

hr management policy of the elemental capital group



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INTRODUCTION

This **Human Resource Management Policy** (hereinafter also referred to as the “**Policy**” or “**HRM Policy**”) has been adopted at the Elemental Capital Group and applies in all countries where Capital Group companies carry out their business activities.

The purpose of this HRM Policy is to present the principles and regulations applicable in the Elemental Capital Group with respect to human resource management, as well as pursuance of an effective human resource strategy aimed at stabilising employment and satisfaction of our Organisation’s employees and associates.

The Code of Ethics adopted at the Elemental Capital Group stipulates that our most important values include: development, respectful partnership, honesty and responsibility. In the context of our human resource management strategy, the principles of partnership and mutual respect are considered the most significant. We have built our multinational Organisation relying on family businesses, committed employees and associates, and competent managers. We believe that trust in people, a shared goal and mutual respect support the development of the Organisation and implementation of the sustainable development principle.

Based on the values considered the most important for us, we adopted at the Elemental Holding Capital Group the Human Resource Management Strategy that constitutes the foundation of our human resource policy activities and building organizational culture. At the same time, we inform our business partners about the standards implemented in the Organization and identify areas for improvement if risks are identified in this area while conducting supply chain verification.

In accordance with the generally accepted principles of the Elemental Capital Group, all regulations, including this Policy, shall be subject to an obligatory review at least once every two years, whenever major amendments to legal regulations are introduced, when such a review is required due to the introduction of an amendment or another specific policy/internal procedure in the Elemental Capital Group, or if any other important reason arises.

The Management Boards of Subsidiaries are required to implement the provisions of this Policy.

The definitions used and not defined in this document and not containing a reference to another procedure, policy or regulations, shall have the meaning given to them in the Code of Ethics of Elemental Capital Group.

The following documents are attached as appendices to this Policy:

- a) **Appendix no. 1 – Anti-Mobbing Policy.**

HUMAN RESOURCE MANAGEMENT STRATEGY

At the Elemental Capital Group, we endeavour to create secure and stable work environment. As an international Organisation, we consider ourselves an important part of the communities in which our

companies operate. Therefore, regardless of the country and region in which we operate, a unified standard for HR management has been introduced.

We believe in long-term cooperation, teambuilding, as well as activation and development of employees and associates. Our HR strategy is based on recruiting the best resources selected in accordance with objective criteria, such as knowledge, skills, education and experience, while following the principles of diversity. We believe that non-discrimination supports team creativity and loyalty to the company, and reduces employee turnover. In the recruitment process, we aim to hire employees and associates who have high intrinsic motivation, ready to act, open to cooperation, and committed. We apply transparent and clear rules in both the recruitment and induction of employees and associates.

Environmental technologies and legislation undergo great, dynamic changes, which our Organisation fully respects and complies with. Our Capital Group companies are aware that the speed of our response depends on the adaptability and flexibility of our teams. We care about employee and associate development and awareness-raising, which is why we build an organisation where we support:

1. the development of our employees and associates via a system of internal and external trainings and a promotion rules which takes into account internal recruitment;
2. safe, properly equipped and well-organised workplaces;
3. a policy of diversity, as well as of lack of discrimination and mobbing;
4. a culture of intra-Organisational dialogue;
5. fair remuneration, as well as principles for employee and associate appraisal and motivation;
6. a work-life balance.

PART I. GENERAL PRINCIPLES

§ 1. HUMAN RIGHTS IN THE ORGANISATION

The companies of the Elemental Capital Group are obliged to respect human rights and freedoms as expressed in the International Charter of Human Rights, which includes such documents as the Universal Declaration of Human Rights, and the principles pertaining to fundamental rights set forth in the International Labour Organisation Declaration on Fundamental Principles and Rights at Work of 1998.

In particular, all companies of the Elemental Capital Group shall be obliged to:

1. respect human rights, i.e. not violate the rights of other people (in the context of individuals), and shall respond to the negative impact of the company's activities on human rights;
2. not violate or contribute to violating human rights, and respond to such incidents;
3. look for ways to prevent or reduce the negative impact of their activity, manufactured products or maintained business relationships on respecting human rights, also in cases where the enterprise does not contribute to the occurrence of such an impact; business relationships shall be understood to mean relationships with trade partners, entities making up the supply chain and any entities (public or private) directly related to the company's activities, products or services;
4. adopt and apply principles of respecting human rights in the Organisation by: i) developing and approving procedures ensuring that human rights are respected; ii) informing employees,

- business partners and other stakeholders of the need to apply them; iii) implementing them in policies, regulations and procedures binding at the company;
5. as part of the risk management system, carry out an analysis of the enterprise in the context of human rights and bearing the risk by the person who is entitled to these rights, also in the context of the supply chain, as well as the importance of the risk of the occurrence of undesirable effects on human rights, especially taking into account the rights of local communities, persons belonging to national or ethnic, religious and linguistic minorities, as well as women, children, people with disabilities and migrant workers and their families;
 6. ensure or cooperate with respect to lawful processes aimed at preventing the occurrence of a negative impact on respecting human rights in instances where the enterprise recorded a breach or contribution to a breach of human rights; in particular, effective mechanisms should be put in place for injured persons to submit complaints at an operational level and for reporting such situations by those who witness them.

§ 2 EMPLOYEE RIGHTS IN THE ORGANISATION

2.1. Child labour and forced labour

Companies of the Elemental Capital Group are prohibited from employing children under 15 years of age. Juveniles, i.e. persons from 15 to 18 years of age, can only be employed in circumstances and under conditions laid down by national legislation (e.g. for an apprenticeship). If a juvenile is employed, the company shall be obliged to provide them with care and assistance necessary for their adaptation to the proper performance of work; juveniles cannot be employed to work at night or in hazardous conditions. Any company employing juveniles is obliged to keep a register of employment of such persons.

Companies of the Capital Group shall be obliged to take immediate and effective measures to prevent and eliminate child labour in any form if they become aware of child labour in the environment in which a given company operates. In particular, companies shall be obliged to verify the supply chain in view of child labour especially if they suspect that there is a risk of its occurrence in a given area.

The Elemental Capital Group rejects any modern slavery practices, i.e. forced labour in various forms. This notion shall be understood to mean working against one's will, under coercion or threat, as a result of physical or mental abuse, fraud or abuse of position/power. Consequently, the following shall not be tolerated in the internal structures of the Organisation, as well as at our counterparties:

- 1) human trafficking;
- 2) prison labour;
- 3) restrictions of employee freedom of movement;
- 4) retention of identity documents;
- 5) use of violence or any other forms of exploitation;
- 6) abuse of power with respect to imposing conditions of work;
- 7) unlawful suspension of remuneration payment.

As a conscious, pro-social entity, the Organisation we are aware of the scale of threats related to modern slavery. Appropriate policies and procedures, assuming zero tolerance for such practices, are

implemented within the Capital Group. Business decisions and transactions with counterparties reduce the pressure which could result in any form of modern slavery in the supply chain.

Additionally, companies of the Elemental Capital Group expect their suppliers and contractors to:

- not abuse overtime work, and if overtime work is performed, whether it is requested in accordance with regulations applicable in a given jurisdiction;
- not apply disciplinary measures or financial penalties, such as unlawful deductions or suspension of remuneration;
- not apply practices preventing employees from terminating the employment relation in a normal way (e.g. by submitting a termination notice) by signing various types of obligations, such as payment of a deposit, fine or loan, including usury loan;
- apply equal employment principles for local employees and migrant workers.

2.2. No discrimination

Companies of the Elemental Capital Group shall be obliged to follow in their activities the principle of equal opportunities and equal treatment, and shall not discriminate candidates or its employees and associates, especially on the basis of their race, skin colour, gender, religion, political views, nationality, social background, or any other basis, especially trade union membership and individual characteristics, such as age, disability, pregnancy, marital status, sexual orientation or being HIV positive, unless:

1. selecting employees in such a way is consistent with government policy promoting employment equality or is due to the specifics of the position;
2. different treatment as to the possibilities and conditions for taking up and performing work is justified where the type or characteristics of the particular professional activity make the different treatment a real and decisive occupational requirement for the particular natural person, proportional to reaching the lawful aim of the differentiation of the situation of such a person;
3. different treatment of natural persons on the grounds of age is objectively and rationally justified by a legitimate aim, especially the aim of professional training, provided that the means of achieving that aim are appropriate and necessary;
4. different treatment is justified on the grounds of citizenship of natural persons who are not citizens of EU member states, members states of the European Free Trade Association (EFTA) – parties to the European Economic Area Agreement or the Swiss Confederation – and their family members, in particular with respect to conditions of entry and stay in the territory of a particular country and conditions related to legal status.

The following shall be prohibited in the Elemental Capital Group:

1. **direct discrimination**, which is understood to mean creating situations where a natural person receives less favourable treatment than another person having a similar status, especially due to gender, race, ethnic origin, nationality, religion, beliefs, disability, age, sexual orientation, political views, trade union membership, or due to being employed for a fixed or indefinite period, on a full- or part-time basis, in the remote work system, or in any other form of performing work;
2. **indirect discrimination**, which is understood to mean creating situations where an apparently neutral provision, criterion or practice places or would place a natural person at a disproportionate disadvantage, due to their gender, race, ethnic origin, nationality, religion, beliefs, disability, age, sexual orientation, political views, trade union membership, or due to being employed for a fixed or indefinite period, on a full- or part-time basis, in the remote work system, or in any other form of performing work, unless that provision, criterion or practice is objectively

justified by a legitimate aim to be achieved, and the means of achieving that aim are appropriate and necessary.

In order to ensure equal opportunities and equal treatment, companies of the Capital Group shall implement the following steps:

- a. introduce a systematic organisational structure determining in a standardized way the type and hierarchy of positions, requirements for people hired for a given position, the salary range for a given position, as well as the system of fringe benefits and bonuses;
- b. ensure that the job requirements do not refer to grounds that could violate the principle of equality;
- c. guarantee that requirements considered discriminatory are not applied in the recruitment or promotion process, in particular making hiring or promotion dependent on age, gender, marital status, etc.;
- d. decisions related to the recruitment process, hiring process, promotion and termination of the employment relationship shall be made in accordance with procedures adopted in the Organisation, with the participation of persons able to verify the decisions taken (participation of the HR Department, approval of Management Board, etc.);
- e. ensure that employees receive equal remuneration for the same work, provided that factors such as years of service, skills or experience may affect the differentiation of remuneration within the salary ranges determined in accordance with point 1;
- f. allow the choice of various forms of employment approved in national systems.

The Elemental Capital Group wants to ensure employee diversity in terms of gender, age, experience and beliefs, trusting that it contributes to the development of our Organisation. The companies shall be obliged to carry out a diversity analysis and submit its results within the process of the drawing up of the consolidated annual report to the Parent Company.

2.3. Anti-Mobbing Policy

The companies of the Capital Group are obliged to respond to all forms of harassment, discrimination, unequal treatment, violence or mobbing, and to initiate relevant measures to eliminate them permanently, while maintaining proper discretion. No employee or associate who reports harassment, discrimination, unequal treatment or mobbing in accordance with the whistleblowing procedure or who provides any support to the victim will suffer any negative consequences.

Companies of the Elemental Capital Group are obliged to prevent mobbing, and shall take active measures to prevent any practices against employees or associates involving persistent and long-term harassment and intimidation, or differentiation of remuneration on the grounds of gender, causing a lowered self-assessment of professional suitability, resulting in or aimed at causing or meant to cause humiliation, ridicule, isolation or elimination from the team. In particular, it is prohibited to use any form of physical, psychological, sexual, verbal or other discrimination, violating or meant to violate the dignity of an employee of the Organisation and creating an intimidating, hostile or humiliating atmosphere (harassment) against them, including any unwanted practices of a sexual nature or relating to sex sexual harassment and violence. In order to introduce a uniform standard of conduct and response to such unwanted behaviours, we have implemented the **Anti-Mobbing Policy** in the Capital Group (**Appendix no. 1**).

2.4. Dialogue, freedom of association and right to collective bargaining

The companies of the Elemental Capital Group shall be obliged to:

1. duly, in advance, notify representatives of the employees and responsible governmental authorities (if required by law) of changes in the activities of the enterprise that could significantly affect the lives of employees, especially changes such as the liquidation of the entity involving collective redundancies, in order to ensure cooperation aimed at mitigating the negative consequences of such changes;
2. provide all employees with access to information, consultations and the right to establish and join any trade unions, organisations and other work councils, and to conduct collective bargaining in accordance with applicable regulations;
3. have an open attitude towards the functioning of trade unions, work councils and their organisational activities; in this respect we offer appropriate solutions that facilitate constructive dialogue;
4. ensure that representatives of employees are not discriminated and are free to perform their representative functions in the workplace;
5. enable authorized representatives of employees to conduct collective bargaining or negotiate matters related to employee-management relationships, and allow the parties to freely consult with authorized representatives of the management board.

As an Organisation promoting dialogue and consultations with employee teams, we recommend the adoption and implementation of rules for the election of work councils, which would define the rules for the functioning of work councils as an advisory body representing the position of employees in the particular company; the voluntary nature of this decision shall not apply to jurisdictions where the implementation of such rules is required by law.

PART II. SYSTEMIC SOLUTIONS

§ 1 OBJECTIVES OF THE ORGANISATION

In the context of human resource management, the objective of the Organisation is to stabilise employment and build a safe workplace for growth that attracts and retains experts and high-level professionals.. In order to achieve this goal, companies of the Elemental Capital Group are required to develop and adopt:

1. a recruitment strategy consisting selection of new employees/associates tailored to the needs of the Organization and comprising criteria not only to do with professional qualifications, but also with high intrinsic motivation, focus on development, and openness to cooperation and commitment; companies shall also adjust their recruitment strategy to the needs of the enterprise (skill management);
2. a remuneration strategy, ensuring that the remuneration level depends on work performance, and described in a regulated, stable and formalized remuneration system;
3. a strategy for retaining key employees and associates, including making the remuneration dependant on company results;
4. a career development strategy emphasising the importance of the development of employees and associates, and clearly identifying career paths.

§ 2 RECRUITMENT STRATEGY

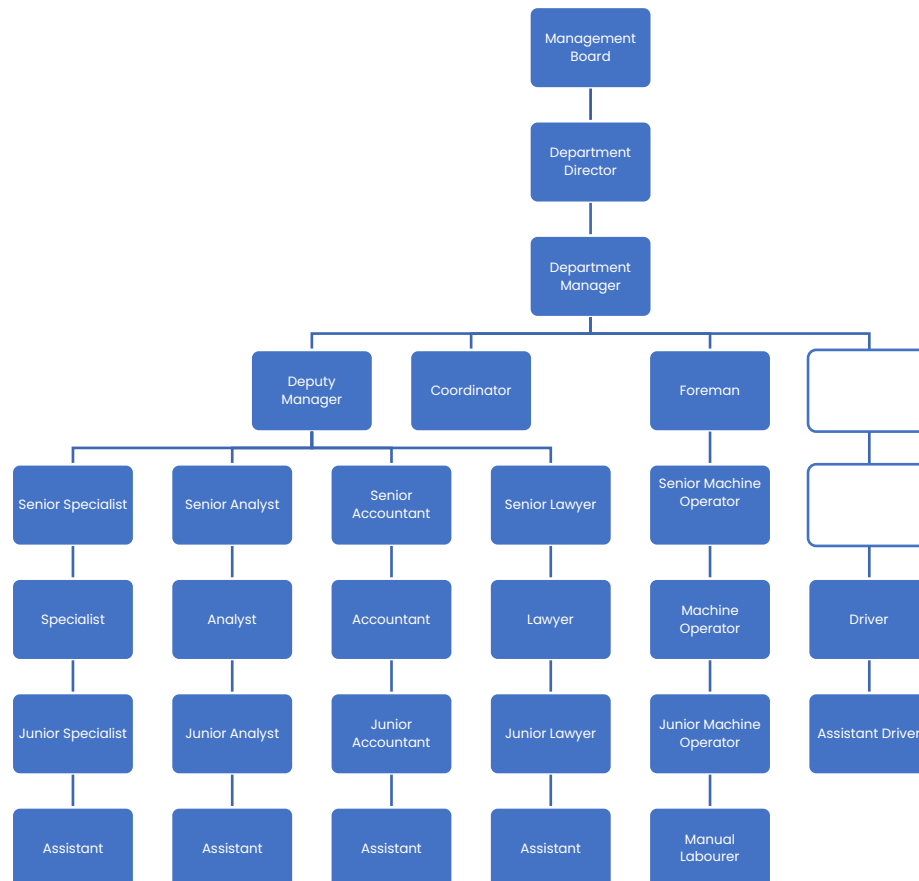
The aim of the Organisation is to ensure the flexibility of the human resource management system involving:

- a) quantitative flexibility, which involves adjusting the number of employees or associates to external changes (market, education, legal regulations) and internal changes (production conditions, forms of employment, expectations of employees/associates); flexibility is based on the assumption of the participation of subcontractors and employees from outside the Organisation (temporary or part-time employees), where employees are no longer employed only on a full-time basis;
- b) functional flexibility, involving changing tasks, functions and areas of work of employees/associates; the recruitment process applied by the Organisation is focused on candidates who are creative and can adjust easily, and its purpose is to develop the concept of staff versatility, interchangeability and extension of the scope of functions;
- c) remuneration flexibility, which involves the implementation of a different level of remuneration depending on the current market situation, the needs of the Organisation, the availability of employees, their qualifications, or the location of particular companies; in order to achieve this goal, the remuneration system should be partly based on the performance of employees/associates, their skills, and individual salary negotiations;
- d) time flexibility, consisting in providing employees/associates with a certain degree of freedom in selecting their working hours within the limits set by the company, and implementing a hybrid work system (partly remote work).

Each company of the Elemental Capital Group shall identify:

- a) key employees, regardless of the basis of their employment, i.e. contract type (contract of employment, B2B contract, having key positions in the enterprise); companies should focus on the development of this group of employees, provided that the requirement of their creativity and comprehensive qualifications is met; this group should be well paid and should be offered functional and time flexibility;
- b) temporary employees, i.e. employees who do not work full-time, e.g. those hired for a specific task, subcontractors or service providers; in this group principles of quantitative, remuneration and time flexibility shall apply, and there is no pre-determined career path. The following employment basis shall be allowed in this group:
 - a. part-time employment (e.g. retired persons, students) – the aim is to ensure a more effective use of working time, intensify work, reduce downtime, lower the level of absenteeism, and reduce the cost of labour;
 - b. job sharing – two or more employees are employed in a particular position with a share in the remuneration and entitlement proportional to their working time (this solution is used e.g. if it is necessary to tackle issues such as excessive employment, retention of experts in the company, holidays or absences);
 - c. seasonal employment – occasional, temporary work that guarantees cost savings vs. permanent employment, and fast response to seasonal demand;
 - d. outsourcing – mandating the performance of specific, auxiliary functions of the organisation to an external service provider.

Each company of the Group shall develop an organisational chart based on the following basic job structure, provided that the chart below should be used in a way that is adjusted to the size of a given enterprise and the complexity of its organisational structure. This means that not every level of the structure has to be reflected in a specific group company or a particular company department.



The accepted organisational chart shall be used to ensure the principle of equal pay, determine career paths, and develop an effective training system.

Each company of the Elemental Capital Group shall adopt an employment policy consistent with this Human Resource Management Policy. This means that companies located in one country shall accept the same employment policy.

§ 3 REMUNERATION STRATEGY

Partnership, respect and honesty are the values we follow in our Organisation. That is why we strive to provide our employees and associates with an objective and fair evaluation of their work, considering their professional competence, social skills (including teamwork abilities) and the quality of work. In our evaluation of employees, we apply clear criteria of remuneration and motivation.

The notion of remuneration shall be understood to mean all benefits resulting from work (total reward), i.e. all the tools that the Organisation can use to attract, hire and motivate employees/associates to perform their tasks, including:

- a) basic salary;
- b) bonuses;
- c) benefits;
- d) prizes and awards;
- e) work-life balance;
- f) development and career opportunities for employees/associates (including training).

The companies of the Elemental Capital Group shall accept the remuneration policy identifying the principles for remunerating employees and associates adopted in the enterprise.

Before starting work, each employee shall be provided with clear, written terms of employment, in particular with regard to pay and, if requested by the employee, with detailed pay information regarding a specific period. Before starting the performance of their tasks based on a personal services contract or a B2B contract, each associate shall receive a signed contract confirming the principles of cooperation.

It is prohibited to make any deductions from pay owed to employees/associates as a disciplinary measure, unless generally applicable national laws allow for such deductions. Any disciplinary measures taken against employees/associates should be properly documented.

BASIC SALARY

It is assumed that the purpose of the basic salary paid in companies of the Elemental Capital Group is to ensure the financial security of the employee/associate, to the extent to which the basic salary is sufficient for a decent life at a level corresponding to the average standards accepted in the society in which the company operates. Salaries and fringe benefits for standard working hours should at least comply with national legal standards.

The companies shall introduce a job grading system aimed at using the basic remuneration (basic salary) as a motivating factor providing a foundation for the development of career paths for employees/associates. As a result, the companies shall implement a remuneration system reflecting the strategic role of the position in the development of the company and describing the possibility of vertical promotion by building career paths. The remuneration of employees/associates should refer to their specific individual activities, the degree of difficulty of the work performed, and should be proportional to the workload and the results achieved.

BONUS

Within the framework of the remuneration system used in the Organisation, at the level of the companies, it is possible to introduce a solution whereby part of the remuneration depends on performance (discretionary bonuses, statutory bonuses, commissions). Such a solution may be introduced provided that it is possible to accurately measure the work performed taking into account objective factors, based on true and reliable data.

Incentive system types used should take into account the expectations of individual employees and teams of employees/associates. These expectations should be clear to both Management Board and immediate supervisors. Companies of the Elemental Capital Group shall verify the effectiveness of the

remuneration system in the enterprise (at least in the form of employee surveys) on a regular basis (at least once every three years).

The Elemental Capital Group uses:

1. additional remuneration (bonuses) for team achievements; this solution is recommended in the case of teams with a high level of operational autonomy and independence;
2. additional remuneration (discretionary bonuses) for individual achievements; the bonus amount shall depend on the overall assessment of the individual performance; the system shall be used in the case of e.g. positions in administrative departments or those of highly qualified specialists ensuring development, where work results are difficult to measure and in the process of assessment of employees/associates it is necessary to take into account highly differentiated factors which cannot be easily systematized;
3. additional remuneration involving a share in the profit of the enterprise; this system is allowed in case of management and executives.

In the remuneration system taking into account the aforementioned bonuses, in the case of their implementation in the Organisation, it is necessary to ensure an objective measurement of performance, in a way understandable both to the company and the employee/associate. The ratio between the fixed part of the remuneration and the bonus shall be determined by:

- a) the financial potential of the company;
- b) the business sector of the Organisation (waste electronic and electrical equipment, catalysts, batteries, non-ferrous metals);
- c) the predominant nature of work in the enterprise (position).

The amount of the variable part of remuneration shall depend on the possibility of measuring individual impact on the results (it is assumed that a manufacturing employee or the sales department have a greater impact than an administrative employee). Targets providing the basis for the payment of the bonus should be:

- a) specific and relatively simple, i.e. the rules for their calculation should be clear and understandable;
- b) connected with the strategic objectives of the company;
- c) measurable, i.e. they can be expressed in the form of numbers without incurring excessive additional costs;
- d) ambitious but achievable (“controllable,” i.e. it should be possible to control the value of the ratio by taking actions within the framework of the employee duties);
- e) action-oriented – it should be possible to take initiatives to improve effectiveness;
- f) certain – they should not be easily manipulated;
- g) time-related – the bonus should be paid upon completion of a particular task.

In the case of applying a variable part of remuneration, it should be ensured that the bonus part is noticeable, i.e. it is recommended that if the employee/associate meets the bonus criteria, the bonus should not be less than 15–20% of their monthly salary.

BENEFITS

Depending on practices accepted in the particular community and the financial standing of the enterprise, companies of the Elemental Capital Group shall apply additional benefits for employees/associates, such as:

- a) health care packages;

- b) sports packages;
- c) insurance;
- d) lunch cards.

As an international Organisation, we understand that benefit practices and customs may differ in particular jurisdictions. As a result, we assume that the type and scope of benefits offered may differ in individual companies, and the above proposals are presented only as a recommendation and for information purposes. However, each Elemental Capital Group company should comply with the principle of equality and non-discrimination arising from this Policy in the process of defining the rules for granting benefits in a particular enterprise. Benefits of a given type should be granted taking into account the position and nature of work of the employee/associate. Companies shall be obliged to ensure that persons in equal positions are entitled to benefits of the same type and that benefits are granted based on non-discriminatory principles.

PRIZES AND AWARDS

The aim of our Organisation is to achieve stable employment and develop the company with a permanent team of employees/associates making up our structures. Consequently, we promote and reward people who work in our Organisation for a long time by granting jubilee awards on terms applicable in individual companies of the Elemental Capital Group.

Apart from valuing professional life, we understand the importance of private life as well as free-time tasks and achievements, which is why we promote and value sports achievements, charity activities and volunteer work. Support for and focus on local communities generates and motivates our activities as an Organisation, and as a result we appreciate and support our employees/associates in achieving high goals.

§ 4 WORK-LIFE BALANCE

Striving to ensure a balance between the work and private life of employees is an element of the human resource management strategy in the Organisation. Working time complies with national regulations, collective agreements and international standards. Working time, with the exception of overtime, is specified in a contract and cannot exceed maximum permissible thresholds specified in national regulations.

Overtime is used in accordance with applicable legal regulations, in a responsible way, taking into account the scope, frequency and working hours of individual employees and all employees together. Overtime cannot replace a regular employment relationship. In consideration for overtime working hours, employees are always entitled to either a higher rate of pay pursuant to the rules specified in applicable regulations, or time off from work of the same duration, provided this is permitted by applicable regulations and compliant with them.

For the purposes of pursuing the time flexibility strategy, the companies of the Elemental Capital Group introduce flexible working hours if the nature of positions allow this:

1. partly remote work (hybrid work), in accordance with the following rules:

- a) the remote work option should be considered a privilege, which means that the employee or associate does not have a claim for remote work, but it may only be performed at their request upon the company's consent, unless otherwise stipulated in national legal regulations;
 - b) remote work shall not be considered an additional day off, which means that when performing remote work, the employee shall be obliged to be fully available during the applicable working hours, in particular, the employee should be reachable via telephone, e-mail and through any other communication channels normally used to perform work (e.g. the Microsoft Teams application);
 - c) the company shall provide the employee/associate working remotely with tools necessary to perform such work, i.e. a laptop and a mobile phone with an Internet package and the possibility of using this package while working remotely on a laptop (connection of the laptop and telephone via a hot-spot);
 - d) remote work should be performed only using equipment provided to the employee/associate by the company; in the case of problems with communication via a mobile phone, it is possible to use the Internet connection available at the place of remote work, provided that it is a private Internet network meeting at least the minimum security standards;
 - e) the employee/associate should be obliged to limit the use of Internet resources on company equipment only to the extent necessary for the performance of professional tasks.
- Companies where remote work is possible should adopt the remote work rules in accordance with national legal regulations, clarifying and supplementing the principles for remote work.

2. Flexible working hours, while complying with the principle that work shall be performed in accordance with national legal regulations, within the standard hours accepted by the particular Company, usually from 7:00 am to 6:00 pm, with the exception of the working hours of management and production employees or employees in positions requiring a different working time schedule. When determining flexible working hours for a given position, it is necessary to take into account the need to ensure that the employee is available to colleagues, which assumes the performance of professional duties between 10:00 am and 3:00 pm, unless the person follows individually agreed task rules or the work involves cooperation with entities operating in other time zones; in such cases working hours should be agreed on an individual basis.

The Elemental Capital Group is multinational and global, which means that its companies are located in different time zones. As a result, employees and associates may receive e-mails after they finish work. However, it is assumed that it is necessary to limit situations where an employee/associate is obliged to handle professional matters after working hours.

§ 5 TRAININGS

The Elemental Capital Group is an Organisation which values continuous development and improvement. Dynamic changes require the enterprise to constantly extend and expand the scope of skills, experience and knowledge of employees/associates, who are its intellectual asset. At the same time, employees/associates are required to be multifunctional, prepared for development, able to work as a team, cooperate, be tolerant, share information, and be open to group problem-solving. The

development strategy accepted in the Elemental Capital Group assumes that individuals, teams and the entire Organisation are capable of continuous change through learning.

The implementation of a planned training system is one of the key elements of improvement. The objective of planned trainings is to:

- a) build the skills of employees/associates which will offer them opportunities for promotion, development and the fulfilment of their potential;
- b) let employees/associates know that they are important to the Organisation;
- c) motivate employees/associates (by financing their education) to develop their knowledge and use new skills;
- d) strengthen the commitment of employees/associates by teaching them the values of the Organisation during trainings;
- e) improve employees' identification with the company, as a result of the which people better understand the objectives and rules of the Organisation;
- f) ensure better communication in teams and in relationships between superiors and subordinates, assuming that trainings and workshops are addressed at entire teams;
- g) satisfy the needs of employees/associates, support their individual development and thus acknowledge and recognise their work and effort;
- h) ensure that individuals are involved in and familiarised with changes in the Organisation.

Companies of the Elemental Capital Group are recommended to prepare a training program at least once a year (preferably in the 4th quarter of each calendar year), including a training plan for the particular year, which subsequently should be updated on an ongoing basis depending on the identified needs of the Organisation. It is assumed that trainings not included in the annual training program should not exceed 25% of all trainings provided. The training program shall include:

1. mandatory training - the Management Board of the Subsidiary is responsible for familiarizing each new employee and associate with the regulations applicable in the Group in accordance with their duties. Additionally, at least once every two years, training is organized for employees and associates in the field of preventing undesirable actions such as mobbing, harassment and discrimination.
2. identification and analysis of training needs in the enterprise based on: employee evaluation (if any), assessment of the current situation of the enterprise, plans and goals. The purpose of the analysis is to determine the training gap, i.e. to identify the discrepancies between the current status of the company, department or division (organisational or functional results, knowledge and skills, current performance) and what is expected (including organisational or functional standards, required knowledge and competences, target or standard effects). The identification and analysis of needs is carried out at the following levels:
 - a) organisational level (company needs) – definition of requirements with respect to the development of general competences necessary for all employees/associates of the company (e.g. communication skills, anti-mobbing and anti-corruption training, etc.);
 - b) professional level – definition of requirements with respect to the development of competences needed to perform a given type of work, from the point of view of departments, teams, functions or jobs within the Organisation (e.g. software skills);
 - c) individual level – definition of training needs required to develop competences of individual employees/associates or teams.
3. determination of training objectives, i.e. results that should be achieved by the training. Training objectives should reflect, in the most detailed and explicit way:

- a. outcomes – knowledge and skills training participants should have after completing the training and returning to their work; types of changes and differences that should occur between the initial and final state should be identified;
- b. conditions – time needed to achieve the objectives set, as well as ways in which participants can prove they have acquired the knowledge and skills;
- c. standards – norms that training participants will have to comply with in order to confirm their new competences.

Training objectives should be S.M.A.R.T., i.e. they should be:

- specific – defined as thoroughly as possible;
- measurable – determined in quantitative terms, which will make it possible to assess the development of competences of training participants;
- acceptable – conditions and standards set must be acceptable to persons pursuing objectives;
- realistic – achievable within the set time and financial conditions;
- time-related – specific time limits and periods for their achievements shall be set.

The method of identifying training needs shall be determined by companies at their discretion, but it should be documented and approved by the management board of the company. A recommended, but not obligatory, method is to conduct a survey at the company.

4. Training planning. It is assumed that organisational trainings shall be planned by the HR department after verifying the needs of particular teams, departments and organisational units. The plans should be consulted with managers of individual organisational units. Other trainings shall be initiated by department heads with the active support of the HR department. After the consultations, the annual training program shall be submitted for approval to the management board of the company.

The following rules shall apply to trainings:

- a) the same training group should not participate in trainings more than once a quarter, unless:
 - i) the employees participating in the training are at the on-boarding stage, ii) the training is cyclical and knowledge is acquired in stages;
- b) first of all, internal trainers and experts shall be used, due to lower costs, knowledge of the company and availability, but in case of specialist trainings, it is necessary to take into account the fact that external trainers are considered greater experts, which can significantly increase training effectiveness;
- c) when drawing up the training schedule:
 - a. one-off and cyclical trainings should be distinguished;
 - b. urgent, important, useful and development trainings should be identified and their logical structure should be developed;
 - c. if possible, a common theme for the issues identified during the analysis of training needs should be specified;
 - d. participants' own work should be taken into account in order to supplement and develop the skills and knowledge acquired during the training;
 - e. if possible, trainings for the subsequent year should be planned in the 4th quarter of the preceding year (financial plan preparation);
 - f. size of the training group and method of selecting participants should be determined;
 - g. place, date and cost of the training should be determined;

- h. manner and schedule of notifying employees of training courses should be taken into account; information on scheduled trainings should be provided to employees in advance and should include the following: basis for the training need, subject of the training, timetable and duration, trainer, information about participants, knowledge verification after the training (if any), and information about potential travel, accommodation, training location.
5. Assessment of training results (evaluation).

In the case of trainings carried out by external companies – also this procedure is also recommended for internal trainings – their evaluation should be carried out and conclusions should be presented in a report for the management board of the company at least once a year. The purpose of the evaluation is to check whether the training program met its objectives, verify strengths and weaknesses of the training, identify participants who benefited the most and the least from the training, check whether an appropriate training program was selected for the objective, and verify the preparation of trainers. The training evaluation should be performed during the training, immediately after the training and within 2–3 months after the training.

It should be carried out at four levels:

- a) response – checking the first impressions of training participants;
- b) knowledge and skills – it is necessary to check whether training participants acquired any knowledge as a result of the training, and developed or acquired new skills;
- c) knowledge and skills application in the workplace – the extent of changes of the behaviour of training participants in the workplace is verified as well as whether they use the knowledge and skills acquired during the training;
- d) outcomes – verification of measurable results of the training, which show gains and losses of the company resulting from training the employee.

The Organisation recognises the importance of trainings and continuous development of qualifications, as well as keeping teams up to date regarding currently applicable rules and regulations, so the provisions of this Policy exhaustively and in detail present the rules to be followed in the Elemental Capital Group. Individual companies are authorised to clarify technical conditions and other guidelines if this proves necessary during training, but they must comply with the principles set out in the HRM Policy.

§ 6 HEALTH AND SAFETY

The Organisation ensures a safe and hygienic work environment and, above all, aims at preventing accidents and health damage as a result of, in connection with or during work.

The companies of the Elemental Capital Group are obliged to ensure that:

- a) all reports of near miss incidents at work are carefully verified and notified to competent services and authorities in accordance with applicable legal regulations;
- b) employees, are provided with regular occupational health and safety training;
- c) internal safety regulations and occupational health and safety rules applicable in the countries where we operate are followed without any exceptions;
- d) information campaigns to improve employees'/associates' awareness of health and safety are arranged.

General rules related to occupational health and safety:

1. it is absolutely prohibited to drink alcohol, use drugs or other intoxicants in the Organisation, and to appear in the workplace under the influence of such substances;
2. smoking is only allowed in designated areas;
3. all employees and associates should have access to clean toilets and drinking water, and, if necessary, hygienic places for storing food;
4. if the company offers accommodation to employees and associates, it shall be clean and safe, and meets their basic needs;
5. companies shall take any steps required by legal regulations in order to provide employees with direct access to health care;
6. medical packages are one of the preferred benefits offered to our employees/associates, especially in countries where access to public medical care is limited.

If possible, companies of the Elemental Capital Group are recommended to implement ISO 45001 standard, which governs occupational health and safety matters, provides a basis for prevention of accidents at work and occupational diseases, and guarantees a healthy and safe workplace.

The primary element of ISO 45001 standard is the Plan – Do – Check – Act (PDCA) cycle. ISO 45001 standard shall help the Organisation to achieve the assumed results with respect to the OHS management system by means of the implemented OHS policy and objectives taking into account legal requirements and information about OHS risks.

§ 7 RULES OF COMMUNICATION WITH EMPLOYEES AND ASSOCIATES

Employees and associates are an important group in the context of building a strong company brand. For this reason, the Organisation intends to use a reliable internal communication process which should be consistent and focus on elements most important for the individual, team, company and the Capital Group. Communication campaigns shall be quickly verified and referred to what the managers do or to what is important on the basis of e.g. an incentive system. Consequently, the task in the area of internal communication of Group companies is to develop understanding of the processes existing in the companies of the Capital Group, to increase awareness of the benefits resulting from these activities, and to indicate how such activities should translate into everyday work. Communication plays a key role in the implementation of changes in the human resource management system, so management is obliged to actively participate in this process.

Companies of the Elemental Holding Capital Group use among others the following communication channels: intranet, e-mail (occasional notifications of changes or a newsletter), meetings, announcements on notice boards, informational posters, trainings, individual conversations and team meetings, consultations on changes that may significantly affect the situation of employees and associates. Feedback from our employees and associates is of great importance to us. It is recommended that team managers encourage the sharing of opinions and provide constructive feedback themselves, which can improve work efficiency and strengthen cooperation within the Group. Another method may also be implementing regular surveys as a method of understanding the response to human resource management activities at the companies. The whistleblowing system



operating in the Group is also an important communication tool. Every employee and associate may use this tool to report a violation or suspected violation. The report may be submitted anonymously. The system is described in detail in the **Whistleblowing procedure**.

Our Organisation is actively involved in volunteer and charity work, and we endeavour to engage our employees in this type of support for local communities. We believe that joint activities, especially focused on helping those in need, improve internal communication and result in more effective team building.

Companies should hold regular integration meetings enabling team members to get to know each other outside of standard professional situations.





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