

We present our fourth sustainability report from MAKROchem – for 2020 & 2021.

MAKROchem is a privately-owned company operating from Poland since 1995. We import, tranship, store and export technical carbon black. Our “CARBON BLACK ONLY” motto means that we do not use our reloading facilities and silo trucks for transporting or reloading of any other material than CB. This allows us to ensure that the product ordered is the product delivered with no questions regarding its purity and integrity. Our vision is to become the preferred Carbon Black integrated supply chain partner to rubber, tire, plastics and pigment companies in Europe and overseas. Our strategy is to follow Voice-of-Customer requirements in order to achieve perfection in product quality, delivery time, punctuality and geographical coverage.

Reloading bases in Poland are being systematically developed. The working area of warehouse is being increased, transshipment equipment is modernized and expanded. These activities enable continuous increase of our carbon black handling capabilities.

[GRI 102-14](#) / [GRI 102-1](#) / [GRI 102-2](#) / [GRI 102-5](#)

MAKROchem rejects all forms of corruption, bribery, fraud, money laundering, anti-competitive practices, believes in fair competition on the market and strongly disapproves of any unethical or illegal business practices. Our employees anticipate and avoid any conflicts of interests of the Company with their personal, whether direct or indirect, interests (i.e. with regard to entities or natural persons with whom they have connections, in particular family members, relatives, friends or other interested parties). The company's Information Security Policy has been followed for a long time.

Equal opportunities are created for all employees, taking into account their diversity. We comply with applicable laws, standards and internal company rules in the field of environmental protection, recognize and respect the fundamental rights of employees, including non-discrimination and non-harassment, strongly support prohibition of all types of forced labor and child labor. We strengthen our commitment to respect of human rights.

To maintain safety and mitigate health risks in the work environment, we set ourselves objectives such as prevention of accidents, breakdowns and potentially accidental occurrences, as well as elimination or reduction of risk factors. We also strive for continuous improvement of occupational health and safety, and make sure that our employees are familiar with applicable OHS policies adopted in the workplace. Objectives defined in this way are achieved primarily through constant monitoring of legal requirements in the scope of health and safety, implementation of OHS tasks and programmes, involving all staff in health and safety matters, as well as securing appropriate measures to ensure safe and hygienic working conditions. Further measures involve systematic training to improve our staff's health and safety in relation to risks occurring in individual departments, eliminating accidents, potentially accidental events and microinjuries among employees, and developing risk assessments for individual workplaces.

The Company ensures that all reloading and transport operations, including carbon black transfers and logistic processes, are managed in accordance with environmental protection regulations. Further environmental protection measures involve reasonable purchases of consumables and efficient use of office and hardware resources, thereby reducing energy, paper, water and fuel consumption. To further guarantee proper waste management and environment protection, we are constantly working to prevent pollution of land, air, groundwater and surface water (e.g. through proper disposal of liquid waste), minimize the amount of waste generated (e.g. by reusing or modernizing equipment), and, where possible, use and utilize waste at the place of its origin. We take the necessary measures to ensure safe transport of waste within the company premises.

The Company undertakes all necessary actions in direction of water protection – through complete removal of pollutants and their effects as well as by reducing emissions. We know how important it is to meet the needs of society for utility and drinking water – used in agriculture, industry,

tourism, recreation etc.. Due to the problem of shrinking water resources that is common in many countries, water protection is becoming a very important aspect. In practice, our technological processes do not require the use of water as a raw material or as an auxiliary substrate, therefore the impact on fresh (underground and surface) and marine waters is minimal.

The Company consistently implements the principles of sustainable procurement, integrating its economic, environmental and social activities to maintain the natural balance and integrity of the Earth's ecosystem. The company's strategy assumes maintaining economic efficiency and raising the quality of life of the society, bearing in mind the strength of the ecological system and the durability of basic natural processes. The main elements of this policy are, among others, sustainable management of natural resources and waste and reduction of pollutant emission. This sustainable procurement policy in supply chain management also includes aspects such as issues of working conditions and human rights. CSR trainings for purchasing personnel have been carefully planned and approved for 2021 & 2022. A new documents will probably prove useful in this regard: "CSR risk assessment" and "Supplier Survey on CSR issues". In the case of positive evaluation of the survey results and risk analysis, selected suppliers will have access to exceptional incentives (e.g. in the preferred suppliers program). Work is underway to develop a correlation between the assessment of the performance of our purchasing staff in the supply chain and the CSR results obtained for suppliers.

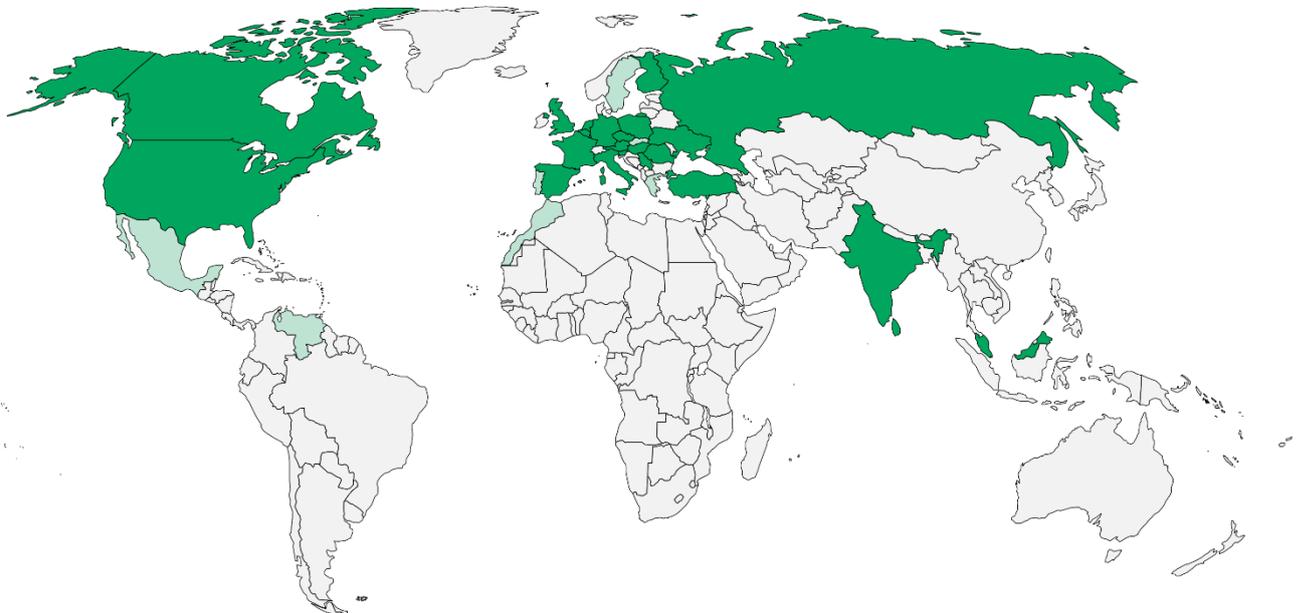
[GRI 102-16](#)

This report includes data from 2020 & 2021, and also highlights the most important events of 2021. The scope of the report includes MAKROchem office (also the company's headquarter in Lublin – Poland), 3 transshipments bases in Poland and one transloading facility in Spain.

[GRI 102-1 / GRI 102-3 / GRI 102-7](#)

Our range of activities covers the markets of Europe, America and Asia:

[GRI 102-6](#)



MAKROchem – current area of operation and sales on the world market

MAKROchem – registered sales / new area of activity

MAKROchem S.A. employs 118 employees at 3 transshipment bases in Poland, in company's headquarter in Lublin (Poland) and in 1 transshipment facility in Spain.

[GRI 102-7 / GRI 102-8](#)

Significant key events for 2020 and 2021 include, among others:

- Completion of construction works on the Research and Development Center in Chruściel
- Audit ISO 9001 & ISO 14001 TÜV Nord in MAKROchem

We feel responsible for the impact that our business has in the areas of environment, social relations, business ethics and the working conditions of our employees. We strive to identify sustainability requirements in our supply chain.

In 2020 & 2021 new documents were developed that describe many processes and indicators, i.e.:

- Risk Assessment & Annexes / Instructions – Epidemic Threat – (SARS-Cov-2 virus)
- new revisions of Corruption Risk Assessment Procedure,
- new revisions of Whistleblower Procedure,
- new revisions of Emergency Response Plans (in case of emergencies),
- new revision of Emission Procedure,
- new revision of Waste Management Procedure,
- new revision of Anti-Corruption Procedure.

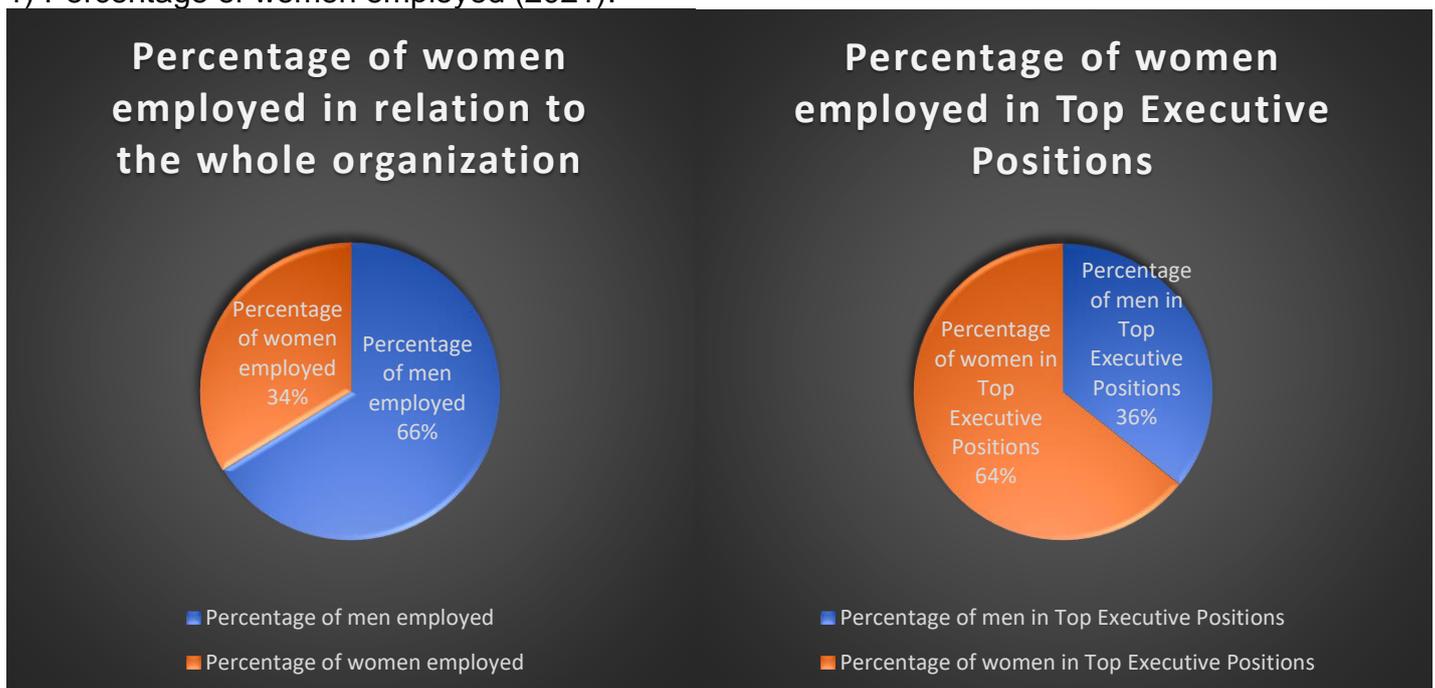
[GRI 102-14 / GRI 102-15](#)

Principles and norms of behavior.

Our employees have access to a document, we have called "Code of Conduct". We encourage them to carefully read the Code and to proceed in accordance with its provisions. Code of Conduct contains a set of values, and principles that are important to us and guide us in our business. The document was divided into elements of Business Ethics, issues related to the natural environment and human rights. The rules of conduct in the context of OHS, Sustainable Procurement and Business Continuity.

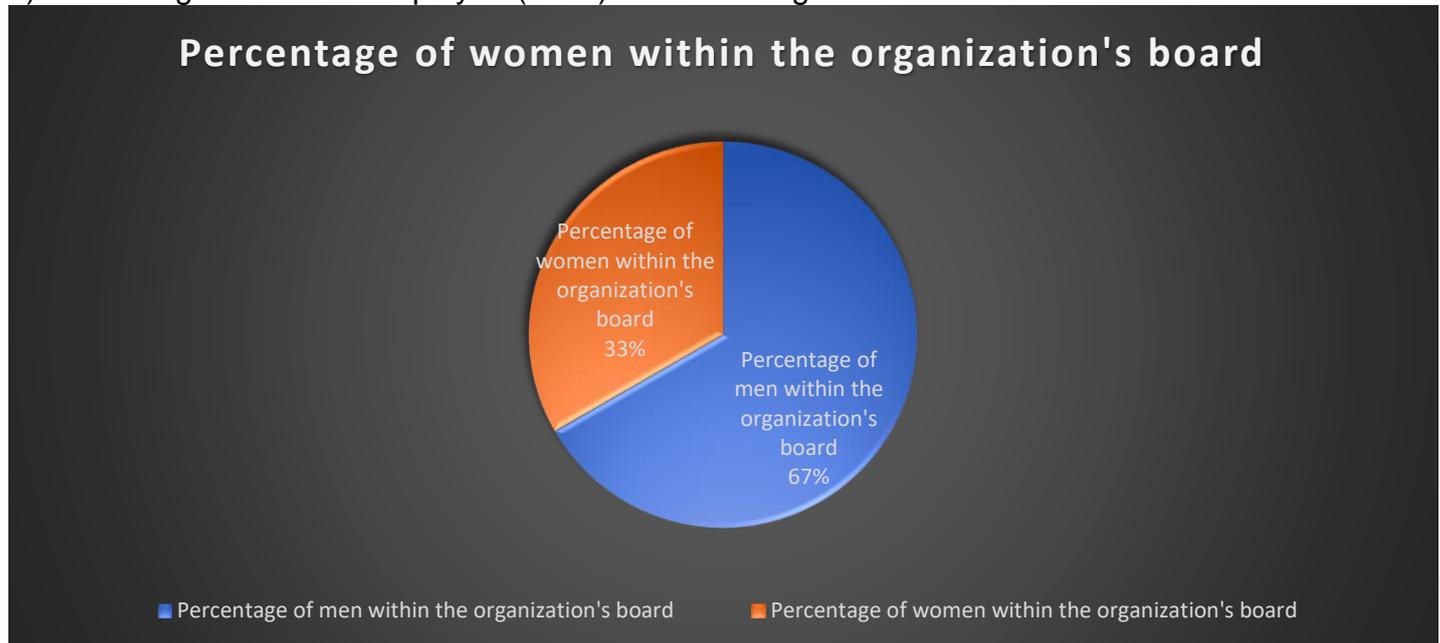
[GRI 102-46](#)

1) Percentage of women employed (2021):



[GRI 102-8 / GRI 405-1](#)

2) Percentage of women employed (2021) within the organization board:



[GRI 102-8 / 405-1](#)

3) In the reported years, no employees from groups defined as „vulnerable & minority“.

[GRI 405-1](#)

Labor & Human Rights

In our occupational health and safety management system, risk assessment is carried out for individual workplaces. Instructions and procedures are translated into the main language used by employees (if necessary). A Joint-Labor Management Committee regarding Health & Safety was also set up. Thanks to this, an Employee Representative participates in the development of the Health & Safety Management System. After the end of the year, a comprehensive annual health and safety assessment is carried out in the company. The last report is called "OHS Assessment 2021", contains, among others, such data:

- regular health check-up for employees,
- programs of health & safety trainings for employees (including safety issues for drivers),
- accident analysis and key indicators,
- work room equipment,
- work organization,
- health risks in work process,
- equipping with protection means,
- employment size by job title,

All remunerations, compensations for extra or atypical working hours are agreed and specified in the remuneration regulations and work regulations. The mentioned documents (in particular "Payroll Regulation") also mention the bonus - it depends on the company's results. Equal pay is promoted in the same job in the workplace. Our work regulations also contain agreed records regarding flexible working hours, remote-work, childcare, additional leave beyond vacation days, etc.. Employees are covered by attractive Group – Life, Health & Accident Insurance. In 2020 an agreement was signed under which all interested employees will be covered by medical protection under a new comprehensive Medical Care Agreement. MAKROchem employees can now make appointments in medical facilities using the phone, mobile application or patient portal. As part of the medical package,

free telephone consultations with doctors are also available 7 days a week, online video consultations and chats are also possible (via the website). In case of emergencies or injuries, the hotline is available 24 hours / all days of week. Periodic compulsory medical examinations are ordered in accordance with applicable regulations. In 2020, mandatory medical examinations were carried out on 46 employees (in 2021 – 65 medical examinations were carried). Funding in the form of sport benefit cards for interested employees was introduced in 2022. Since that time, there has been free use of many sports facilities as a result. The following activities, among others, are available: swimming pool, fitness training, gym workouts, sauna, climbing wall, yoga, martial arts, pilates, squash, dance, aqua aerobics, ice rink, tennis, trampoline park, kayaking.

No cases of discrimination or harassment were reported during 2020 & 2021. In the event of similar events occurring in the future, our procedure briefly describes the necessary actions (so called “Remediation procedure” - part of Whistleblowing Procedure). Our Whistleblowing Procedure and intranet notification form allow employees to express their comments, among others in terms of working conditions (also cases of discrimination, corruption, data security, human rights violation, etc.). Integration meetings (restaurant, bowling, etc.) take place regularly (about once a month). All employees, regardless of their age, gender, disabilities etc. are invited. As a result of the coronavirus pandemic, in 2020 & 2021 all described sporting events and events for employees were suspended – until further notice.

[GRI 401-2 / GRI 403-2 / GRI 405-2 / GRI 406-1 / GRI 403-4 / GRI 403-6 / GRI 403-8 / GRI 407-1](#)

Rates of recordable work-related injuries in MAKROchem – Year 2020

| Description/ (factor name) | Lost Time Injury Frequency Rate (LTI FR) | Lost Time Injury Severity Rate (LTI SR) |
|-------------------------------|---|--|
| * | 8,518 | 26,680 |

LTI FR = ((total number of lost time injury events) x 1000000) / total hours worked company wide

LTI FR: ((2*1000000)/(116*2024h))=8,518

LTI SR = ((number of days lost due to injuries) x 1,000) / total hours worked

LTI SR: ((54*1000)/2024h)=26,680

[GRI 403-9](#)

In 2020, only two accidents at work occurred in all reported establishments. In 2021, only one accident at work occurred. There are no fatalities as a result of work-related injuries. There were also no incidents related to customers health and safety.

Rates of recordable work-related injuries in MAKROchem – Year 2021

| Description/ (factor name) | Lost Time Injury Frequency Rate (LTI FR) | Lost Time Injury Severity Rate (LTI SR) |
|-------------------------------|---|--|
| * | 4,276 OHS Progress! | 5,952 OHS Progress! |

LTI FR = ((total number of lost time injury events) x 1000000) / total hours worked company wide

LTI FR: ((1*1000000)/(116*2016h))=4,276

LTI SR = ((number of days lost due to injuries) x 1,000) / total hours worked

LTI SR: ((12*1000)/2016h)=5,952

[GRI 403-9](#)

Each of our employees is covered by a work safety management system.

To maintain safety and mitigate health risks in the work environment, we set ourselves objectives such as prevention of accidents, breakdowns and potentially accidental occurrences, as well as elimination or reduction of risk factors. Therefore, tests of particulate air pollutants were carried out at workplaces "Reloading Worker" and "Foreman" in three of our Reloading Centers. Workers exposure indicators met all the requirements of applicable national standards and regulations. This is evidenced by the presented LBŚP-182/2020 and 225/LB-HP/20 test reports issued by work environment testing laboratories accredited by the Polish Center for Accreditation.

Due to the appearance of the SARS-Cov-2 coronavirus and COVID-19 cases in the world, a comprehensive Occupational Risk Assessment entitled "Epidemical Threats" marked with the OR.EP.1/2020 number was carried out. The document was issued together with a set of instructions describing the required security measures in this regard. Our work regulations in individual sections define activities that are prohibited at work, i.e. no alcohol, no drugs, no substance abusing. Breathalyzers are available for authorized persons in our facilities.

An employee representative was elected in the vote. Collective agreement was also established on social dialogue with employees (named "*Joint Labor - Management Agreement*"). Thanks to the agreement, employees - through their representative - can define their position on matters of working conditions, Health & Safety, Career Management & Trainings, Discrimination & Harassment Aspects.

[GRI 402 / GRI 403-8 / GRI 403-1 / GRI 403-2 / GRI 403-4](#)

Career Development & Trainings

Key documents used in our career development and training program include:

- Training Request Form
- Trainings – process description (procedure)
- Trainings – Evaluation Form (possibility to evaluate trainings, their usefulness, content etc.)
- Career Plan / Trainings Schedule Form (with status: Planned / Implemented)

Periodic employee evaluations are carried out, carried out by their supervisors (using forms called "Individual Performance Assessment"). Most often this happens when the job position and nature of work change. The recently developed "Recruitment process" also includes a description of the possibilities of the so-called internal recruitment as part of an internal career in the company. The training program on the protection of information and personal data was started already in 2018 and after this program, an information security audit took place (in IQ 2019). The audit also covered all control procedures related to information security breaches.

Among the planned trainings for 2021 & 2022, it is worth highlighting approved CSR training for personnel responsible for purchases in our supply-chain. Based on the results of the "Supplier's CSR self-assessment" survey and our "CSR Risk Assessment" document, we will be able to create a plan for building the capacity of our suppliers in social and environmental issues (e.g. by developing new training plans).

In 2020 & 2021, several training courses were organized on environmental issues:

- Handling on waste and sewage,
- Packaging management,
- Reporting waste and emissions,

- Tire recycling,
- Carbon footprint & ecological approach,
- Rubber technology (in relation to rubber waste recycling plans).

The trainings took place in November and December 2020 / 2021, were documented by the organizers and assessed by the participants.

[GRI 404-2](#)

Average training hours per employee:

| Average training hour in MAKROchem – Year 2021 | | |
|--|--|---|
| Amendments/ (hours) | Without obligatory OHS trainings (average hours per employee) | With obligatory OHS trainings (average hours per employee) |
| * | 2,95 | 6,34 |

[GRI 404-1](#)

43 employees have been trained under the CSR / environment and ethics training program in 2021. One of our frequently used training programs also includes good practices for drivers on business trips - improving their skills in Safe-driving and Eco-driving. The training also includes new car security systems: e.g. speed limiters, collision prevention systems. Drivers who travel on business are always equipped with cell phones. Also subcontractors working on our facilities sign (after a short OHS training) a document called "Contractor Checklist".

[GRI 403-5](#)

Environment

In July 2021, environmental audits were performed at the company and ISO 14001:2015 environmental certification was granted. At MAKROchem S.A., 100% of our facilities in Poland and Spain have been certified according to ISO 14001. Our Operations Department and Quality Representative collects and interprets all data regarding environmental impact, GHG emissions, packaging waste generation, occupational safety of employees. We support the principles promoted by UNGC. No discrepancies related to compliance with environmental laws and regulations have been registered - This was confirmed by the results of an energy audit conducted at MAKROchem. No non-compliance was found. All measurements, e.g. noise or dust measurements are made at appropriate intervals, or when the results of measurements obtained earlier (e.g. 5 years earlier) are excellent, subsequent measurements according to law and official regulations do not have to be repeated. This is evidenced by the presented LBŚP-182/2020 and 225/LB-HP/20 test reports (mentioned in [GRI 402 / GRI 403-8 / GRI 403-1 / GRI 403-2 / GRI 403-4](#)) issued by work environment testing laboratories accredited by the Polish Center for Accreditation.

[GRI 307 / GRI 102-46](#)

The GHG emissions monitoring system covers the entire list of sites included in our ISO 14001 certification. From 2022 onwards, our methodology for calculating the carbon footprint has been revised and simultaneously unified with the GHG Protocol: <https://ghgprotocol.org/corporate-standard> (due to this change, there were minor differences in the calculation results with respect to our previous

report). The necessary calculations are performed using the GHG Inventory spreadsheet – a minimum of once per year.

GHG Emissions Summary:

| Scope | Activity Type | Year 2020 [tons of CO ₂ e] | Year 2021 [tons of CO ₂ e] |
|----------------------|--|--|--|
| Scope 1 | Stationary combustion | 80,74 | 80,24 |
| Scope 1 | Mobile combustion | 142,07 | 169,14 |
| Scope 1 | Fugitive emissions from air-conditioning | 9,62 | 0,00 |
| Total SCOPE 1 | | 232,43 | 249,38 |
| Scope 2 | Purchased electricity – location based | 597,19 | 692,89 |
| Scope 2 | Purchased heat and steam | 0,85 | 0,94 |
| Total SCOPE 2 | | 598,04 | 693,84 |
| Scope 3 | Upstream transportation & distribution | 6076,79 | 9226,67 |
| Scope 3 | Business travel | n/a | 8,72 |
| Total SCOPE 3 | | 6076,79 | 9235,38 |

GRI 305-1 / 305-2 / 305-3

 Method of assessment: <https://ghgprotocol.org/ghg-emissions-calculation-tool> -----GHG Inventory of MAKROchem

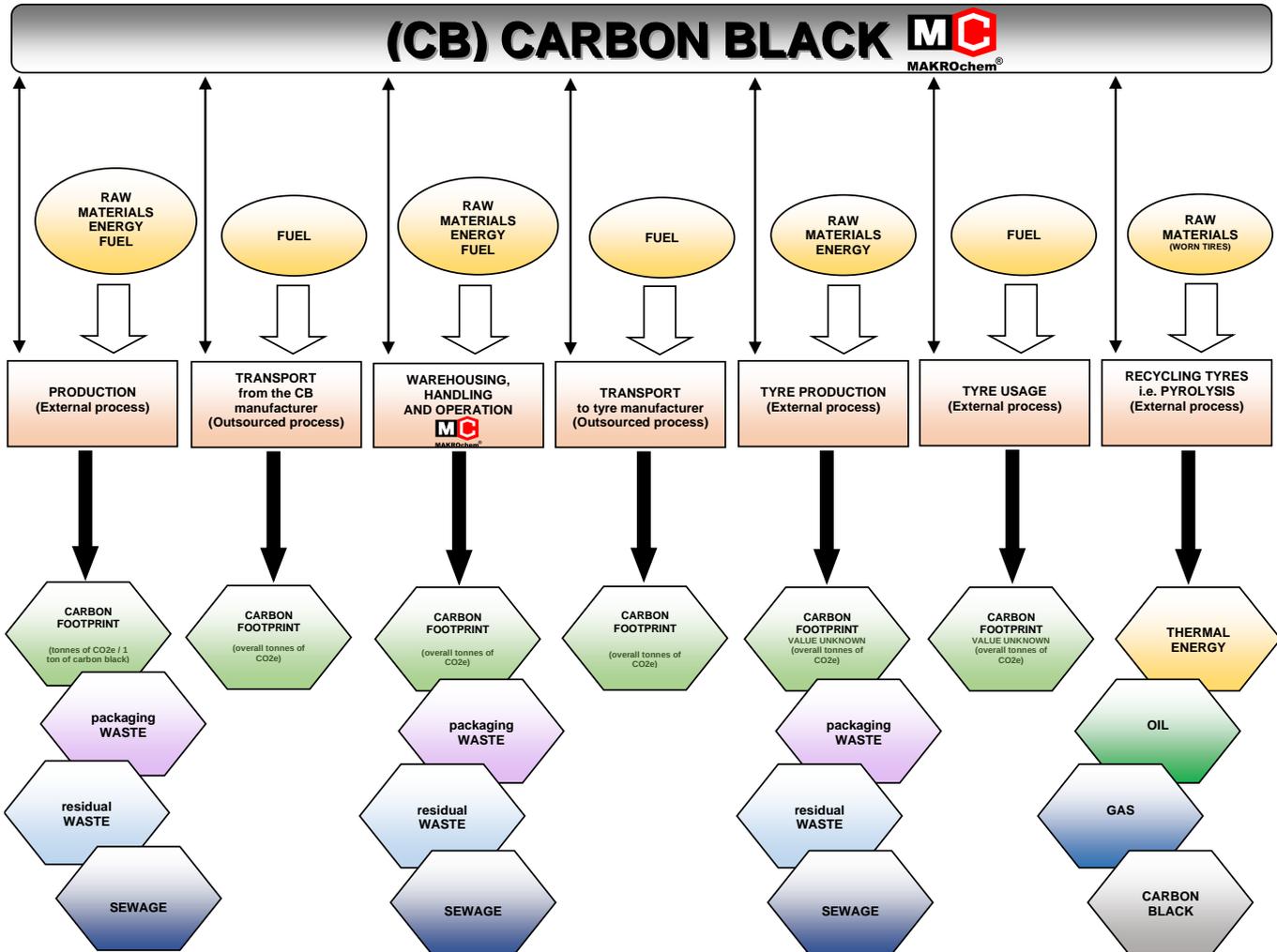
Disaggregation of Scope 1 & 2 emissions by facility:

| Scope / Location | Activity Type | Year 2020 [tons of CO ₂ e] | Year 2021 [tons of CO ₂ e] |
|---------------------|--|--|--|
| Scope 1 / Lublin | Stationary combustion | 0,06 | 0,14 |
| Scope 1 / Lublin | Mobile combustion | 28,12 | 35,58 |
| Scope 1 / Lublin | Fugitive emissions from air-conditioning | 0,00 | 0,00 |
| Scope 2 / Lublin | Purchased electricity – location based | 419,28 | 493,15 |
| Scope 2 / Lublin | Purchased heat and steam | 0,00 | 0,00 |
| Scope 1 / Chruścieł | Stationary combustion | 57,41 | 60,71 |
| Scope 1 / Chruścieł | Mobile combustion | 37,93 | 49,81 |
| Scope 1 / Chruścieł | Fugitive emissions from air-conditioning | 9,62 | 0,00 |
| Scope 2 / Chruścieł | Purchased electricity – location based | 67,69 | 93,51 |
| Scope 2 / Chruścieł | Purchased heat and steam | 0,00 | 0,00 |
| Scope 1 / Dąbrowa | Stationary combustion | 23,27 | 19,39 |
| Scope 1 / Dąbrowa | Mobile combustion | 45,71 | 48,11 |
| Scope 1 / Dąbrowa | Fugitive emissions from air-conditioning | 0,00 | 0,00 |
| Scope 2 / Dąbrowa | Purchased electricity – location based | 43,46 | 39,52 |
| Scope 2 / Dąbrowa | Purchased heat and steam | 0,00 | 0,00 |
| Scope 1 / Żurawica | Stationary combustion | 0,00 | 0,00 |
| Scope 1 / Żurawica | Mobile combustion | 15,83 | 18,32 |
| Scope 1 / Żurawica | Fugitive emissions from air-conditioning | 0,00 | 0,00 |
| Scope 2 / Żurawica | Purchased electricity – location based | 13,04 | 14,17 |
| Scope 2 / Żurawica | Purchased heat and steam | 0,85 | 0,94 |
| Scope 1 / Arrübal | Stationary combustion | 0,00 | 0,00 |
| Scope 1 / Arrübal | Mobile combustion | 14,48 | 17,31 |
| Scope 1 / Arrübal | Fugitive emissions from air-conditioning | 0,00 | 0,00 |
| Scope 2 / Arrübal | Purchased electricity – location based | 53,72 | 52,54 |
| Scope 2 / Arrübal | Purchased heat and steam | 0,00 | 0,00 |

GRI 305-1 / 305-2

 Method of assessment: <https://ghgprotocol.org/ghg-emissions-calculation-tool> -----GHG Inventory of MAKROchem

As part of meeting the requirements of ISO 14001, detailed Life Cycle Analysis (LCA) of MAKROchem's main product was carried out:



[GRI 305-1 / GRI 305-2 / GRI 305-3](#)

Intensity Indicators (GHG emissions Scope 1 & 2 / Energy Intensity) – Year 2020

| GHG Intensity (Scope 1) (kg of CO ₂ e / per 1 ton of reloaded product) | GHG Intensity (Scope 2) (kg of CO ₂ e / per 1 ton of reloaded product) | Energy Intensity (kWh / per 1 ton of reloaded product) |
|--|--|---|
| 2,00 | 5,15 | 6,50 |

[GRI 305-4 / GRI 302-3](#) Method of assessment: (for GHG Indicators): <https://ghgprotocol.org/ghg-emissions-calculation-tool> -----GHG Inventory of MAKROchem

Intensity Indicators (GHG emissions Scope 1 & 2 / Energy Intensity) – Year 2021

| GHG Intensity (Scope 1) (kg of CO ₂ e / per 1 tonne of reloaded product) | GHG Intensity (Scope 2) (kg of CO ₂ e / per 1 tonne of reloaded product) | Energy Intensity (kWh / per 1 ton of reloaded product) |
|--|--|---|
| 1,78 (-10,92% Intensity) Environmental Progress! | 4,96 (-3,68% Intensity) Environmental Progress! | 6,26 (-3,67% Intensity) Environmental Progress! |

GRI 305-4 / GRI 302-3 Method of assessment (for GHG Indicators): <https://ghgprotocol.org/ghg-emissions-calculation-tool> -----GHG Inventory of MAKROchem

Implementation of the established baseline environmental objectives – Year 2021

| | | |
|--|---|---|
| Construction of a gas-fired boiler plant at the transshipment site at Chruściel (instead of the coal-fired boiler plant) | Completion of the first phase of the environmental project: lab production of eco-friendly carbon black mixtures (and analysis of their physical and chemical properties) | Raising environmental awareness among MAKROchem employees. |
| Construction completed Environmental Progress! | Stage 1 of 3 completed Environmental Progress! | 43 employees were trained Environmental Progress! |

GRI 305-1 / GRI 305-5

New quantitative environmental Emissions Scope Reduction Targets

| Type of emission | Year 2020 (tons of CO ₂ e) | Base Year 2021 (tons of CO ₂ e) | Absolute Scope Reduction Target (2%) (tons of CO ₂ e) |
|------------------|--|---|---|
| Scope 1 | 232,43 | 249,38 | 244,39 |
| Scope 2 | 598,04 | 693,84 | 679,96 |
| Scope 3 | 6076,79 | 9235,38 | 9050,67 |

GRI 305-1 / 305-2 / GRI 305-3 / GRI 305-5 Method of assessment (for GHG Indicators): <https://ghgprotocol.org/ghg-emissions-calculation-tool> -----GHG Inventory of MAKROchem

New quantitative environmental Emissions Scope Intensity Reduction Targets

| Type of emission | Year 2020 (kg of CO ₂ e / per 1 ton of reloaded product) | Base Year 2021 (kg of CO ₂ e / per 1 ton of reloaded product) | Absolute Scope Intensity Reduction Target (2%) (kg of CO ₂ e / per 1 ton of reloaded product) |
|--------------------------|--|---|---|
| Scope 1 Intensity | 2,00 | 1,78 | 1,74 |
| Scope 2 Intensity | 5,15 | 4,96 | 4,86 |

GRI 305-1 / 305-2 / 305-4 / GRI 305-5 Method of assessment (for GHG Indicators): <https://ghgprotocol.org/ghg-emissions-calculation-tool> -----GHG Inventory of MAKROchem

The total area of the headquarters in Lublin and all office spaces on all floors of the office building (including leased areas) are heated and air – conditioned with the use of heat pumps with the most favourable energy parameters:

Renewable energy supplied to MAKROchem – Year 2021 (Headquarters building & Main Offices Complex in Lublin)

| Ambient heat source (type) | Installed Device (type) | Device power (capacity) [MW] | Usable heat provided by the Unit [GJ] | Average seasonal performance factor (SPF) | Renewable energy provided by the device [GJ] |
|----------------------------|-------------------------|------------------------------|---------------------------------------|---|--|
| Air | Heat Pump 1 | 0,204 | 1255,8 | 2,50 | 753 |
| Air | Heat Pump 2 | 0,396 | 2808,4 | 2,50 | 1685 |

GRI 302-1 Data source: Central Statistical Office – Report G-02o https://raport.stat.gov.pl/forms.g02o_4_3/odbior.do#

We make GHG emissions available (in the form of a Sustainability Report – to our internal stakeholders on our intranet site and publicly – on our official website [makrochem.com: https://www.makrochem.com/?page_id=5](https://www.makrochem.com/?page_id=5))

Due to the fact that water does not occur in our technological / production processes, it is used only for communal purposes (bathrooms, kitchens, showers, sanitary facilities). Therefore, the discharge of water in terms of destination and quality takes place in accordance with national regulations to the sewerage network (quantity of municipal wastewater is equal to the quantity of water consumed).

[GRI 306-1](#)

Water consumption in MAKROchem – Year 2020

| Lublin (Headquarter) (m ³) | Chruściel (m ³) | Żurawica (m ³) | Dąbrowa (m ³) | Arrùbal (m ³) | Consumption Summary (m ³) | Consumption Intensity (dm ³ /per 1 tonne of reloaded product) |
|--|-----------------------------|----------------------------|---------------------------|---------------------------|---------------------------------------|--|
| 4508 | 465 | 266 | 849 | 229 | 6317 | 54 |

[GRI 303-5](#)

Water consumption in MAKROchem – Year 2021

| Lublin (Headquarter) (m ³) | Chruściel (m ³) | Żurawica (m ³) | Dąbrowa (m ³) | Arrùbal (m ³) | Consumption Summary (m ³) | Consumption Intensity (dm ³ /per 1 tonne of reloaded product) |
|--|-----------------------------|----------------------------|---------------------------|---------------------------|--|--|
| 809 | 635 | 303 | 523 | 280 | 2550 (-59,63%) Environmental Progress! | 18 (-66,49% Intensity) Environmental Progress! |

[GRI 303-5](#)

We recognize that factors such as speed, nature of the road, load carried and other parameters apart from the distance may affect the emissions and the consumption of fuel. To ensure efficient reduction of fuel consumption and CO₂ emissions, we use appropriate IT tools for optimizing route planning (e.g. WEB-SAT program). When planning a route, live traffic information is analyzed by the coordinator in the office and the driver who develop alternative routes in case of extensive traffic jams. Owing to this, the fuel consumption and overall impact on the environment are significantly limited.

Further measures adopted at MAKROchem to reduce CO₂ emissions from transport involve maintaining a fleet of transport trailers and using the services of carriers with modern low-emission equipment. Our own fleet of cars, used mainly for transporting people, mostly meets the requirements of fuel efficiency standards of EURO 5 and EURO 6. We systematically optimize loadings and conduct cabotage services in a way that maximizes our transport capabilities and reduces CO₂ emissions.

Our technology uses various devices, including special pulsation-pocket filters, which drastically reduce our dust and particulate emissions. This is described in our emissions-related procedure.

[GRI 305](#)

The majority of waste generated by MAKROchem is packaging waste.

Total weight of non-hazardous waste in MAKROchem – Year 2020

| Lublin (Headquarter) (Mg) | Chruściel (Mg) | Żurawica (Mg) | Dąbrowa (Mg) | Arrùbal (Mg) | Summary (Mg) – 2020 |
|---------------------------|----------------|---------------|--------------|--------------|---------------------|
| 13,605 | 59,460 | 23,440 | 44,989 | 94,580 | 236,074 |

[GRI 306-2](#)

 Method of assessment: <https://rejestr-bdo.mos.gov.pl>

Total weight of non-hazardous waste in MAKROchem – Year 2021

| Lublin (Headquarter) (Mg) | Chruściel (Mg) | Żurawica (Mg) | Dąbrowa (Mg) | Arrùbal (Mg) | Summary (Mg) – 2021 |
|---------------------------|----------------|---------------|--------------|--------------|---|
| 3,470 | 14,286 | 6,810 | 30,349 | 71,360 | 126,275 (-46,51%) Environmental Progress! |

[GRI 306-2](#)

 Method of assessment: <https://rejestr-bdo.mos.gov.pl>

Total weight of hazardous waste in MAKROchem – Year 2021

| Lublin (Headquarter) (Mg) | Chruściel (Mg) | Żurawica (Mg) | Dąbrowa (Mg) | Arrùbal (Mg) | Summary (Mg) – 2021 |
|---------------------------|----------------|---------------|--------------|--------------|---------------------|
| 0,000 | 0,086 | 0,000 | 0,044 | 0,004 | 0,134 |

[GRI 306-2](#)

 Method of assessment: <https://rejestr-bdo.mos.gov.pl>

Total weight of waste recovered in MAKROchem – Year 2021

| Summary (Mg) – 2021 | 70,714 |
|---------------------|--------|
|---------------------|--------|

[GRI 306-2](#)

 Method of assessment: <https://rejestr-bdo.mos.gov.pl>

In 2019 / 2020 / 2021, decisive actions were taken to reduce the volume of generated waste by purchasing special packaging baling devices. In this way, the number of pallets containing used packaging has decreased approximately 3x. Similar devices have been installed in other facilities. This will significantly reduce the number of shipments of used packaging – as a consequence this will significantly reduce CO₂ emissions. We send packaging waste to companies that specialize in recycling it. The entire tonnage of hazardous waste was used electronic devices, batteries and toner packaging for printers. We send hazardous waste to companies that specialize in recycling it or give them back when buying new ones. In 2020, there were no significant leaks classified as fuel spills, oil spills, spills of chemicals or spills of wastes.

[GRI 306-2 / GRI 306-3](#)

We have completed Research and Development Center, which will allow us to research leading to use of recycled carbon black in a wide range of applications. Our future products, built from recycled carbon black and virgin carbon black will greatly reduce the total carbon footprint connected with producing rubber and plastic products.

As part of our contribution to environmental protection, ecosystem rehabilitation and to maintaining biodiversity, we commissioned to plant 30,000 willow seedlings on an area of 1.2 hectares of wasteland, near our reloading base in Chruściel.

[GRI 304-3 / GRI 306-2, 305-5](#)

At our company, we have a procedure in place (named: „Emergency Response Procedure”) for responding to emergency situations, such as fire, power grid failure, accident at work or equipment failure. The emergency procedures and response plans have been adopted because we are convinced of the need to take immediate, yet well thought-out, actions in case of incidents or site emergencies which may result in a threat to human health, life or the environment.

[GRI 306](#)

Ethics

There was no corruption cases in 2020. As in previous years, there were no internal or external ethics-related incidents or legal actions. Also during previous year - 2021, there were no incidents regarding business ethics. As part of the anti-corruption actions, a Whistleblower Procedure was created and an electronic notification form was launched on our intranet: (<https://www.makrochem.com/QS/zgloszenie.php>).

The method of reporting is described in the mentioned procedure. As part of our preventive actions, a CSR risk assessment has also been developed. In addition, the procedure on the sensitive transactions (i.e.: regarding gifts) named “Accepting and giving gifts” was developed and implemented. We strive to monitor the status of compliance with our ethics. The tools are our new procedures and the electronic notification system described in Whistleblowing Procedure. A visit counter and a unique visit counter have been installed on the mentioned electronic form page. Our purchasing and accounting procedures are also checked for corruption and bribery.

[GRI 205-1 / GRI 205-2 / 205-3](#)

The counters on 1Q, 2022 showed the following values:

| <i>Indicator</i> | <i>Value</i> |
|---|--------------|
| <i>All visitor counter</i> | 174 |
| <i>Unique visitor counter</i> | 115 |
| <i>The number of notifications of violations: Work Conditions Issues</i> | 0 |
| <i>The number of notifications of violations: Discrimination Issues</i> | 0 |
| <i>The number of notifications of violations: Corruption Issues</i> | 0 |
| <i>The number of notifications of violations: Personal Data Protection Issues</i> | 0 |
| <i>The number of notifications of violations: Human Rights Issues</i> | 0 |
| <i>The number of notifications of violations: Anticompetitive Issues</i> | 0 |
| <i>The number of notifications of violations: Responsible Information Management Issues</i> | 0 |
| <i>The number of notifications: Employee satisfaction</i> | 0 |
| <i>The number of notifications of violations: ethics@makrochem.com</i> | 0 |

[GRI 205-3 /](#)

Employees are aware in the subject of the company’s anti-corruption policy and our Code of Conduct (Chapter II, Sub-Chapter 1.). The main document being the basis of the training is always available on our intranet pages: <https://www.makrochem.com/QS/> (polish version) and <https://www.makrochem.com/QS/en/> (english version). Just enter "Code of Conduct" and "Sustainability Report" in the “Search” field.

[GRI 205-1 / GRI 205-2](#)

A new process has been developed - called the "Recruitment Process". It contains details of the recruitment process that are available to job candidates. A few of our most important documents (i.e. Code of Conduct) also describe what principles should be followed when recruiting new employees, e.g. measures to prevent discrimination during recruitment.

[GRI 401-1 / GRI 406](#)

Sustainable Procurement

Our regular suppliers are subject to systematic assessment, while new suppliers are subject to appropriate qualification process – which is documented in a separate system process. Buyers working in our purchasing department have been trained in relation to sustainable procurement issues. In addition, we will encourage our suppliers to read our Code of Conduct. Our suppliers have read and signed the Code of Conduct. Each new supplier's contract also will contain a clause regarding labor, human rights and environmental requirements. Then, during our cooperation, we assess whether there are any violations.

[GRI 102-9](#)
Our suppliers are evaluated not only in terms of delivery performance, payment conditions etc, but they will be evaluated also in terms of their quality / social / environmental system compliant with ISO / CSR expectations. A special survey has been created that summarizes the issues we want to ask our suppliers. The survey covers 100% of our suppliers of the main raw material, which is carbon black. The results obtained using the survey are correlated with the assessment of the efficiency of purchasing department employees. If there are any unconformities on the supplier's side, it is also possible to audit the other party (second tier audit). Also 100% of our carbon black suppliers are on-site audited. During these audits, the involvement of our suppliers in sustainable procurement and, possibly, in corrective actions related to this is also assessed. This rating also applies to 100% of our main raw material suppliers and outstanding supplier rating will result in preferential treatment. During the coronavirus pandemic, all on-site audits were suspended until further notice (self-assessment forms are the preferred method of auditing).

[GRI 308-2 / GRI 414-2](#)

Measures on Information (and personal data) Security

Our company also has its own Information Security Policy. Compliance with the provisions of this policy is subject to constant monitoring. Unauthorized persons do not have any access to third party data. Associates / third parties are informed about how their personal data is collected and processed. All violations are reported (i.e. according to the Whistleblowing Procedure - one of the points in the procedure includes steps to take corrective action (incident response measures) - including in the area of breaches of confidentiality of information). In each case, appropriate steps are taken:

- source detection and determination,
- identification of the reason for the violation,
- elimination of causes (access restriction, change of passwords, software updates, backup security),
- damage and loss assessment.

In 2020 & 2021, no cases of violations of confidential data or personal data were reported.

CSR initiatives and programs relevant to the Organization

MAKROchem has undertaken participation in the CDP (<https://www.cdp.net/en/>) - global Carbon Disclosure Project in response to progressive climate change (a report on our response is available). In this project, we disclose our greenhouse gas emissions and present our climate change strategy.

MAKROchem continues to participate in the evaluation of its commitment to Social Responsibility in the areas of working conditions, health and safety, environment, ethics and sustainable procurement – (<https://ecovadis.com/>) all as part of the evaluation conducted by EcoVadis, results are available for the following years: 2020 & 2021.

MAKROchem has begun to integrate and align our environmental, social and societal goals with the SDGs (Sustainable Development Goals <https://sdgs.un.org/goals>) – published by the United Nations. An evaluation report of our organization is available. The report was generated using the available B-Impact Assessment tools (<https://app.bimpactassessment.net/login>) in SDG Action Manager.

MAKROchem has joined the SBTi initiative. After a thorough review of our application, SBTi approved the setting of science-based targets for our company. The process is continuing and will developed with each passing year of our participation - <https://sciencebasedtargets.org>.

MAKROchem also participates in the “Responsible Care” programme supervised by the “European Chemical Industry Council” (Cefic). The programme is carried out worldwide in the areas of environmental protection, health protection and process safety. At the same time, a whole set of characteristic indicators was introduced to facilitate monitoring of the company’s implementation of the Responsible Care programme - <https://cefic.org/responsible-care/> & <https://www.rc.com.pl/>.