

Social Responsibility Policy

Hanke Tissue Ltd.

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Chapter 1: Introduction and Commitment

1.1. Purpose of the Policy

This Social and Environmental Responsibility Policy (the "Policy") represents Hanke Tissue sp. z o.o.'s overarching commitment to conducting its business in an ethical and socially responsible manner.

The purpose of the Policy is to define the fundamental principles and standards that guide our impact on employees, communities and the entire value chain. This document sets out a framework for ensuring health and safety at work, respecting human rights and promoting equal opportunities, supporting the achievement of sustainable development goals and meeting reporting requirements.

1.2. Our Fundamental Commitment

Hanke Tissue sp. z o.o. declares its respect for human rights and human dignity as the foundation of our business.

Our commitments are based on recognised international frameworks and standards, including:

- ✓ The **UN Global Compact** Principles (United Nations Global Compact);
- ✓ **The** OECD Guidelines for Multinational Enterprises;
- ✓ The UN Guiding Principles on Business and Human Rights (UNGPs);
- ✓ The **International Labour Organisation's** Core Conventions.

In our operations in Poland, we implement the above principles in accordance with the standards and requirements set out, among others, by **the Labour Code** and **the National Labour Inspectorate**.

1.3. Scope of Application

This Policy **applies to all employees and management of Hanke Tissue sp. z o.o., regardless of the form of employment.**

We also expect our key business partners, suppliers and subcontractors to respect principles equivalent to those set out in this document.

The Policy covers our operational activities as well as purchasing, logistics and distribution processes.

Chapter 2: Corporate Governance and Management

2.1. Division of Responsibilities

The effective implementation and supervision of this Policy is a key element of corporate governance at Hanke Tissue sp. z o.o.

Responsibilities are clearly divided:

- **Company Management Board:** Bears ultimate responsibility for approving the Policy, setting strategic objectives and supervising their implementation.
- **Chief Financial Officer:** Plays a supervisory role in overseeing the implementation of the Policy. Reports directly to the Management Board on progress, risks and results in the area of social responsibility.
- **Head of Human Resources:** Has full operational responsibility for implementing, communicating and monitoring all social aspects (S) of this Policy.
- **Management (Managers/Leaders):** Responsible for the day-to-day application of the Policy within their teams, identifying risks and promoting a culture of safety and respect.
- **Employees:** Each employee is responsible for familiarising themselves with the Policy and complying with it.

2.2. Monitoring and Review

Progress in implementing the Policy and its objectives is monitored on an ongoing basis and subject to regular reviews:

- ✓ **Internal Reporting:** Progress in achieving key performance indicators (KPIs), including lost-time incident rates, is monitored and reported **semi-annually** by the Head of Human Resources to the Chief Financial Officer, who presents a summary to the Management Board.
- ✓ **Audits:** Compliance with this Policy and related procedures (e.g. health and safety, anti-bullying) is subject to **annual internal audits**.

2.3. Training and Communication

We are committed to ensuring that this Policy is effectively communicated and understood throughout the organisation:

- ✓ **Internal Communication:** The Policy is a permanent part of initial training (health and safety) and is communicated through internal information channels.
- ✓ **External Communication:** The full text of the Policy is publicly available on the Hanke Tissue sp. z o.o. website (in Polish and English). Progress in its implementation is published annually in the sustainability report and made available to stakeholders.

2.4. Key Performance Indicators (KPIs)

In order to monitor progress in achieving the objectives of this Policy and to manage our social impact, Hanke Tissue sp. z o.o. defines and tracks key performance indicators (KPIs).

The table below presents the main indicators monitored under this Policy. **They are reported semi-annually to the Chief Financial Officer and are subject to annual review by the Management Board.**

Area of Responsibility	Key Performance Indicator (KPI)	Strategic Objective/Direction	Reference (ESRS)
Health and Safety	Number of fatal accidents	Zero	ESRS S1-7
Occupational Health and Safety	Lost Time Injury Rate (LTIR)	Continuous reduction (year-on-year)	ESRS S1-7
Diversity and Equality	Female to male employment ratio	Achieve 45% F / 55% M by 2030	ESRS S1-10
Diversity and Equality	Pay gap (F/M Pay Gap)	Continuous reduction	ESRS S1-16
Working Conditions / Stability	Employee turnover rate	Monitoring and maintaining a competitive level	ESRS S1-6
Employee Development	Number of training hours per employee	Ensuring competence development	ESRS S1-8
Social Dialogue / Complaint Mechanisms	Number of reports (whistleblower system / mailboxes)	Monitoring trends and 100% resolution	ESRS G1 / S1

Chapter 3: Due Diligence Process

3.1. Our Approach to Due Diligence

Hanke Tissue sp. z o.o. is committed to a proactive, continuous process of due diligence in the area of human rights and social responsibility. In line with the UN and OECD Guidelines, we understand this to mean not only passive compliance with the law, but an active obligation to identify, prevent, mitigate and account for our actual and potential impact on people.

This process is integrated into our key business processes and risk management system.

3.2. Step-by-step process

Our due diligence process is based on the following cyclical steps:

Step 1: Risk Identification and Assessment:

We identify and assess our impact and the associated risks to stakeholders. The key risk areas identified in our operations include:

- **Operational risks** resulting from accidents at work and near misses.
- **Reputational and legal risks** arising from violations of health and safety guidelines.
- **Social risks** related to ensuring equal treatment, preventing discrimination and ensuring decent working conditions in the supply chain.

Step 2: Prevention and Mitigation:

We integrate the findings of the risk assessment into our operational activities. We implement specific corrective and improvement plans to prevent negative effects or mitigate those that have already occurred. These activities include training programmes, investments in technical safety and updates to internal procedures.

Step 3: Monitoring Effectiveness:

We regularly monitor the effectiveness of our preventive and mitigating measures.

This process is based on:

- ✓ **Key Performance Indicators (KPIs):** Including accident rates (e.g., lost-time incident rates) and analysis of HR data (e.g., turnover, pay gap).
- ✓ **Report analysis:** Data from suggestion boxes and the whistleblower system is analysed in detail to identify trends and sources of problems.
- ✓ **Internal audits:** These are used to verify compliance and the effectiveness of the procedures implemented.

Step 4: Communication and reporting:

We transparently inform our stakeholders about identified risks, actions taken and results achieved. We do this through:

- ✓ **Internal reporting:** Half-yearly KPI reports for the Chief Financial Officer and the Management Board.
- ✓ **External reporting:** The company **will strive** to publish annual progress reports on the implementation of its Social Responsibility Policy **as part of its sustainability reporting** (in accordance with the requirements of the CSRD Directive) in order to share its results with stakeholders.

This process is linked to our grievance mechanisms (described in Chapter 5), which are a key source of feedback for risk identification (Step 1).

Chapter 4: Our Responsibility to Stakeholders

Applying the principles of due diligence (described in Chapter 3), we define our specific commitments and actions towards key stakeholder groups.

4.1. Our Own Employees (in accordance with ESRS S1)

Our employees are the foundation of Hanke Tissue sp. z o.o. We are committed to providing them with a safe, fair and supportive working environment in which they can thrive.

A. Occupational Health and Safety (OHS)

We consider safety to be our priority. Our goal is to build a "zero accident" culture through proactive operational and reputational risk management.

- ✓ **Strategic goal:** We strive to achieve/maintain **zero fatal accidents** at work.
- ✓ **Continuous goal:** We are committed to **continuously reducing the Lost-Time Incident Rate (LTIR)** year on year.
- ✓ **Actions:** We implement health and safety training programmes, invest in modern technical safety measures and promote a culture of responsibility for our own safety and that of our colleagues.

B. Equal Opportunities, Diversity and Non-Discrimination

We believe that diversity is our strength. We have a zero-tolerance policy towards any form of discrimination or bullying.

- ✓ **Implementation Policy:** We have and actively apply an **"Anti-Bullying and Discrimination Policy"**. Detailed reporting and response mechanisms under this policy are described in Chapter 5.
- ✓ **Target (Gender Equality):** Given the nature of physical work in the paper industry, we strive to achieve a balanced employment structure. Our strategic goal is to achieve **an employment ratio of 45% women and 55% men by 2030**.

- ✓ **Target (Pay Gap):** We actively strive to **reduce** the pay gap between women and men in comparable positions.
- ✓ **Monitoring:** Performance in this area is measured **using statistical indicators from the HR department**, analysed by the Head of HR.

C. Fair Employment Conditions and Remuneration

We respect the right of employees to fair remuneration and fair working conditions.

- ✓ **Basis:** Our relations with employees are governed, among other things, by **the Company Collective Labour Agreement**. Once a year, the company calculates the living wage for the Lubuskie Province and strives to ensure that the lowest remuneration paid to the company's employees reaches the minimum living wage level.
- ✓ **Overtime pay:** All overtime is paid at **100%** from the first hour of overtime worked.
- ✓ **Incentive Systems:** In response to the risk of increased employee turnover, we implement incentive systems, including **performance-based bonuses** and an **Employee Referral Programme** (rewards for successfully referring a new employee).

D. Social Dialogue, Well-being, Development and Freedom of Association

We care about the wellbeing of our employees and support open dialogue.

- ✓ **Resources:** The Human Resources Department consists of a team of four people. Activities for employees are supported by a dedicated budget (including salaries and integration activities).
- ✓ **Benefits and Social Support:** We provide a benefits package, including:
 - Access to private medical care (**TU Zdrowie** insurance), which is almost entirely financed by the Company – the total cost to the employee is PLN 1 gross.
 - **Gifts** for employees' children (up to 14 years of age).
 - **Social subsidies** for employees during the holiday season (Christmas, Easter).
- ✓ **Development:** We provide our employees with access to **training courses** to improve their professional skills.
- ✓ **Recognition of Social Partners:** We actively recognise trade unions operating within the plant as key partners in social dialogue.
- ✓ **Dialogue and cooperation:** We engage in regular and constructive dialogue with trade union representatives on issues relating to working conditions, remuneration, safety and company strategies affecting employees.

4.2. **Employees in the Value Chain (in accordance with ESRS S2)**

Our social responsibility extends beyond the gates of the plant and encompasses our value chain.

- ✓ **Expectations:** We expect our suppliers and partners (including in the area of logistics and distribution) to comply with standards equivalent to this Policy, particularly with regard to the prohibition of forced labour, child labour and the provision of safe working conditions.
- ✓ **Actions:** The Company's policies are sent to key suppliers.

4.3. **Local Communities (in accordance with ESRS S3)**

We are aware of being part of the local ecosystem. Our social commitment focuses on supporting local education and the development of the youngest residents of the region.

We are committed to:

- ✓ Co-funding and supporting local educational institutions (schools and kindergartens).
- ✓ Keeping our facility open for educational purposes (e.g. enabling study visits and school trips).
- ✓ Ensuring that our operations do not have a negative impact on the environment.

4.4. **Consumers and Users (in accordance with ESRS S4)**

We are committed to offering safe products and using responsible and transparent marketing practices.

Reference: Detailed rules regarding the protection of the privacy and personal data of our customers and contractors are governed by a dedicated **Personal Data Protection Policy (GDPR)** and internal information security procedures.

Chapter 5: Remedial and Reporting Mechanisms

Hanke Tissue sp. z o.o. is committed to providing effective complaint and corrective mechanisms that are accessible to all employees.

Our goal is to respond quickly and fairly to any reported irregularities and to protect those who report them in good faith.

5.1. **Anti-Bullying and Anti-Discrimination Policy**

- ✓ **Basis:** Hanke Tissue sp. z o.o. has a dedicated "**Anti-Bullying and Anti-Discrimination Policy**" in place.
- ✓ **Implementation:** Every employee is familiarised with the content of this policy on their first day of work.

- ✓ **Content:** This policy contains detailed definitions of prohibited behaviours and a clear course of action, including how to report cases of harassment or discrimination and a description of the company's response to such incidents.

5.2. Channels for Reporting Irregularities

We provide employees with a multi-level and accessible system for reporting any comments, complaints and suspected irregularities (including ethical, social, health and safety or legal issues). Employees can use the following channels:

- ✓ **Direct Supervisor:** We encourage open dialogue. Employees have access to managers at every level of management, who are the first point of contact.
- ✓ **Dedicated Whistleblower Box:** We maintain a confidential reporting channel (in accordance with whistleblower protection requirements) for the secure reporting of serious irregularities.
- ✓ **Suggestion Boxes:** These are used to collect general suggestions, ideas for improvement, but also comments on working conditions or potential risks.

5.3. Recording and Reviewing Reports

All reports are taken seriously and are subject to a clearly defined procedure:

- ✓ **Analysis:** Reports (especially those from suggestion boxes and the whistleblower system) are analysed in detail by a designated team to identify the source of the problem and assess its scale.
- ✓ **Corrective Action:** If an irregularity is confirmed, **an improvement (corrective) plan** is implemented to resolve the issue and prevent its recurrence in the future.
- ✓ **Archiving:** All reports and actions taken are recorded and archived to ensure accountability and monitor trends.

Chapter 6: Legal Basis and References

This Social Responsibility Policy of Hanke Tissue sp. z o.o. has been developed based on fundamental international standards and key national and European Union regulations.

6.1. International Framework (Foundation of the Policy)

The Policy is fully consistent with the spirit and letter of the following internationally recognised business conduct frameworks:

- **UN Global Compact Principles** (United Nations Global Compact);
- **OECD Guidelines for Multinational Enterprises;**
- **UN Guiding Principles on Business and Human Rights (UNGPs);**
- **ILO Declaration on Fundamental Principles and Rights at Work.**

6.2. Key Legal Acts (Commitment to Compliance)

In pursuing the objectives of this Policy, Hanke Tissue sp. z o.o. undertakes to comply with all applicable laws and regulations, and in particular bases its activities on regulations concerning employee rights and social dialogue:

- **Charter of Fundamental Rights of the European Union;**
- **Act of 26 June 1974 – Labour Code**, with particular emphasis on:
 - Fundamental principles (respect for dignity, prohibition of discrimination),
 - Section I, Chapter IIa: "Equal treatment in employment" (including mobbing),
 - Section 10: "Health and Safety at Work";
- **Act of 23 May 1991 on trade unions** (in terms of respect for social dialogue);
- **Directive (EU) 2019/1937 on the protection of whistleblowers** and its national implementation (in terms of ensuring confidential reporting channels).

6.3. Internal References (Related Documents)

This Policy is an overarching ("umbrella") document, which is detailed and implemented through the following internal documents:

- ✓ Anti-Bullying and Anti-Discrimination Policy;
- ✓ Anti-Alcohol and Anti-Drug Policy;
- ✓ Company Collective Labour Agreement;
- ✓ Whistleblowing Procedures (Whistleblower Policy);
- ✓ Health and Safety Procedures;
- ✓ Personal Data Protection Policy (GDPR);
- ✓ Anti-Bribery Policy.

Chapter 7: Final Provisions

7.1. Review and Update

This Policy is subject to regular reviews, conducted at least once a year, and each time there are significant changes in the legal or business environment or in the structure of the organisation. A person appointed by the Company's Management Board is responsible for the review process.

7.2. Communication and Availability

The current content of the Policy is published on the Hanke Tissue sp. z o.o. website and communicated internally to all employees.

7.3. Entry into force

This Policy shall enter into force on the date of its approval by the Management Board of Hanke Tissue sp. z o.o.

Table of changes

Issue	Date	Description of changes	Prepared by	Approved
1	1 December 2025	First edition of the procedure	Anna Juszczyk	Robert Szczepkowski