

# environmental management strategy in the Elemental Holding Capital Group



## Admission

The Elemental Holding Capital Group (hereinafter referred to as „Elemental“ or the „Group“ or the „Organization“) operates in the field of recovery, including recycling of waste all over the world, particularly in Europe, the United States, the Middle East, and Asia. The Group specializes in the recovery of precious metals (including platinum, palladium, gold, and rhodium) through waste recycling in the following three business segments:

- recycling of waste electrical and electronic equipment (WEEE)
- recycling of printed circuit boards (PCBs)
- recycling of used catalysts (SAC)

In addition recycling of non-ferrous metals is distinguished within group’s operations.

The Group’s activities are part of global climate protection and sustainable development activities. Through an extensive range of activities in the aspect of waste recovery, the Group actively implements and develops the concept of circular economy, thus influencing the development of rational management of natural resources, in particular metals, but also fuel and energy resources, which are intensively used in metal extraction processes in mining.

Elemental, has taken up the challenge and takes an active part in saving the planet and improving the lives of societies by achieving the goals set by the United Nations in the field of environmental protection.



The Management Board of Elemental has identified the key areas in which the Group’s economic activities are related to those described in Commission Delegated Regulation

(EU) 2021/2139<sup>1</sup> of 4 June 2021, supplementing Regulation (EU) 2020/852<sup>2</sup> of the European Parliament and of the Council of 18 June 2020, i.e. it is qualified as environmentally sustainable, due to:

- making a significant contribution to one or more environmental objectives by meeting the technical screening criteria;
- not to cause significant damage to any other environmental objective;
- compliance with minimum social security.

According to the Elemental Management Board, selected areas of the Group's business activities pursue the following environmental objectives:

- climate change mitigation;
- adaptation to climate change;
- transition to a circular economy;
- pollution prevention and control.



<sup>1</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing technical screening criteria to determine the conditions under which an economic activity qualifies as making a significant contribution to climate change mitigation or adaptation and to determine whether that economic activity does not cause serious damage to any of the other objectives Environmental (hereinafter referred to as the „Delegated Act on Climate (2021/2139)) <https://eur-lex.europa.eu/legal-content/PL/TXT/?uri=CELEX%3A32021R2139>

<sup>2</sup> Regulation of the European Parliament and of the Council (EU) 2020/852 of 18 June 2020 on establishing a framework to facilitate sustainable investment, amending Regulation (EU) 2019/2088 <https://eur-lex.europa.eu/legal-content/PL/TXT/PDF/?uri=CELEX:32020R0852&qid=1661868314295&from=EN>

The Group’s business activity, which is covered by the current eligibility criteria<sup>3</sup>, is listed in table below:

LP	type of activity	action to mitigate climate change	action to adapt to climate change
1	collection and transport of non-hazardous waste in fractions segregated at the source	Separate collection and transport of non-hazardous waste in single or future fractions for preparation for re-use or recycling.  This economic activity may be linked to NACE code E38.11 according to the statistical classification of economic activities laid down in Regulations 1893/2006	
2	recovery of materials from non-hazardous waste	Construction and operation of equipment for sorting and converting separately collected non-hazardous waste streams into secondary raw materials, including mechanical processing, except backfilling.  Economic activities in this category may be linked to several NACE codes, in particular, E38.32 and F42.99	
3	road transport goods	Purchase, financing, leasing, rental, and operation of vehicles designated as category N1, N2, or N3 falling within the scope of EURO VI, stage E its successor, for road freight transport services.  Economic activities in this category may be linked to several NACE codes, in particular, H49.4.1, H53.10, H53.20 and N77.12	
4	ownership of buildings	From the purchase of real estate and the exercise of ownership of this property.  Economic activity in this category may be related to NACE code L68	

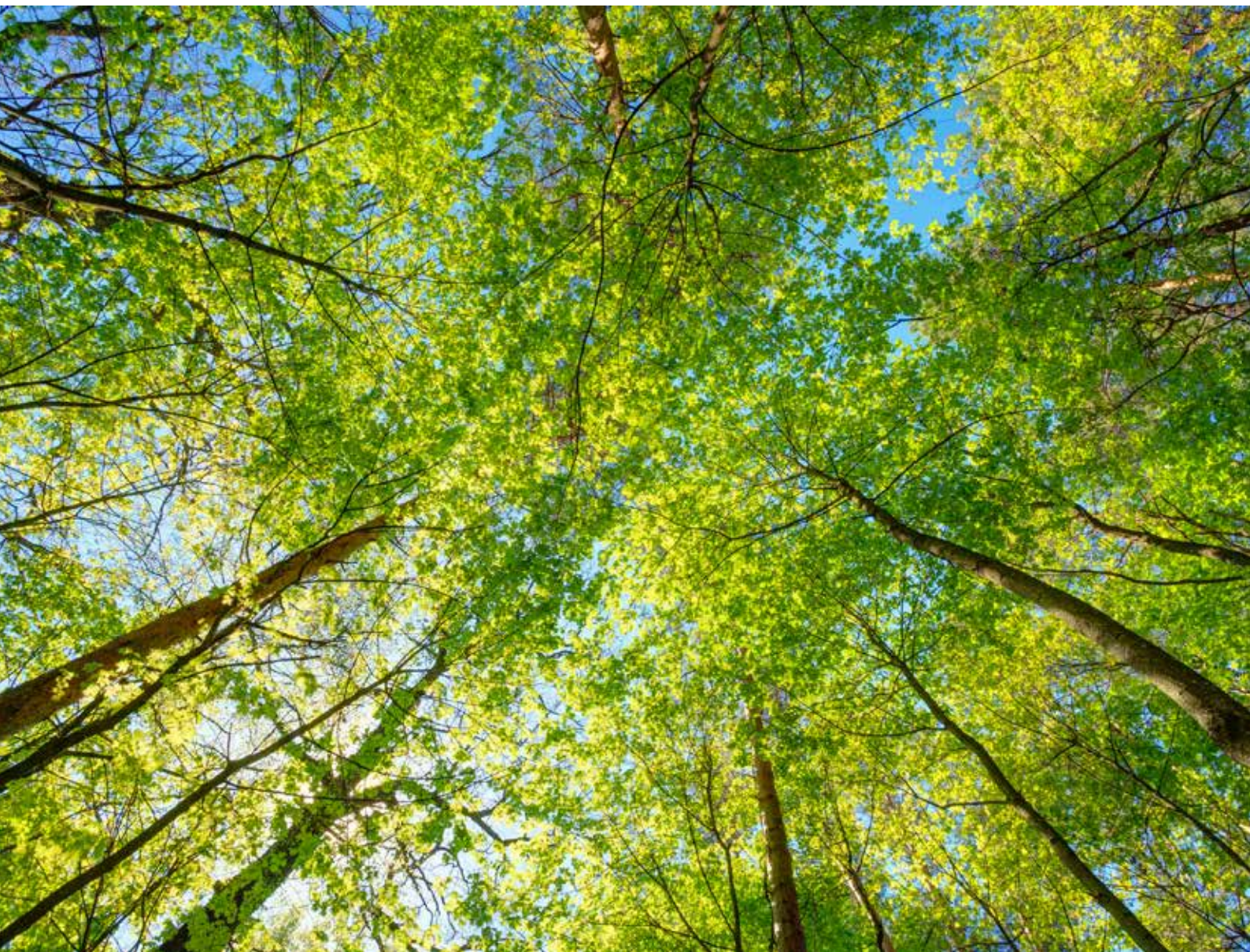
<sup>3</sup> Delegated act on climate (2021/2139)

The Group’s economic activities covered by the draft eligibility criteria (not yet in force) proposed in March 2022 by the Platform for Sustainable Finance for economic activities contributing to the achievement of other environmental objectives is listed in the table below:

LP	type of activity	transition to a circular economy	pollution prevention and control
1	from the collection and transport of non-hazardous and hazardous waste as a means of recovering materials	<p>This activity includes the separate collection and transport of non-hazardous and hazardous waste in single or future fractions for preparation for re-use or recycling, including the construction, operation, and modernization of facilities for the collection and transport of such waste (e.g. citizen facilities centers and waste transfer stations) as a means of material recovery.</p> <p>The activity is classified under NACE codes E38.11, E38.12 and F42.9</p>	
2	with the collection and transport of hazardous waste	<p>This activity includes the separate collection and transport of hazardous waste before its treatment, material recovery, and/or disposal, including the construction, operation, and modernization of facilities for the collection and transport of such waste as a means of pollution prevention and control.</p> <p>Hazardous waste is waste that exhibits one or more of the hazardous properties listed in Annex III to EU Directive 2008/98/EC.</p> <p>Includes (but is not limited to) the following streams (illustrative and non-exhaustive list):</p> <ul style="list-style-type: none"> <li>• hazardous waste from households</li> <li>• waste hoppers</li> <li>• batteries</li> <li>• uncontaminated WEEE</li> <li>• uncontaminated end-of-life vehicle</li> </ul> <p>A complete classification of hazardous waste is included in the European Waste List (2000/532/EC). The activity is classified under NACE codes E38.12 and F42.9.</p>	
3	treatment of hazardous waste	<p>Activities include the treatment of hazardous waste as a means of pollution prevention and control.</p> <p>The activity is classified under NACE code E38.22.</p>	

LP	type of activity	transition to a circular economy	pollution prevention and control
4	treatment of hazardous waste	<p>This activity includes the treatment of hazardous waste as a means of material recovery. This includes the construction, modernization, and operation of such facilities.</p> <p>The activity is classified under one or more of the following NACE codes:</p> <ul style="list-style-type: none"> <li>• E38.22 (which includes the operation of equipment for the treatment of hazardous waste);</li> <li>• E38.32 (which includes the operation of material recovery equipment); and</li> <li>• F42.9 (which includes the construction of other civil engineering projects).</li> </ul>	
5	removal of contaminants and dismantling of end-of-life products	<p>These activities include the construction, operation, and modernization of dismantling facilities and dismantling complex end-of-life products, movable property, and its components for the recovery of materials and/or the preparation for the re-use of components.</p> <p>Therefore, according to the statistical classification of economic activities established by Regulation (EC) No 1893/2006, those activities can be subdivided into subcategories under one or more of the following NACE codes:</p> <ul style="list-style-type: none"> <li>• E38.31 (which includes dismantling wrecks);</li> <li>• E38.32 (which includes the recovery of sorted materials);</li> <li>• E46.77 (which includes the wholesale of scrap waste);</li> <li>• E42.9 (which includes the construction of other civil engineering projects)</li> </ul> <p>This includes dismantling end-of-life products and movables and their components of all kinds (e.g. cars, ships, computers, televisions, wind turbine components, and other equipment) to recover materials. In addition, it includes the dismantling and removal of contaminants from cooling and freezing equipment simply because they contain harmful substances (in particular, ozone-depleting substances).</p>	

LP	type of activity	transition to a circular economy	pollution prevention and control
6	sorting and material recovery of non-hazardous waste	<p>These activities include constructing, modernization, and operating facilities for sorting and recovering non-hazardous waste streams to high-quality secondary raw materials using a mechanical transformation process. Activities can be divided into one or both of the following NACE codes:</p> <ul style="list-style-type: none"> <li>• E38.32 (which includes the operation of material recovery equipment);</li> <li>• F42.9 (which includes the construction of other civil engineering projects).</li> </ul>	



# structure for managing climate-related opportunities and risks in the organization

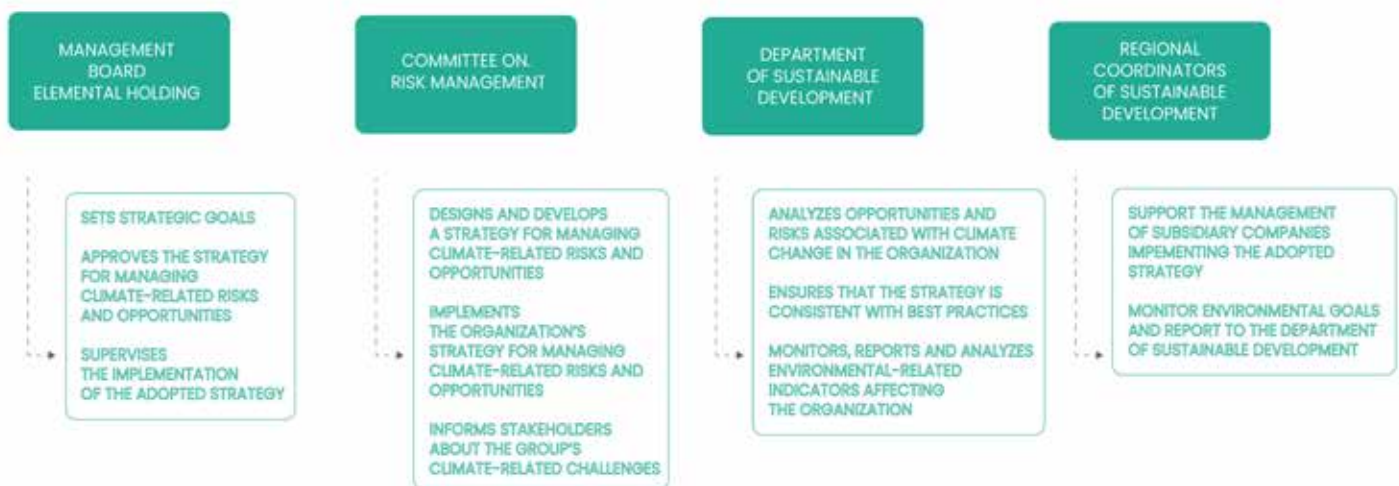




## structure for managing climate-related opportunities and risks in the organization

The Management Board of Elemental Holding believes that the green transformation and the related transition to a circular economy are no longer a choice and are becoming a necessity. The Group's global activities in the area of waste management, in particular the recycling of platinum group metals, are an important element of the fight against climate change. To ensure a systematic and effective assessment of the risks and opportunities of the Organization related to the climate, as well as to guarantee the best possible supervision over the environmental aspects in the capital group, the Management Board adopted the management structure of this area presented below:

### MANAGING CLIMATE-RELATED RISKS AND OPPORTUNITIES



The Management Board of Elemental Holding

- once a year, analyze the reports prepared by the Risk Management Committee on climate-related threats and opportunities and the implementation of the adopted strategy;
- update the strategic objectives once a year;
- approve the strategy for the management of climate-related risks and opportunities (hereinafter referred to as the „Strategy“) developed by the Risk Management Committee and approve the amendments to the strategy.

The Risk Management Committee consists of the director of the Sustainability Department, the director of the mergers and acquisitions department, the director of the finance department, the director of the trading and market risk management department, and persons responsible for internal audit in the Organization. The Risk Management Committee is headed by a Member of the Management Board of Elemental Holding for Finance (CFO).

The Risk Management Committee for climate-related risks and opportunities:

- develops the Strategy based on analyses prepared by the Department for Sustainable Development, conclusions submitted by representatives of the Group's departments and stakeholders;
- develops a plan for the implementation of the Strategy in the Group;
- prepares and approves the annual budget for the implementation of the Strategy;

## structure for managing climate-related opportunities and risks in the organization

- informs stakeholders about the adopted Strategy;
- once every 6 months, analyze the requests made by representatives of departments and stakeholders for the setting of new targets and the implementation of new projects related to the environment, in particular, climate-related threats and opportunities;
- once every 6 months, analyses the level of advancement of climate-related projects, the risks, and opportunities that have recently emerged in a given area;
- prepares changes to the Strategy, if necessary, and submits them to the Management Board for approval;
- prepares an annual report on the implementation of the Strategy and present it to the Management Board for approval.

The Department for Sustainable Development for Environmental and Climate Change Action is responsible for the:

- ongoing analysis of opportunities and risks related to climate change in the Organization;
- ensuring compliance of the Organization's activities with the best practices and guidelines of international organizations and entities cooperating with Elemental in the field of environmental protection and climate change goals;
- ensuring compliance of the Activities of the Organization with the principles of sustainable development;
- ongoing monitoring, analysis, and reporting of environmental indicators affecting the Organization.

The Sustainability Coordinators for Environmental and Climate Change Activities at the subsidiary level are responsible for the:

- supporting the management boards of subsidiaries in the implementation of the adopted Strategy;
- monitoring environmental indicators in subsidiaries and reporting to the sustainability department.

When identifying the aspects and impacts of the Group on the natural environment, the Organization, analyzing each time the geographical, legal, cultural, and political conditions prevailing in the areas in which it operates, take into account such factors as:

- air pollution;
- surface water pollution;
- soil and groundwater pollution;
- noise nuisance;
- waste burden on the environment;
- consumption of natural resources;
- compliance with legal and other requirements to which the organization has committed.

Realizing that the Group's enterprises may be burdensome for the environment, conducting its dynamic development, the Group first tries to choose locations away from human habitation, preferably in industrial districts dedicated by local governments. All activities of the Group companies must take into account the principles of foresight, environmental risk management, and bearing the costs of pollution resulting from their activities. The way to

## structure for managing climate-related opportunities and risks in the organization

measure the effectiveness of the Group's activities in the field of environmental protection is to measure the number of complaints regarding the impact on the environment as part of the mechanism for reporting irregularities and to measure the amount of penalties and non-financial sanctions for non-compliance with environmental law. Please note that everyone, including employees, associates, and third parties, should immediately report any objections to compliance with the Organization's environmental principles.

When monitoring the impact of the Organization's activities on the environment, the Group does not limit itself only to its plants. In addition to reducing the negative impact of its own companies on climate change and other elements of the environment, Elemental also takes care to reduce all pollutant emissions throughout the supply chain. To this end, it encourages its suppliers and subcontractors to apply the principles of safety and environmental protection and to treat these principles as a criterion for the development of their activities, with particular regard to the protection of plants and animals living in nature.



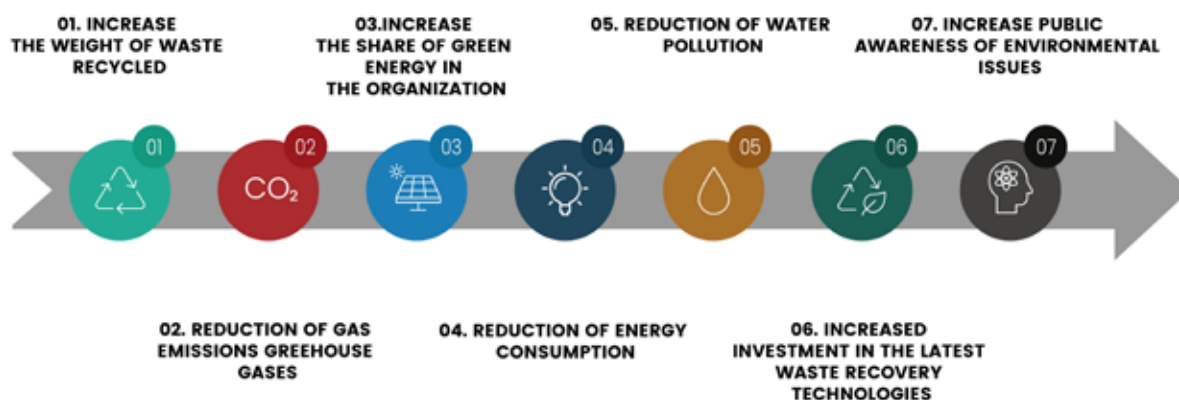
**environmental  
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Holding Capital  
Group for the years  
2022 - 2026**



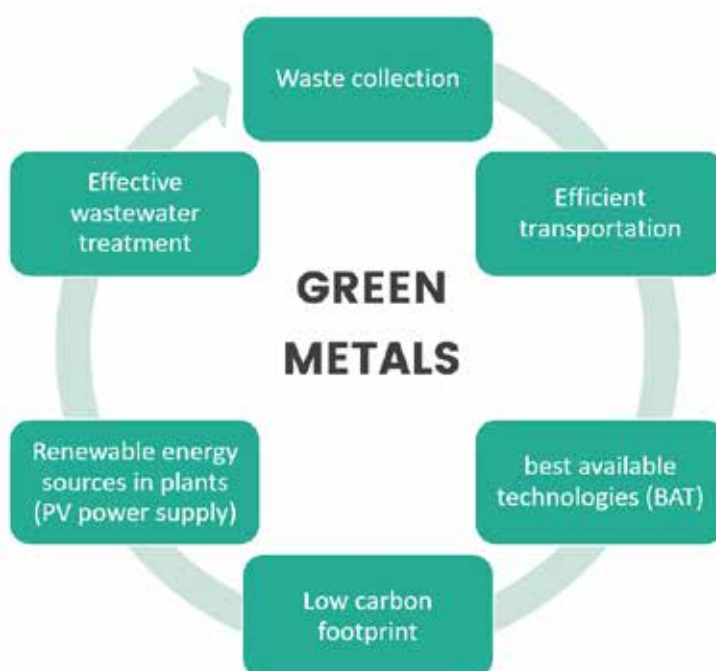
## environmental management strategy in the Elemental Holding Capital Group for the years 2022 – 2026

In 2022, the Management Board of Elemental Holding set the group the following environmental goals for the years 2022 – 2026

# STRATEGIC ENVIRONMENTAL OBJECTIVES FOR 2022–2026



The above objectives are a continuation of the business and environmental strategy adopted by the Group's Management Board in previous years.



## GOAL 01: INCREASE THE WEIGHT OF RECYCLED WASTE

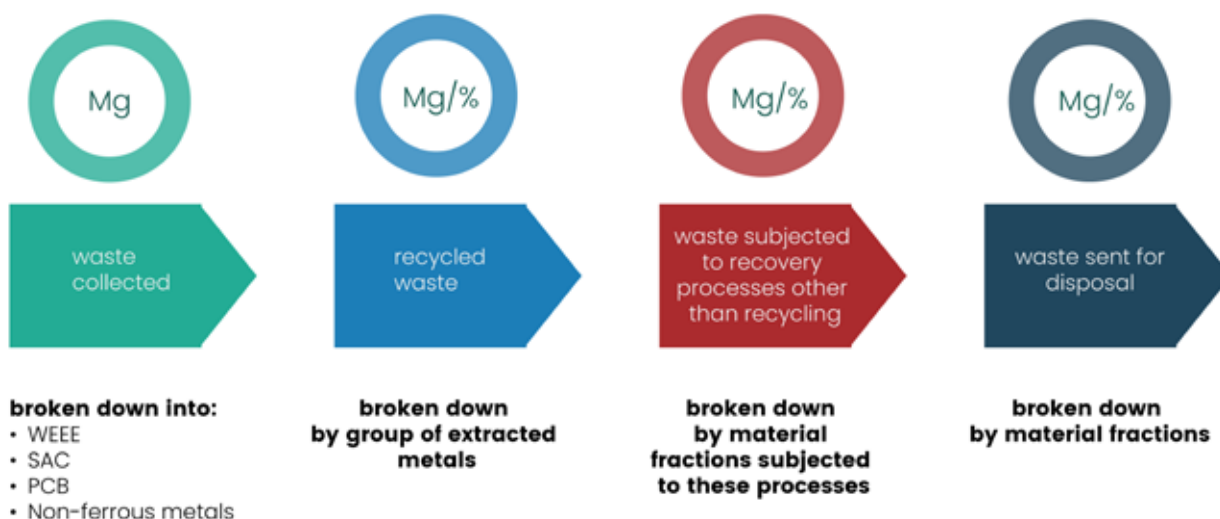
The analysis of the impact of the organization's activities on the natural environment and climate change clearly showed that the Group's activities in the waste management sector consists of the collection and recovery, including in particular recycling of waste containing precious metals, including those from the platinum group (PGM) is a significant element of sustainable development and has a significant impact on reducing the consumption of natural resources through the transition to a circular economy. It is also important that with the increase in the scale of waste collection, the degree of waste pollution decreases and the control increases, in particular over the battery, waste electrical equipment and electronic. Recycling carried out to obtain metals provides great advantages, especially compared to extraction from primary (mining) reserves. In addition, the recovery of precious metals for reuse from waste is in line with the principles of the circular economy.

The main way to achieve this objective is to increase the level of waste collection by:

1. development of waste collection networks, in particular, spent catalysts (SAC) by expanding the activities of the Group companies to further geographical areas, including Asia, Africa, and other European countries;
2. acquisition of entities specializing in the collection and recovery of waste in areas where the Group has not yet operated;
3. raising public awareness by conducting information campaigns, participation in activities undertaken by recovery organizations promoting the collection of waste, in particular waste electrical and electronic equipment from households;
4. investments in modern technologies for recycling lithium-ion batteries, catalysts, and printed circuit boards.

To verify the level of achievement of the objective, the Organization monitors the data presented in the figure below collected from subsidiaries belonging to the Group:

### monitoring: goal 01 analysis on an annual basis



## **GOAL 02: REDUCING GREENHOUSE GAS EMISSIONS**

Primary production of PGM emits CO<sub>2</sub> in a system of about 77,000 tons per ton of PGM, while secondary production of PGM produces greenhouse gases in terms of only 800 tons per ton of PGM. Therefore, PGM recycling is responsible for only 1% of CO<sub>2</sub> emissions generated during the extraction of 1 ton of PGM. A comparison of these values is shown in Table 3 below:

<b>source</b>	<b>production volume of PGM in tons (Mg)</b>	<b>greenhouse gas emission factor per 1 ton PGM in tons (Mg)</b>	<b>estimated greenhouse gas emissions in tons (Mg)</b>	<b>estimated % of greenhouse gas emissions</b>
<b>primary production (mining)</b>	375,1	77 000	28 882 700	99,60%
<b>secondary production (recycling)</b>	146,5	800	117 200	0,4%
<b>total production/ emissions</b>	521,6	77 800	28 999 900	100%

Comparing the environmental impact of primary and secondary PGM production, it can be concluded that the recycling of platinum group metals is economically viable, sustainable, and more ecological than extracting metals from ore – so it should be developed. It is more economically viable and has a lower impact on the environment, especially in the context of climate change.

Recoverable amounts of platinum, palladium, and rhodium can range from 1–2 grams for a small car, to 12–15 grams for a large truck in the US. These quantities make recycling economically attractive and, due to the much higher concentration than the ores mined, also help significantly reduce the environmental impact of metal supplies, especially climate impact.

Used automotive catalytic converter (SAC) is a rich source of PGM that contains higher concentrations of PGMs than those found in natural ores (on average 10–20 ppm). Recycling automotive catalysts allow the recovery of up to 95% of the PGMs contained in them, saving a significant amount of energy compared to traditional mining (processing 1–2 tons of used catalysts balances the extraction of 150 tons of ore or 400 tons of gangue).

## environmental management strategy in the Elemental Holding Capital Group for the years 2022 - 2026

The main way to achieve the goal of reducing greenhouse gas emissions based on PGM recycling is to increase the level of SAC collection, i.e. to achieve a goal no. 01 for the collection of used catalyts.

It should also be noted that not only PGM production brings significant environmental benefits. The production of aluminum from scrap metal carried out by the Group companies in comparison with the production of aluminum from bauxite allows for:

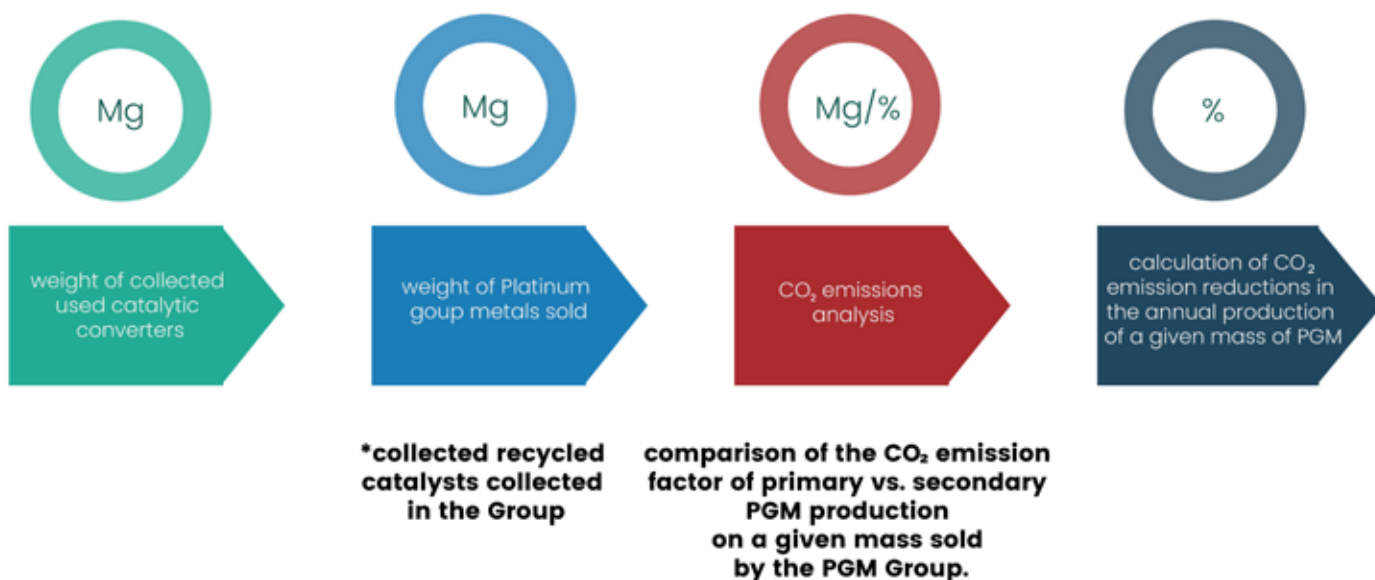
- 95% reduction in emissions of chemicals (e.g. aluminum fluoride) during electrolysis processes;
- saving by about 95% of electricity (for comparison, in the case of copper, the saving is 85%, for zinc 60%, for lead 65%);
- saving bauxite deposits – 1 ton of scrap is a saving of 4 tons of ore;
- oil savings – 700 kg of crude oil is saved when producing 1 ton of recycled aluminum.

However, Elemental has decided at this stage to focus on monitoring the level of CO<sub>2</sub> emissions in the PGM recycling process.

To verify the level of achievement of goal no. 02, the Organization monitors the data presented in the figure below collected from subsidiaries belonging to the Group:

### monitoring: goal 02

#### analysis of CO<sub>2</sub> emissions on an annual basis in the PGM recycling process



### GOAL 03: REDUCE ENERGY CONSUMPTION

In addition to meeting the needs of the global economy in the supply of recycled metals, Elemental recognizes the need to implement and maintain measures related to the reduction of greenhouse gas emissions and energy savings in the current operations of the Group companies.



## environmental management strategy in the Elemental Holding Capital Group for the years 2022 - 2026

The measures undertaken at Elemental to reduce greenhouse gas emissions from transport are shown in the figure below.

### Measures to reduce greenhouse gas emissions in Group operations – transportation

#### Reduction of fuel consumption for means for transport

monitoring of combustion, training of drivers in economic driving, optimization of routes and use of heavy transport:

01

#### Investments in means of transport

cars meeting the EURO 6 standard, good technical condition of the fleet

03

#### LPG power in intra-company transport

02

#### Promotion of electromobility

hybrid and electric cars, public charging station for electric cars at the company's headquarters

04

Next

The Group companies also take several measures to reduce energy consumption in their current operations:

### Other efforts to reduce Energy consumption in the Group's operations

#### Lighting modernization

The use of LED lamps, motion sensors, timers, and a smart room light control system

05

#### Reducing the use of electricity during off-hours:

- Promoting among employees the principles of: turning off electrical appliances after work, turning off lights in unused rooms;
- Limiting the lighting of factories, offices, advertisements during nighttime hours

07

#### Modernization of heating equipment

Buildings owned and leased by Group companies are heated with natural gas. In order to reduce thermal energy consumption at the company's headquarters smart automatic heating control solutions were used as part of the network upgrade

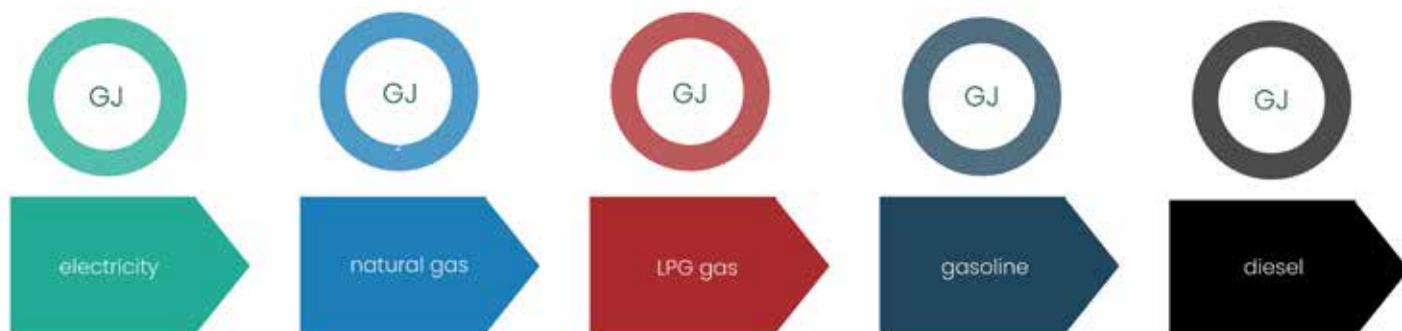
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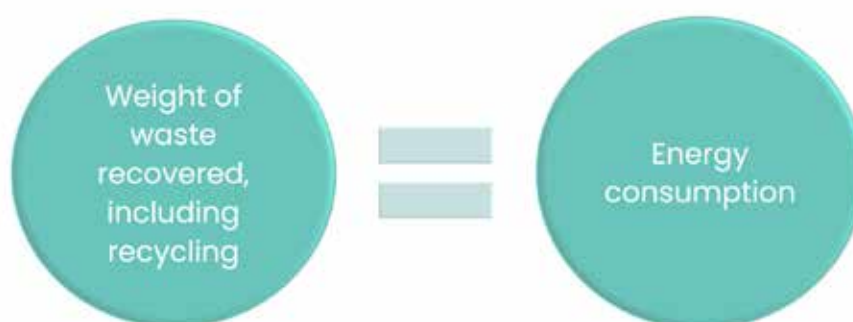
## environmental management strategy in the Elemental Holding Capital Group for the years 2022 - 2026

To verify the level of achievement of objective no. 02 and 03 in the scope of current activities, the Organization monitors the data presented in the figure below collected from subsidiaries belonging to the Group:

### monitoring: goal 02 and 03 analysis of the level of energy consumption on an annual basis



However, the Management Board of the Company is aware that the technological processes used in the recovery and recycling processes of waste in production plants, as well as the transport of waste, even though they absorb less energy in terms of recovered metals and cause lower emissions than mining processes, require the use of energy-consuming installations. Therefore, in the analysis of energy consumption in the Organization, it should be remembered that the increase in the amount of waste processed causes a proportional increase in energy consumption in the Organization.



For this reason, the Management Board has set another environmental goal to increase the use of energy in the Group from renewable sources.

### GOAL 04: INCREASE THE SHARE OF GREEN ENERGY IN THE ORGANISATION

The largest and most important project aimed at achieving Goal 04 is the construction of the first comprehensive recycling plant in the European Union for 1-ion batteries (LIB) for

## environmental management strategy in the Elemental Holding Capital Group for the years 2022 - 2026

electric vehicles, as well as other waste containing precious metals such as car catalyts (SAC) will be built in Zawiercie in the south of Polish, which will be powered entirely by energy from photovoltaic panels. The scope of the project is shown in the figure below.

### Innovative intelligent energy management system at Zawiercie plant

- Photovoltaic power plant

Total output:

~ 10-12 MWp

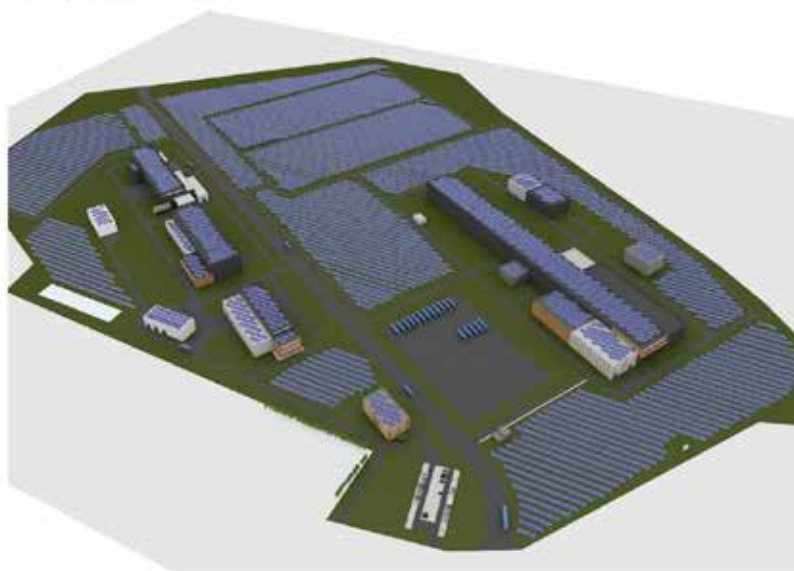
(comparison II quarter 2023 r.)

+~20-25 MWp

(comparison IV quarter 2024 r.)

- Energy storage system with  
capacity

~ 10 MWh



# environmental management strategy in the Elemental Holding Capital Group for the years 2022 - 2026

The above investment is part of the implementation of strategic environmental goals: Groups:

- 01 – increasing the weight of recycled waste;
- 02 – reduction of greenhouse gas emissions;
- 03 – reduction of energy consumption

The extent to which the investment will contribute to the achievement of objectives 02 and 03 is confirmed by an independent expert opinion attached below and issued by TÜV Rheinland Poland Sp. z o.o.:



TÜV Rheinland Polska Sp. z o.o.

## Expert opinion

concerning the planned CO<sub>2</sub> emissions for the technological project entitled: PROMETHEAN

based on a evaluation conducted during the period:  
22.11.2021 r. - 26.11.2021 r.

company:  
**Elemental H2 Tech Sp. z o.o.**  
Traugutta Street 42a, 05-825 Grodzisk Mazowiecki  
(Phone and mail office)

Performed by: **Jacek Marysa**  
Place, date: **Zawiercie, 26.11.2021**  
Opinion Number: **GHG/06/5/IM/2021**

TOP WZROSTAJĄCY PRZEKAZUJE  
RZECZOPRAWO  
do Skarbu Państwa, Sąd Rejonowy  
w Warszawie  
13.10.2021

TÜV Rheinland Polska Sp. z o.o.  
Polska Izba Akredytacji  
51 Edwarda Rejzmana, ul. Rejzmana 50A  
01-644 Warszawa  
Tel. biuro: +48 22 638 20 00  
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E-mail: office@tuv.com.pl  
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Summary 5Y

TÜV Rheinland Polska Sp. z o.o.  
ul. Wolności 347, 41-800 Zabrze

Attachment to opinion No. GHG/06/5/IM/2021 - Calculation of projected emissions from the project.

Project: **Precidus METals metallurgy based on hydrogEn and solar eNergy ("PROMETHEAN")**

Project identification	
Applicant:	<b>ELEMENTAL H2TECH SP. Z O.O.</b>
Project acronym:	<b>PROMETHEAN</b>

### General plant information

General information	Value	Comment
Start of operations	01.01.2025	
Principal product	Other	Other
Resource / Technology	Solar	Electricity
Installed capacity (W)	25 000 000	
Typical plant load factor (%)	79%	Average capacity over the period was indicated. Utilises in the spreadsheet "Projected load". Conservative scenario
Typical operating hours (hours)	7 884	Conservative scenario was assumed. In case of wastewater treatment, typical operating hours will be 8760 per annum

### Absolute GHG Emissions Avoidance

Net absolute GHG emissions avoided due to operation of the project during the first 5 years of operation, in 1000t.

Accumulated GHG emission avoidance	Reference emissions	Project emissions	Result
ΔGHG <sub>abs</sub>	873 141	-	864 667

### Relative GHG Emissions Avoidance

Relative GHG emissions avoided due to operation of the project during the first 5 years of operation, in percent.

Relative GHG Emissions Avoidance	Accumulated GHG emission avoidance	Reference emissions	Result
ΔGHG <sub>rel</sub>	864 667	873 141	99.03%

TÜV Rheinland Polska Sp. z o.o.  
RZECZOPRAWO  
do Skarbu Państwa, Sąd Rejonowy  
w Warszawie  
13.10.2021  
Jacek Marysa

## OBJECTIVE 05: REDUCTION OF WATER POLLUTION

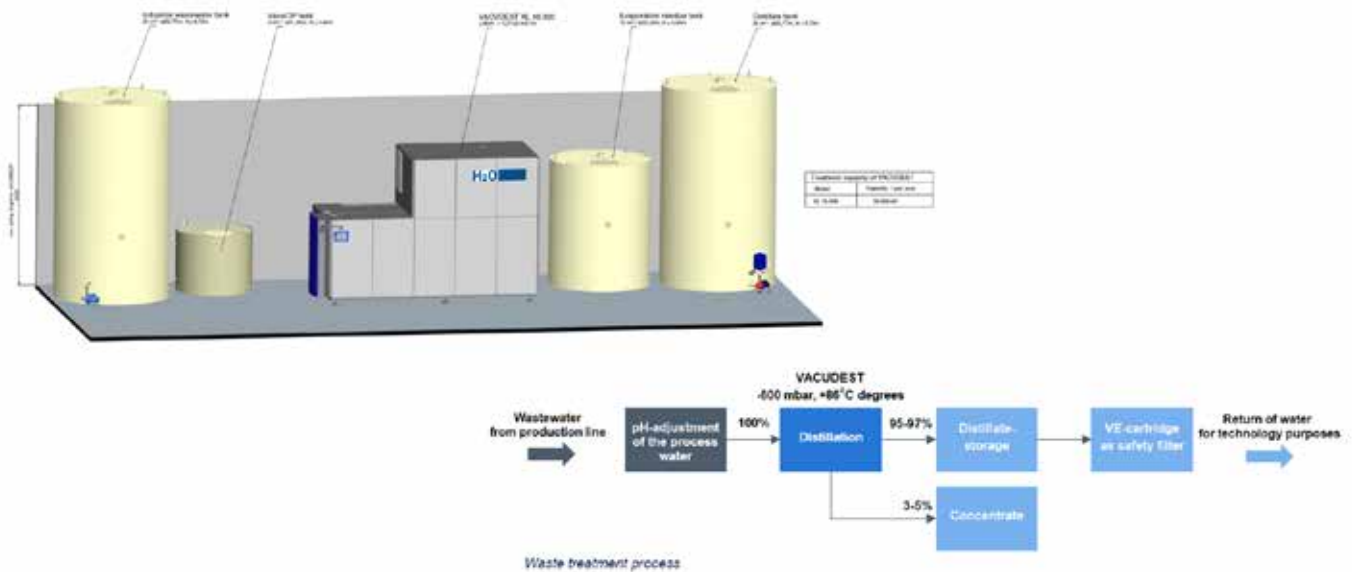
Except for the new plant being built in Zawiercie, Elemental does not use water for industrial purposes. Actions to reduce water pollution focus on securing rainwater that can accumulate on the premises of plants on such surfaces as parking lots, internal communication routes, or storage yards, by hardening the squares, using a drainage and water purification system in separators, and then discharging it to retention tanks. This water is used for watering green areas or fire-fighting purposes. The amount of rainwater discharged is not monitored. To verify the quality of rainwater discharged into the environment, periodic measurements of the purity of the water are made after it has been purified in separators.

In the remaining scope, water is used for the living needs of employees. Water abstraction and sewage disposal shall be monitored in the Organisation.

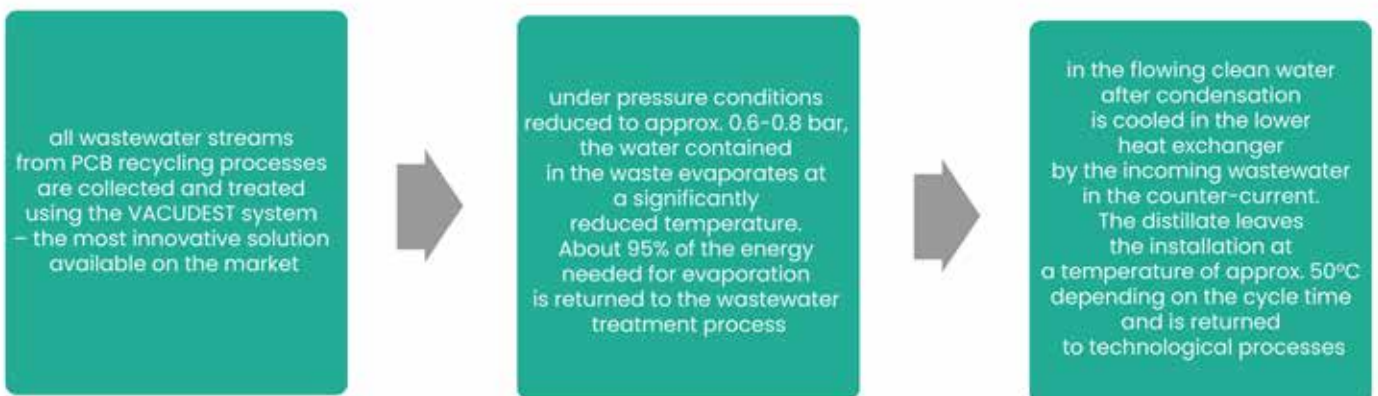
At the plant in Zawiercie, already at the design stage, a modern investment wastewater

management system was taken into account, which we present in the figures below.

## Modern investment wastewater management system



## Clean water recovery system - VACUDEST



## OBJECTIVE 06: INCREASE INVESTMENT IN THE LATEST WASTE RECOVERY TECHNOLOGIES

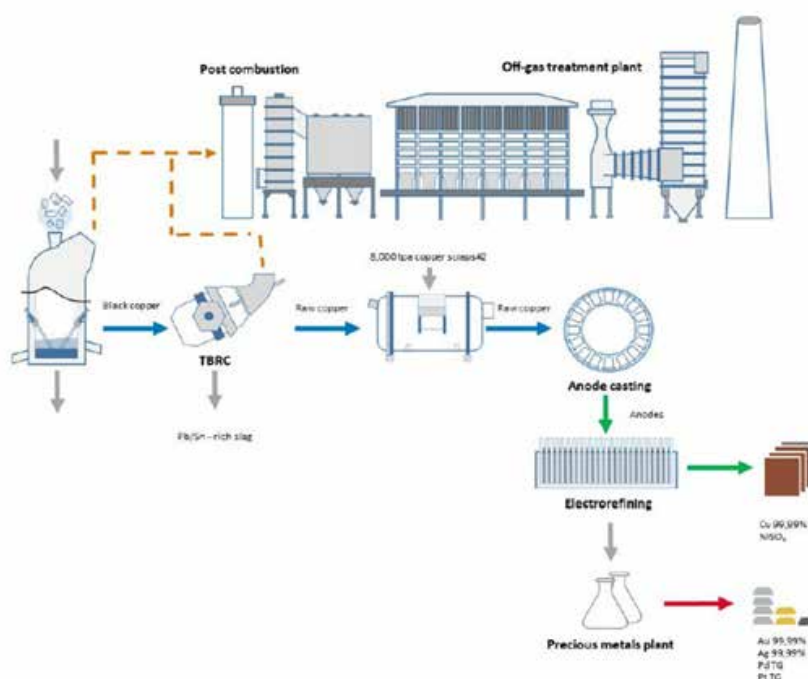
Elemental actively participates in the global fight to improve climate quality. The organization participates in the project „Development and first industrial implementation of innovative battery recycling technologies Lithium-ionic and catalysts with the recovery of metals of strategic importance” approved by the European Commission constituting part of an Important European Common Use Project – Batteries (IPCEI – Batteries). Currently located in the R&D phase and the first industrial implementation and the construction of a pilot plant.

The project assumes the construction of a new production plant, in the greenfield formula in Zawiercie. The plant will carry out technological processes of recycling and production of metals in two separate technological lines. The basic raw materials will be used lithium-ion batteries and used automotive and industrial catalysts, although the use of other raw materials, described in detail later in this study, is also envisaged. Annually, the following will be delivered to the plant:

- up to 4,000 tons of lithium-ion batteries;
- up to 6 000 tons of automotive and industrial catalysts;;
- and other raw materials and consumables

All technological processes used in the plant will comply with the REQUIREMENTS OF BAT („Best Available Techniques” specified in the reference documents, prepared by the IPPC Directive.

As part of the project, dedicated technology is developed in cooperation with leading Polish technical universities from Wrocław and Gliwice, as well as the Łukasiewicz Research Network – Institute of Non-Ferrous Metals and leading global suppliers of advanced production equipment. The production diagram is presented below.



## environmental management strategy in the Elemental Holding Capital Group for the years 2022 - 2026

The project led by the Group is co-financed by the National Centre for Research and Development (NCBR) with additional support from the European Commission. Elemental Holding Capital Group is one of 18 European companies (the others are m.in BASF, Solvay, Umicore, BMW, SEEL, and Varta) notified by the European Commission under the European Industrial Policy, which aims to create a value chain of sustainable mobility in the EU.

From the moment of completion of the investment in Zawiercie and the launch of the plant, the Group will additionally analyze and report in detail this area of activity in terms of the impact of operations on the natural environment by the currently applicable eligibility criteria<sup>4</sup>. The monitored activities are indicated in the table below:

LP	type of activity	action to mitigate climate change	action to adapt to climate change
1	production of electricity in photovoltaic technology	Construction or operation of electricity generation plants that generate electricity using photovoltaic (PV) technology  Economic activities in this category may be linked to several NACE codes, in particular, D35.11 and F42.22	
2	electricity transmission and distribution	Construction and operation of transmission systems that transport electricity on a combined system of very high and high voltage. Construction and operation of distribution systems transporting electricity in high, medium, and low voltage distribution systems.  Economic activities in this category may be linked to several NACE codes, in particular, D35.12 and D35.13	
3	installation and operation of electric heat pumps	Economic activities in this category may be linked to several NACE codes, in particular, D35.30 and F43.22	
4	femur and operation of facilities producing heat/cold using waste heat	Economic activities in this category may be linked to NACE code D35.30	
5	electricity storage	Construction and operation of facilities storing electricity and returning it later in the form of electricity. Activities include pumped storage power plants.  No dedicated NACE codes.	

<sup>4</sup> Delegated act on climate (2021/2139)

**environmental management strategy in  
the Elemental Holding Capital Group for the  
years 2022 - 2026**

LP	type of activity	action to mitigate climate change	action to adapt to climate change
6	maintenance of installations and repair of energy-saving equipment	Individual repair activities consist of the installation, maintenance, or repair of energy efficiency devices.  Economic activities in this category may be linked to several NACE codes, in particular F42, F43, M71, C16, C17, C22, C23, C25, C27, C28, S95.21, S95.22, C33.12	
7	installation, maintenance, and repair of renewable energy technologies	Installation, maintenance, and repair of renewable energy technology, on-site.  Economic activities in this category may be linked to several NACE codes, in particular F42, F43, M71, C16, C17, C22, C23, C25, C27, or C28.	





## **OBJECTIVE 07: INCREASE ENVIRONMENTAL AWARENESS**

Elemental, as a waste management organization active in its environmental activities, is aware that the individual choices of employees, members of local communities, as well as all actors in the supply chain have a direct impact on the state of the environment. Aware of the impact of educational activities on shaping environmentally responsible behavior. The Management Board of Elemental decided to implement the following activities:

### **Actions to achieve goal 07**

#### **Increase environmental awareness in the supply chain**

Take active measures to promote environmentally conscious attitudes among suppliers and subcontractors

#### **Establishment of an information center**

An information center will be set up in Grodzisk Mazowiecki to present information on recovery methods, including recycling, principles of waste handling, environmental benefits of Elemental's activities in this regard.



#### **Implementation of a series of training courses for employees and educational institutions**

Conscious and responsible consumption, segregation and recycling of waste, reduction of garbage production, reduction of Energy and water consumption

#### **Cooperation with recovery organisations**

Participation in information campaigns to promote the segregation and collection of waste from the group of waste electrical and electronic equipment

In addition to the above activities, Elemental develops its pro-environmental activities, using for this purpose the practices of the best environmental organizations to which it belongs and which it co-creates. Noteworthy in this aspect in particular the members of the Group companies in the following organizations:

- BIR (The Bureau of International Recycling - [www.bir.org](http://www.bir.org)) – in which the Group shares knowledge with other industry sectors and political groups about the latest trends (including trade and environmental regulations) in the field of recycling;
- IPMI (International Precious Metals Institute, [www.ipmi.org](http://www.ipmi.org)) – which provides a platform for sharing relevant information on issues related to precious metals. As part of the activities of this organization, the Group participates m.in in awarding prizes to students, promotes science and new technologies, and supports important educational and research programs.

An important element of the Organization's activities to promote the principles of sustainable development is also ongoing information about environmental projects implemented by the Group companies, enabling stakeholders, in particular local communities, to get acquainted with these projects and express their opinions. The Company undertakes to regularly inform stakeholders by publishing annual reports on the implementation of the strategies adopted by Elemental and the assessment of opportunities and risks related to the climate.



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