

MOKATE
— A Family Business —

ESG Strategy

2024 – 2030



Introduction

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By embracing the ESG principles, the Mokate Group companies are able to plan **strategically with a long-term perspective**, focusing on sustainability, which means addressing environmental, social and governance aspects.

As a result, the Mokate **Group Companies can reduce greenhouse gas emissions and waste** while promoting healthy eating habits.

Responsible **ESG activities enhance trust among customers and business partners** while contributing to a stable, long-term outlook for the Mokate Group companies – this aspect is what characterises family businesses. The implementation of the ESG strategy also includes regular progress reporting.

Adam Mokrysz, PhD
CEO of Mokate



Source: Mokate

The importance of ESG



The importance of ESG for Mokate Group Companies is multidimensional, covering environmental, social and governance aspects.

By implementing the ESG strategy, the Mokate Group Companies are able to achieve their goals in the following areas:

- sustainable development,
- climate risk management,
- building positive relationships with stakeholders and the local community.

It is also a response to society's growing expectations towards businesses, which are evaluated not only on their operational efficiency, but also on their impact on social and environmental wellbeing.

01.

ESG achievements to date

Special award from the KOMPAS ESG Congress Chapter for long-term support for education that comes directly from passion, but also from a family tradition of many years. Teaching and promoting chess as an important tool for prevention and teaching cyber hygiene.

Special award for Adam Mokrysz, PhD – CEO of the Mokate Group Companies, a long-standing advocate of the Social aspect – responsible parenting, employer and responsible leader, exerting a positive influence on changing our attitudes.

I have always believed that chess teaches not only concentration, prediction and logic but also the ability to stagger actions. First and foremost, chess teaches humility, and this has extra significance in business. After all, we don't win every single time.

Adam Mokrysz, PhD
CEO of Mokate



Źródło: Mokate



ESG Main Objectives

Faced with today's environmental, social and governance challenges, Mokate is embracing an ESG strategy that is designed not only to generate financial benefits, but also to promote sustainability and corporate responsibility.

By introducing an ESG strategy, Mokate strives to integrate ESG practices into its daily operations with a view to reducing climate change, improving relations with the community and maintaining high management standards. Mokate's ESG targets are measurable and reflect the commitment of Mokate Group Companies to creating value for all stakeholders.

02.

Mokate Sustainable Development Goals



Mokate is committed to the Sustainable Development Goals (SDGs) with a view to making its contribution to global efforts for a better world. In doing so, the Mokate Group Companies are focused on supporting local communities by creating stable jobs, fair trading conditions and initiatives to foster human capital development.

Mokate is concerned about the health and safety of its staff and supports the education of its staff by making investments in training and professional development.

Mokate relies on renewable energy sources and energy efficiency. It promotes innovation and cutting-edge technologies contributing to sustainable development and counteracts all forms of discrimination.

Mokate is committed to improving the quality of life in local communities, promoting responsible consumption and production and combating climate change by reducing greenhouse gas emissions.

The ESG targets of the MOKATE Group may be revised in response to changes in the business environment.

Mokate ESG Strategy

The ESG Strategy adopted by Mokate rests on three pillars designed to integrate environmental, social and core business process issues.

By pursuing sustainability, in line with the ESG principles, Mokate is able to plan and implement long-term goals that are measurable and allow progress to be monitored.

As part of its ESG strategy, Mokate targets the **three main pillars of ESG accountability**, and this translates into particular actions and initiatives with the following goals:

- limiting climate change,
- improving the quality of life for staff and local communities, and
- ensuring transparency and ethics in management.

Meeting these assumptions is key to building a sustainable development strategy for the Mokate Group companies, thus contributing to increased competitiveness and stability in the market.

03.

Strategic ESG Pillars



Environmental Pillar (E)

Increasing energy efficiency, promoting sustainability and use of renewable energy sources



GHG emissions

Reducing greenhouse gas emissions



Water

Optimising water consumption



Circular economy

Increasing the share of recycling



Social Pillar (S)

Integration of social and environmental goals with business activities and partnership with the local community



Supporting the community

Chess education and promotion



Staff

Maintaining a high share of women in managerial positions



Health, safety and welfare of staff

Continuous safety improvement



Governance Pillar (G)

Building trust and respect among customers, business partners and staff



ESG Policies

Strengthening best market practices



Transparency

Monitoring compliance with sustainable development regulations



Education and prevention

Preventing corruption and phishing



Environmental Pillar

The Environmental Pillar represents a key element of Mokate's sustainability strategy, with a focus on minimising the impact of business activities on the surrounding environment.

It covers measures to preserve natural resources, reduce greenhouse gas emissions and manage waste. Mokate is going to gradually implement initiatives aligned with the Environmental Pillar, in an effort to make sustainable use of raw materials, reduce its carbon footprint and educate its stakeholders about green practices.

The focus on the Environmental Pillar not only helps to protect the planet, but also builds Mokate's positive image, enhances its competitiveness and creates value for future generations.

Identifying ESG targets

Environmental Pillar



Environmental Pillar (E)

Increasing energy efficiency, promoting sustainable development and the use of renewable energy sources.

Objective

Using the best available solutions to support environmental activities

Challenges that MOKATE responds to

- mitigation and adaptation to climate change,
- protection of natural resources,
- regulatory changes at global level,
- social expectations.



Internal initiatives

- Reducing greenhouse gas emissions by 30% by 2030 for Scopes 1 and 2
- Optimising water consumption by implementing a closed-loop system in spray towers
- Achieving 100% recyclable packaging by 2030

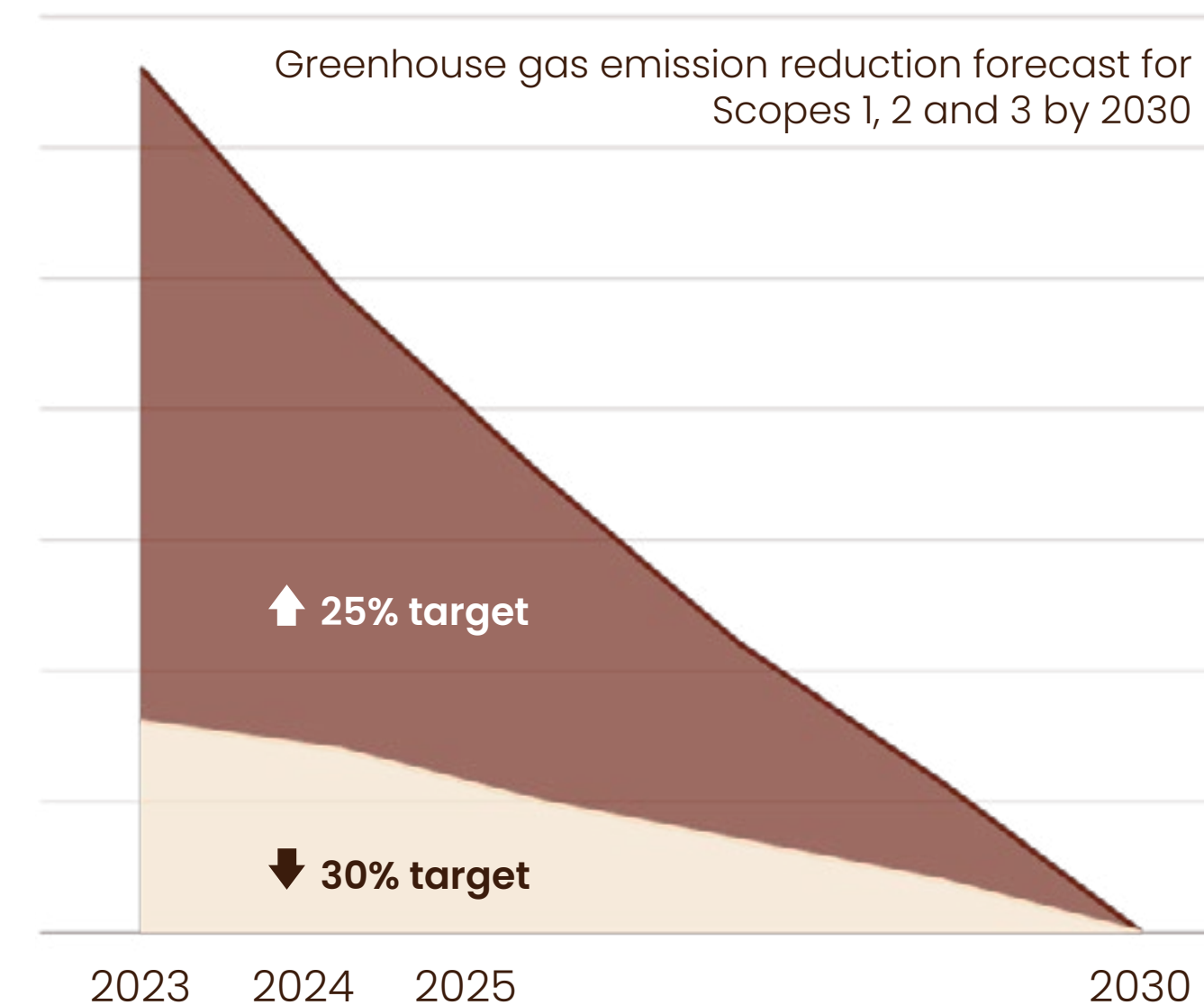
External initiatives

- Reducing greenhouse gas emissions by 25% by 2030 among Mokate Group suppliers.

ESG strategic initiatives

Environmental Pillar

Activities	Success measures
Reducing greenhouse gas emissions by 30% by 2030 for Scopes 1 and 2	<ol style="list-style-type: none"> 1. Purchasing green electricity starting from 2025. 2. PV installation starting from 2027. 3. Transport fleet upgrade. 4. Continued emission monitoring and process optimisation.
Reducing Scope 3 CO2 emissions by 25% across suppliers by 2030	<ol style="list-style-type: none"> 1. Identifying Scope 3 emissions. 2. CO2 emission measurement and annual reporting. 3. Verifying emission reduction options with suppliers.
Optimising water consumption and increasing the share of products for recycling	<ol style="list-style-type: none"> 1. Reducing the use of multi-layered, difficult-to-process materials. 2. Evaluating and selecting suppliers based on their ability to supply recyclable materials. 3. Minimising production waste through more efficient processes. 4. An investment task for the design and implementation of a closed-loop system in spray towers.



- Target to reduce Scope 1 and 2 greenhouse gas emissions by 30% by 2030
- Target to reduce Scope 3 greenhouse gas emissions by 25% by 2030 across suppliers

Description of activities

Environmental Pillar

Each of Mokate's ESG areas outlines specific activities and targets related to the reduction of CO2 emissions, efficient management of natural resources and increased recycling of packaging, in order to achieve sustainability and minimise environmental impact.

Scope 1, 2 and 3 greenhouse gas emission reduction

The target of the planned investments is to reduce CO2 emissions by 30% relative to 2023 levels for Scope 1 and Scope 2 GHG emissions. The measures include the purchase of green energy and the installation of a PV system. In addition, there are plans to prepare a detailed action plan and upgrade the transport fleet with a view to optimising processes.

A 25% reduction in CO2 emissions among suppliers has been planned. The process entails identifying supply-related emissions and working together to review and implement reduction measures designed to reduce the carbon footprint of the supply chain.

Reduced water consumption

The planned measures are intended to achieve the reuse of water for production purposes through investments in a closed water cycle on spray drying facilities and education of employees on the efficient use of water, including the development of educational programmes and regular training.

Increased recycling

The plan is to gradually increase the percentage of waste recycled by developing recycling infrastructure and educating staff, as well as auditing efficiency at production facilities. The goal is to achieve 100% recyclable packaging by 2030. The first step is to redesign packaging for easier recyclability. It is crucial to choose materials that are easily decomposable and recyclable. For instance, using uniform materials that can be easily separated and recycled makes the recycling process easier. Another aspect is consumer and staff education.



05.

Social Pillar

The Social Pillar is centred on support for people and local communities. Mokate is active in CSR initiatives such as chess cooperation and promotion of youth education and development.

Mokate seeks to develop a stable and friendly working environment, believing that staff are the most important asset of the Mokate Group Companies. Mokate promotes diversity, with a goal of retaining more than 30% women in all management positions, and is committed to human rights and diversity among its workforce.

Mokate is increasing diversity and inclusion through inclusive programmes, fostering team innovation. Mokate is investing in staff education and development by offering training and courses, and is taking care of occupational health and safety (OHS) through regular training and audits. These activities enable Mokate to build strong ties with local communities and promote sustainable development.

Identifying ESG goals

Social Pillar



Social Pillar (S)

Integration of the social and environmental goals with business activities and cooperation with the local community

Objective

Focus on employee welfare and support for local communities.

Challenges that MOKATE responds to

- ongoing social and non-profit activities,
- attention to respect for human rights with a reduction in the pay gap,
- seeking to maintain a high proportion of women in managerial positions.



Internal initiatives

- Supporting local communities by promoting chess initiatives
- Reducing employee turnover and measuring satisfaction
- Maintaining the share of women in managerial positions > 30%
- Reducing the pay gap < 20%
- Supporting employee education and development
- Promoting health and safety at work through regular training
- Cooperating with food banks

ESG strategic initiatives

Social Pillar

Activities	Success measures
Supporting local communities	<ol style="list-style-type: none">1. Educational initiatives as part of cooperation in the field of chess.2. Partnerships with local non-profit organisations, including food banks.
Staff turnover management and education	<ol style="list-style-type: none">1. Reducing the level of voluntary staff departure by 9.4% by 2030 (compared to the 2023 baseline) through an effective response to the results of regular, periodic employee satisfaction surveys.2. Employee support and education (1.5% increase in training days each year).
Maintaining the employment rate of women in managerial positions >30%	<ol style="list-style-type: none">1. Introducing a policy that aims to ensure a balance in the representation of women and men in executive, managerial and senior positions.
Attention to human rights and diversity among staff	<ol style="list-style-type: none">1. Introducing policies and pay scales to close the pay gap between men and women in identical positions by the end of 2030.2. Targeting a GPGR (Gender Pay Gap Ratio) below 20% in 2030.
OHS	<ol style="list-style-type: none">1. Striving for zero accidents by 2030.

Description of activities

Social Pillar

As part of its Social Pillar, the Mokate Group Companies undertake wide-ranging activities with a view to improving working conditions, enhancing equality and inclusion and developing employee competences, thus helping to build a positive and sustainable working environment.

Employee turnover management

Mokate has plans to reduce staff turnover rates by introducing strategies to increase job satisfaction. These measures include conducting periodic employee satisfaction surveys annually to monitor satisfaction levels and identify areas for improvement. The turnover rate is expected to be reduced by a further 0.5 percentage points each year until 2027.

Employment of women in managerial positions

Mokate aims to keep the proportion of women in managerial positions above 30%. By implementing policies to support equal pay and promoting women into key managerial roles, the Mokate Group companies intend to further increase this ratio in the future.

Fostering human rights and diversity among staff

Mokate is focused on addressing the gender pay gap with the aim of reducing

the Gender Pay Gap Ratio (GPGR) below 20% by 2030. The policy adopted covers the systematic monitoring of pay gaps and the introduction of corrective measures to ensure equality in pay.

Increasing diversity and inclusivity in the workplace

Analysing employment demographics and conducting regular employee satisfaction surveys to identify and address barriers to diversity at Mokate. By implementing programmes for mentoring, professional development and equality and inclusion policies, Mokate seeks to foster diversity within the team and create an open working environment.

Staff safety and welfare

Mokate is working towards the total elimination of accidents, aiming to reach zero by 2030. To this end, Mokate is going to implement a series of measures aimed at enhancing safety at work, including upgrading infrastructure and providing more health and safety training. Analysing and monitoring incidents on a regular basis will help to make the necessary adjustments on an ongoing basis so as to ensure a safe working environment for all staff. Furthermore, Mokate provides its staff with a range of benefits in the form of health insurance, MultiSport cards and sports initiatives to support good health habits.



Governance Pillar

The Governance Pillar represents the foundation for Mokate, defining its structure, processes and values. It constitutes the core that shapes the way the organisation operates, its culture and its internal and external relationships.

Successful management involves a harmonious combination of strategy, people and resources designed to achieve business objectives in an efficient and sustainable manner. In the context of a dynamically changing business environment, it is crucial to keep improving structures and processes, adapting to new challenges and promoting organisational innovation and flexibility.

06.

Identifying ESG goals

Governance Pillar



Governance Pillar (G)

Building trust and respect among customers, business partners and staff.

Objective

Pursuing sustainable development through the effective management of ESG impacts on the operations of the Mokate Group Companies.

Challenges that MOKATE responds to

- supplier relationship management,
- incorporating ESG risks into the risk management system,
- prevention of corruption and phishing, preventive measures.



Internal initiatives

- Supplier relationship management. Sustainable value chain by introducing a sustainable purchasing policy
- Incorporating ESG risks into the risk management system in the organisation
- Strengthening transparency and compliance
- Prevention of corruption and phishing, preventive measures.

ESG strategic initiatives

Governance Pillar

Activities	Success measures
Supplier relationship management	Implementing a sustainable purchasing policy to ensure compliance with environmental, social and governance standards and covering 100% of suppliers by 2030
Incorporating ESG risks into the risk management system	Implementation by the end of 2027
Designation of a management board member in charge of ESG	<ol style="list-style-type: none">1. Implementation of the action by the end of 20252. Organising a minimum of 2 meetings per year to discuss implementation of ESG and sustainability objectives with the management of the Mokate Group companies
Strengthening transparency and compliance	Update of the Code of Ethics and compliance policies along with their audit
Prevention of corruption and phishing, preventive measures	Percentage of employees that have received training and re-training and monitoring of knowledge of trained employees 100% by 2030

Description of activities

Governance Pillar

As part of the Governance Pillar, Mokate is taking comprehensive measures towards integrating sustainable practices into its supplier management strategy as a way to contribute to sustainability and build trust with both external and internal stakeholders.

Implementing a sustainable purchasing policy

Mokate plans to create a new sustainable purchasing policy by the end of 2024 to address environmental, social and governance standards. It is expected that 50% of new suppliers will be covered by the policy by the end of 2025 and that all new supplies will be compliant with the policy by the end of 2030.

Incorporating ESG risks into the risk management system

Mokate intends to include ESG (Environmental, Social, Governance) risks in its risk management system. The aim of this step is to identify, assess and manage environmental, social and governance risks.

Responsibility for ESG on the board

The Management Board of the Mokate Group Companies will appoint

a member of the Management Board of each Group company in charge of ESG issues to ensure a coordinated approach and the effective implementation of sustainable development strategies.

Strengthening transparency and compliance

Mokate plans to conduct regular compliance audits and update its Code of Ethics and compliance policies, thus fostering transparency in its operations and compliance with applicable regulations. In addition, external consultations and compliance training for staff are planned.

Strategic approach to ESG

The Management Board and key directors will regularly discuss the ESG strategy and day-to-day ESG issues in formal meetings with a view to ensuring a strategic approach to Mokate's sustainability management.

Prevention of corruption and fraud

The Mokate Group Companies have plans to train 100% of their staff and regularly test them in order to counteract corruption and fraudulent activities, thus fostering honesty and ethics in its operations.

MOKATE

— *A Family Business* —

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