to the safe use of equipment.

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

The engagement with equipment end-users is a key factor in ensuring prime quality services and continuous improvement of products and processes, based on the quality assurance systems implemented at the Group production companies. The S/W Group companies maintain ongoing contact with end-users, i.e. customers or their personnel, at various stages of project execution. On the Group's side, those responsible for collecting feedback include Project Managers and Project Teams (during the design phase), and Aftersales Teams (during equipment commissioning and operation). These teams remain in touch with customers and provide them with support or feedback in the event of any issues or complaints. After the warranty period, the S/W Group guarantees technical support for customers spanning equipment maintenance, repairs and upgrades, provided by designated companies within the Group, which significantly reduces potential negative impacts on end-users. The S/W Group also runs customer satisfaction surveys, with the results reviewed annually. The findings, presented by Product Segment VPs and Managing Directors, are essential for setting objectives and targets for the following year.

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

Customers, on behalf of end-users, can raise concerns or claims through customer contact channels established by each company to receive complaints, inquiries or aftersales service needs. Contact details for each company are available to partners on the S/W Group's website. Additionally, the customer can reach out to the project and aftersales service teams they collaborated with, who will provide support or feedback in the event of any issues or complaints. Comments, concerns and change requests submitted by customer representatives during project execution or working meetings are managed and overseen by the Project Manager.

The aftersales service team collects complaint reports and resolves them promptly in consultation with the customer representatives.

The S/W Group has also provided a whistleblowing channel at: alertetyczny@secowarwick.com. Information on the reporting procedure is available on the S/W Group's website and in the Business Code of Ethics. Violations can also be reported anonymously. The implemented whistleblowing procedures ensure confidentiality of the reporting party's data, protection against retaliation (e.g. discrimination, demotion, threats or loss of benefits), as well as a detailed and precise investigative process. A remediation process is also launched when necessary. Despite the availability of the whistleblowing channel, the S/W Group has not recorded any reports submitted through this channel. The Group believes that, given the continuous engagement with end-users during equipment commissioning, the users are aware of the reporting mechanisms in place. However, the Group does not assess whether end-users are aware of these mechanisms.

End-users can also raise concerns through the customer satisfaction surveys conducted by the companies.

The S/W Group's customers are offered **FURNACE/PLUS**, an innovative service package for comprehensive furnace and process management, encompassing:

- SECO/PREDICTIVE, which enables proactive maintenance before a failure occurs;

/ My Support, where the customer can report an issue they cannot resolve on their own or search for solutions to similar problems in the provided guidance.

All submissions are monitored in a ticketing system and resolved promptly with the customer by the aftersales service team.

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

In the reporting year, the Parent SECO/WARWICK S.A. took actions, overseen by internal occupational health and safety (OHS) departments, involving detailed analyses of hazards associated with the operation of individual equipment items manufactured by the Group. The objective of these efforts is to enhance the safety of equipment usage through the provision of clear and comprehensive guidelines and conditions for safe and proper operation, as well as planning of appropriate SILs (Safety Integrity Levels) depending on the equipment complexity and technological processes involved. The Company has internal procedures in place under which pre-sales meetings are held in collaboration with the OHS and fire safety departments to identify all safety aspects related to the use of future equipment. Additionally, under Directive 92/58/EEC, the Group is obliged to comply with minimum requirements regarding the use of safety signs and colour coding. The provisions of this Directive have been transposed into Polish law under the Regulation on general health and safety rules at work. Every equipment item sold by the Company is equipped with automatic SIL systems, which significantly reduce or even eliminate its negative impact on humans. This solution is being further disseminated across the S/W Group's products through the technology transfer.

Furthermore, the Group conducts mandatory training sessions for end-users, organised to ensure that users are well-acquainted with the equipment operation and safety procedures. Completion of the training is confirmed in the acceptance report.

In the reporting year, end-users did not report any serious failures or incidents that could cause significant negative impacts.

Actions taken in 2024 included a detailed review of the hazard analysis and technical maintenance documentation for various vacuum furnaces.

By 2026, the Company plans to review the hazard analysis and technical maintenance documentation for other product lines, including:

- melting furnaces for vacuum metallurgy,
- Controlled Atmosphere Brazing (CAB) lines for aluminium,
- aluminium process furnaces,
- atmosphere furnaces (thermal).

With respect to the remaining non-vacuum furnace products, relevant actions will begin in 2025 and are scheduled for completion by the end of 2026.

In the reporting year, no incidents or human rights violations concerning consumers or end-users were recorded at the SECO/WARWICK Group.

Every equipment item comes with a user manual that includes safety and operational guidelines. The S/W Group companies analyse risks related to the use of their equipment, aiming to enhance safety by providing precise instructions for users and implementing adequate SILs. Additionally, all

equipment is marked in a manner that allows users to easily identify hazard information. The labelling method is compliant with applicable legal requirements in the market to which the product is delivered. Ongoing automation and technological advancement continue to improve the safety and comfort of using the equipment supplied by the S/W Group.

Every unit sold is equipped with automatic SIL systems that minimise risks for users.

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

The Group has not set any targets aligned with the Minimum Disclosure Requirements regarding targets (MDR-T).

However, to support the monitoring of progress against its strategy, the Group has adopted the following qualitative objective:

Objective: Preparations for the development of the S/W Group's infrastructure to support testing and technology trials for all product lines.

2024 Conduct an analysis of SECO/WARWICK S.A.'s infrastructure needs for vacuum furnace testing.

2026 Conduct an analysis of SECO/WARWICK S.A.'s infrastructure needs for testing the remaining products:

- melting furnaces for vacuum metallurgy,
- Controlled Atmosphere Brazing (CAB) lines for aluminium,
- aluminium process furnaces,
- atmosphere furnaces (thermal).

The product lines covered by these analyses represent the entire portfolio offered by the S/W Group. Subsequent stages in implementing this objective will be planned based on the results of the completed analyses.

33 Governance information

33.1 ESRS G1 Business conduct

33.1.1 [G1-1] Corporate culture and business conduct policies

The SECO/WARWICK Group believes that all its activities should comply with the law and be grounded in strong ethical values. Ethical conduct is viewed as a prerequisite for long-term business stability and success. Acting with integrity builds trust and strengthens the Group's reputation as a reliable and collaborative partner.

Respect, integrity and accountability toward stakeholders (including suppliers, customers, partners, employees, and local communities), compliance with the legal requirements of countries where the S/W Group operates, ethical behaviour, and environmental stewardship are foundational to the Group's operations. These principles are reflected in its core values:

/ Innovation,

/ Partnership,

/ Security and stability,

/ Reliability,

/ Credibility and integrity,

/ Sustainability.

The implementation of these principles is supported by internal policies and regulations adopted across the S/W Group:

The **Sustainability Policy**, which applies to all employees across the Group and is also made available to external stakeholders via the Group's website. Implementation of the Policy at the respective companies is the responsibility of their Managing Directors.

The Policy is referenced in chapters E1-1, E5-1, S1-1, and S4-1, where its interaction with impacts, risks and opportunities is described in greater detail.

The **Business Code of Ethics** (the "Code"), which serves as a decision-making compass and forms the backbone of employee conduct. It expresses the core value system that should guide all employees, associates and business partners.

The Code outlines the principles of conduct and addresses significant impacts, risks and opportunities in the following areas:

- RESPECT FOR HUMAN RIGHTS AND LABOUR RIGHTS (secure employment, working time, adequate wages, occupational health and safety, gender equality and equal pay for work of equal value, training and skills development, measures against violence and harassment in the workplace, diversity, privacy, forced labour, and human trafficking)
- LOCAL COMMUNITIES
- ENVIRONMENT PROTECTION (climate change mitigation, energy, and resource inflows, including resource use)
- COMPANY PROPERTY (cybersecurity and data protection)
- RELATIONSHIPS WITH BUSINESS PARTNERS (management of relationships with suppliers, including payment practices)
- LEGAL COMPLIANCE (corporate culture, prevention and detection of corruption)
- PRODUCT RESPONSIBILITY (resource outflows related to products and services, access to (quality) information, occupational health and safety, user safety)
- WHISTLEBLOWING MECHANISMS – as part of due diligence and effectiveness monitoring.

The Code includes commitments aligned with the UN Guiding Principles on Business and Human Rights, the ILO Declaration on Fundamental Principles and Rights at Work, and the OECD Guidelines for Multinational Enterprises.

The Code is available to all stakeholders on the S/W Group's website. Its implementation at the Group companies is overseen by the respective Managing Directors.

The Code is referenced in chapters E1-1, E5-1, S1-1, S-2-1, S4-1.

The S/W Group defines minimum requirements for key internal processes to ensure adherence to the Business Code of Ethics and to mitigate or capitalise on the identified material impacts, risks and opportunities. So far, guidelines have been defined and communicated to the Group companies in the following areas: human resources, finance, procurement, legal compliance, sales, IT, design, production and assembly, communication and crisis management, double materiality assessment, and ESG reporting.

These Group-level regulations are distributed to all companies and are available to their managers via an internal platform. The managers are obligated to incorporate these guidelines into their local procedures and ensure that relevant employees are informed and trained accordingly.

All employees are required to comply, and avoid any actions that conflict, with the S/W Group's ethical standards.

The S/W Group has established a reporting channel through which both internal and external stakeholders can report violations of legal provisions or the Code. Its availability is formally communicated in the Business Code of Ethics.

Where legally required, Group companies have also implemented local whistleblowing procedures compliant with national laws, which include details on responsibilities for investigating reported cases, whistleblower protections, and the consequences of violations (including knowingly false accusations).

All reports submitted via the channel specified in the Business Code of Ethics are managed by the Parent SECO/WARWICK S.A. (Poland), in accordance with the applicable law. The Company has implemented a detailed non-compliance handling procedure and appointed a Management Board-level supervisor for the process. This procedure complies with the requirements laid down in Directive (EU) 2019/1937 and the corresponding Polish implementing act.

The Group ensures due diligence in managing reported violations by:

- protecting the identity and data of the whistleblower and those involved in the report,
- shielding whistleblowers from retaliation,
- ensuring thorough investigation by a qualified and duly authorised team,
- maintaining communication with the whistleblower, with public authorities and law enforcement,
- monitoring the implementation of follow-up corrective actions.

The companies' managers are responsible for promoting behaviour aligned with the values and standards set out in the Code, both during daily operations and in informal settings or special meetings with employees.

The S/W Group launched a training programme on corporate culture. Topics covered in 2024 included the prevention of workplace bullying and discrimination, anti-corruption and anti-money laundering measures, conflicts of interest, and whistleblowing mechanisms. Employees were also trained on the Sustainability Policy and the Business Code of Ethics.

The following functions have been identified as most vulnerable to the risk of corruption and bribery within the S/W Group: management, procurement, sales, finance, marketing, and HR personnel.

33.1.2 [G1-2] Management of relationships with suppliers

The S/W Group's collaboration with suppliers and subcontractors is based on long-term relationships.

The principles of the BUSINESS CODE OF ETHICS apply not only to employees but also to suppliers and subcontractors, who are therefore expected to comply with legal regulations, fair competition practices and the internal rules applicable across the SECO/WARWICK Group.

The S/W Group establishes partnership-based terms of cooperation with its suppliers and subcontractors, including timely payments. However, it currently does not have a formal policy specifically aimed at preventing late payments. Supplier selection is based on a transparent evaluation

of business proposals, taking into account commercial terms as well as the quality of products and services.

The S/W Group is committed to engaging its suppliers and subcontractors in jointly pursued sustainability goals. The S/W Group's Business Code of Ethics explicitly communicates that business partners are expected to align their actions with the values contained therein. Additionally, SECO/WARWICK S.A. (SWSA) has embedded this requirement in its General Terms and Conditions of Purchase (GTCP) for materials and services. By accepting the GTCP, suppliers confirm their adherence to the Code.

To reduce supply chain disruptions, the S/W Group concludes framework agreements that define minimum stock levels, the availability of materials, and order cancellation conditions. Delivery times for various product groups are monitored to avoid delays and material shortages.

The S/W Group keeps monitoring global supply chain conditions, including issues arising from pandemics, the Suez Canal blockages, the ongoing shortage of computer chips, natural disasters, geopolitical tensions, Brexit, conflicts and labour strikes at key ports.

Procurement personnel are responsible for maintaining and developing supplier relationships, including negotiation of commercial terms.

The S/W Group maintains active communication with its suppliers, providing relevant information. For instance, under the GTCP, suppliers are selected based on their technical capabilities to produce goods tailored to specific projects. If a potential supplier meets these technical requirements, the business terms and financial conditions are then evaluated.
SWSA has implemented a suppliers qualification process, which involves either a self-assessment questionnaire or the submission of ethical certifications. This process includes social criteria such as occupational safety and accident prevention, equality in employment processes, prohibition of forced labour, and compliance with the minimum employment age, as well as environmental criteria related to compliance with legal reporting requirements.
Certified suppliers receive higher evaluation scores, and based on the assessment, SWSA monitors suppliers deemed exposed to significant economic, environmental or social risks.
Going forward, the Group intends to expand this monitoring model to cover social and environmental supplier performance across the entire S/W Group.

In the case of Retech, key suppliers are closely engaged with to understand how social and environmental criteria affect their current and potential performance. Retech is also actively developing a local supplier network to increase their share in plant sourcing.

33.1.3 [G1-3] Prevention and detection of corruption and bribery

The anti-corruption policy of the SECO/WARWICK Group is based on the Business Code of Ethics, Group-level guidelines (including directives on HR Management, Purchasing & Suppliers Qualification, Sales, Legal Compliance, and Capital Investment), as well as procedures such as the Related Party Identification, Restrictions on Buying and Selling at the SECO/WARWICK Group, Rules of Inside Information Flow, and Compensation and Benefits. These are complemented by internal company regulations that reflect local legal requirements.

All employees of the SECO/WARWICK Group are required to uphold the principles of integrity in their relationships with colleagues and business partners. Employees must not use business relationships for personal or third-party gains, nor act to the detriment of the S/W Group. No employee is allowed to offer or accept benefits that could influence decision-making.

The S/W Group maintains a zero-tolerance policy towards all forms of corruption, including the giving and accepting of money to or from business partners, public officials, or other individuals and institutions. It is prohibited to solicit, accept, offer or give money or other benefits, except for occasional gifts. Employees may offer or accept modest promotional items or corporate gadgets only when it is clear that these do not exert undue influence on business decisions. Before offering or accepting any gift, employees must make sure this is compliant with ethical standards. Offering any kind of gift to government officials is explicitly prohibited.

In cases where payments are made through third parties, the Group exercises particular caution and engages exclusively with reliable business partners. Prior to entering into any cooperation, each business partner must undergo a thorough review, which includes assessment of their qualifications, government affiliations, track record in customer service, and reputation within the banking sector, business organisations and the local community.

All transactions carried out on behalf of the SECO/WARWICK Group are recorded accurately and transparently.

The Business Code of Ethics is made available to employees via internal documentation and to external stakeholders through the SECO/WARWICK Group's website. Employees are informed of any updates to the Code.

In addition, the S/W Group provides training in areas such as anti-corruption, anti-money laundering, and conflicts of interest. Employees also have the opportunity to verify their knowledge through a test.

Table A

Training coverage	**At-risk functions**	**Managers**	**Supervisory Board (AMSB)**	**Other own workers**
Percentage covered by training	*63%*	*37%*	*100%*	*62%*
Delivery method and duration				
Classroom training				
Computer-based training	*x*	*x*	*x*	x
Voluntary computer-based training				
Frequency				
How often training is required	*Annually*	*Bi-annually*	*Bi-annually*	Bi-annually
Topics addressed				
Definition of corruption	*x*	*x*	*x*	*x*
Policy	*x*	*x*	*x*	*x*

Procedures on suspicion/detection	x	x	x	x

33.1.4 [G1-6] Payment practices

The S/W Group's collaboration with suppliers and subcontractors is based on long-term relationships.

The Group establishes partnership-based commercial terms of cooperation with its suppliers and subcontractors, including payment conditions.

The standard payment terms provided below apply exclusively to the Parent – SECO/WARWICK S.A. (SWSA). These terms are not yet standardised across the entire Group, as payment terms at other companies are set individually.

The Parent applies the following standard payment terms:

• Domestic suppliers – payments are typically made within 30 days of invoice receipt, accounting for approximately 70% of the Company's annual invoices.

• Foreign suppliers – payments are made within up to 60 days, representing about 20% of the Company's annual invoices.

• Suppliers from countries with specific regulations, such as China – payments are made within up to 90 days, in accordance with local market conditions. This segment is estimated to account for around 10% of the Company's annual invoices.

Average invoice payment time:

- The average time it takes SECO/WARWICK S.A. to pay an invoice from the date when the contractual or statutory term of payment starts is 45 days.

Currently, the SECO/WARWICK Group is not involved in any outstanding proceedings for late payments.

33.1.5 [G1-7] Cybersecurity

Given the impacts and risks associated with cybersecurity and information security, the S/W Group has implemented an Information Security Policy, covering both the protection of IT infrastructure and operational procedures related to maintaining the confidentiality and integrity of information.
This disclosure is specific to the Parent due to recommendations issued by the Warsaw Stock Exchange.

Date: 23 April 2025

President of the Management Board

Sławomir Woźniak

Member of the Management Board

Bartosz Klinowski

Member of the Management Board

Earl Good

Member of the Management Board

Piotr Walasek