

Integrated Report 2022

SELECTED DATA



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The full content of the Integrated Report summarizing
the 2022 can be found at:
<https://raportzintegrowany.grupakety.com>



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Letter of the President of the Management Board

Year 2022, similarly as the few recent years, was a great challenge to Grupa KĘTY S.A. The multitude and scale of problems faced by companies in that time (the COVID-19 pandemic, the war in Ukraine and its aftermath, the supply chain disruptions, volatile material prices, and finally the energy crisis, inflation, and economic downturn) were unprecedented and hugely affected the global economy.

It is, therefore, a great satisfaction to be able to share with you the positive information on Grupa KĘTY S.A. results in 2022, which were significantly higher than the original financial assumptions. The consolidated sales revenue amounted to PLN 5,931 million (+29% y/y), EBITDA exceeded PLN 1,031 million (+15% y/y), and net profit attributable to owners of the parent reached PLN 678 million (+14%). The financial results achieved in 2022 were the highest in the history of Grupa KĘTY S.A.



5,931 PLN milion

The consolidated sales revenue



678 PLN milion

Net profit



1,031 PLN milion

EBITDA

Sharing the good financial results with you, I would like to warmly thank all the employees of the companies of the Capital Group of Grupa KĘTY S.A. for their work and involvement in building the value of our Company, and congratulate them on their professional successes.

I would also like to thank all my colleagues for being able and willing to show their heart to our Ukrainian workers and their families, as well as the Ukrainian refugees during these difficult times. Sympathising with Ukraine, we have been helping the refugees since the first days of the war. In the hottest period, with the support of our employees-volunteers, more than a hundred people received the necessary financial aid and homes, as well as hope, thanks to finding employment and the opportunity to educate and bring up their children far from the atrocities of war. In 2022 we assigned the total of nearly PLN 1.7 million on aid and intend to continue our efforts.

Owing to the absolutely different market conditions in the first and second halves of the year, the discussion of the annual financial results will reflect seemingly opposing descriptions of the year.

The first six months were exceptionally good for the Company. Paradoxically, the outbreak of war in Ukraine caused an unusually high uncertainty, nearly on the verge of panic, which – coupled with our ability to quickly react to unforeseen situations – translated into an increase in orders and the opportunity to generate high margins.

In the second half of the year, the situation changed dramatically. The third quarter brought about a substantial economic downturn, the energy crisis took hold, inflation rose month by month and orders fell. The slowdown in the second half of 2022 was evident both in the operating and financial results, as well as in the investment projects implementation schedules – we decided to postpone some works for several months, without, however, abandoning the planned development activities. In effect, in the Extruded Products Segment,

the commissioning of the 20 MN press will take place by the end of the first quarter of 2023 and the 40 MN press in late 2023 and early 2024. With regard to the construction of the new plant in Złotów under the Aluprof BIS project, the construction work will be completed by the end of 2023.

In 2022, all operating segments recorded very good results.

The Extruded Products Segment, with its strong position in the European aluminium processing industry, sold roughly 85,000 tons of products in 2022, responding to the high market demand. Sales revenue reached PLN 2,451 million (+35% y/y), including PLN 1,263 million from foreign sales (+46% y/y), mainly on the German and Italian markets, as well as in Central and Eastern Europe. Revenue growth was based on increases in product sales on the main markets, the optimisation of the customer portfolio and strengthening of the position of foreign companies. The Segment also took measures aimed at effectiveness improvement and extension of processed products manufacturing, which is related to developing projects in the automotive industry, including the production of aluminium components for American-brand electric cars, among others.

The Aluminium Systems Segment represented by Aluprof S.A. increased its sales revenue to PLN 2,440 million (+22% y/y), including PLN 975 million from exports (+22% y/y). Thus, Aluprof strengthened its position as one of the leaders in the aluminium systems industry in Europe, following the path of dynamic development in every area of its business (not only related to manufacturing and products, but also to customers and marketing). Worth mentioning is the fact that for many years, Aluprof has been an organiser of the prestigious 'Aluprof Systems Building of the Year' competition, gathering

an outstanding group of architects, constructors, developers and contractors from all over Europe, as well as a regular participant of the PLGBC Green Building Summit conference (the most recognisable and opinion-forming event in the Polish real estate, construction and architecture sectors – a symbol of green progress).

The Flexible Packaging Segment generated revenue at the level of PLN 1,517 million (+30% y/y), including PLN 836 million of revenue on foreign sales (+34% y/y) and improved its position among the largest manufactures of BOPP films and flexible packaging in Europe. Launched at the turn of 2016 and 2017, the investment in the production of BOPP film proved to be extremely well-timed and well executed – it enabled the company to gain a share of around 6% in the European BOPP film market within a short period of time, and its share of sales in the FPS product basket exceeded 50% at certain times.

Year 2022 was generous for Grupa KĘTY S.A. as regards prizes and awards, which is a token of esteem for the financial achievements of the Company and the Capital Group. We took the second position in the main ranking of the 23rd edition of the 'The Stock Exchange Company of the Year', organised by Puls Biznesu. One of the fund managers called Grupa KĘTY S.A. the 'Aluminium Apple'. That comparison to an American high-tech company was undoubtedly a compliment and, at the same time, an external recognition of the quality of the Group Capital management, skilful operating activities, creation of ideas and value building... as if in American style.

Further, the Institute of Accountancy and Taxes, organising 'The Best Annual Report' competition for the seventeenth time, honoured Grupa KĘTY S.A. for its debut in the 'Integrated Report' category, which in practice means that we have joined the elite club of companies communicating with the market following the best global models.

We are all aware of the fact that the modern world invariably poses great challenges with regard to environmental protection, effective use of natural resources, or impact on the climate. The challenges refer to all, however, the business and production companies have the most to say. In the 2022 report we present updated sustainable development goals, in a progressive trend, which comprise the impact on the environment, safety and development of the Company employees, responsibility within the supply chain and engagement in local communities.

We have entered 2023 with great concerns. Successive weeks have been bringing conflicting information about the economic situation. The situation of the particular business segments differs depending on the industry they are connected to and the companies they cooperate with most strongly.

Nevertheless, we believe that, as always, we will cope with any difficulties, and the Capital Group will follow the road set out in the sustainable development strategy. The adopted business objectives for 2023 strictly follow the 2025 Strategy assumptions. The ambition of the segments is to maintain sales growth in the conditions of economic downturn. The Capital Group also hopes to increase the production capacity of its assets

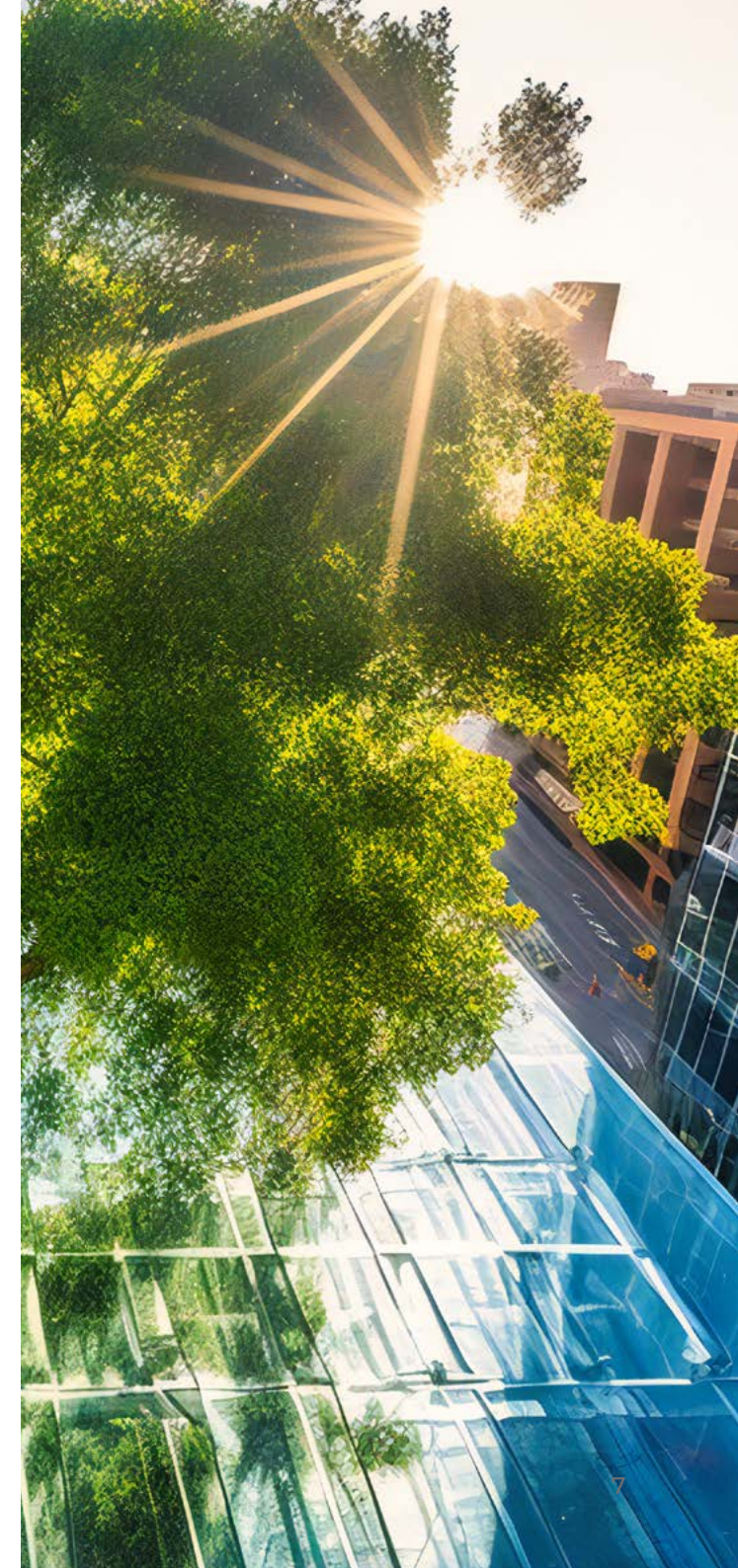
and attract new customers within a short-term perspective. At the same time, there are pending numerous projects aimed at efficiency improvement as well as activities involving costs reduction and looking for savings.

As the Management Board of Grupa KĘTY S.A., we believe that the current economic slowdown is temporary and we treat it as a correction in the long-term growth trend in our business area. The long-term prospects are not threatened in our opinion, and we want to use the year 2023 to strengthen our potential and competences that will allow for even more dynamic growth of the Group in the near future.

In 2023, we celebrate 70 years of Grupa KĘTY S.A. 'Strong Business – Sustainable Development' is our anniversary slogan, which reflects both our efforts to build a strong business and prospects and challenges faced in the area of sustainable development, which are a signpost for the future of the Capital Group, including carbon footprint reduction by way of developing a range of easily recyclable, homogeneous packaging, innovative aluminium semi-products for the electro mobility sector and energy-efficient, passive architectural systems promoting the idea of green building.










Yours faithfully,

Dariusz Mańko
President of the Management
Board/Grupa KĘTY S.A. CEO



About Grupa Kęty

Grupa KĘTY S.A. (hereinafter referred to as the Company or the Issuer) is a parent of the Capital Group of Grupa KĘTY S.A. (hereinafter referred to as the Capital Group), composed of three business segments.

SEGMENTS	PRODUCTS	CUSTOMERS
 EXTRUDED PRODUCTS SEGMENT ALUMINUM PROFILES	 ALUMINUM COMPONENTS	Transportation and automotive
	 ALUMINUM PROFILES	Other industries
 ALUMINUM SYSTEMS SEGMENT	 FACADE, WINDOW AND DOOR SYSTEMS	Construction
	 EXTERIOR ALUMINUM ROLLER SHUTTER SYSTEMS AND ROLLING GATES	
 FLEXIBLE PACKAGING SEGMENT	 PACKAGING	Food manufacturers and other industries
	 BOPP FILM	

The Capital Group of Grupa KĘTY S.A. is an international concern with approximately 5,500 employees and 15 foreign companies, selling products to approximately 5,000 customers on 56 markets. In 2022, more than half of the Capital Group's sales revenue was generated outside Poland, specifically on the European market, where 48% of sales are generated, including 41% in countries belonging to the European Union, such as Germany, the Czech Republic, the United Kingdom and the Netherlands. Outside Europe, sales are generated in the United States, Vietnam, Saudi Arabia and the United Arab Emirates, among others.

The Capital Group has 12 production plants, out of which four belong to the EPS and are located in Kęty, Tychy, Borodianka (Ukraine) and Slovenska Bistrica (Slovenia), five belong to the ASS and are located in Bielsko-Biała, Złotów, Opole, Goleiszów and Ogrodzona, and three belong to the FPS and are located in Kęty, Tychy and Oświęcim. The Capital Group has its in-house Research and Development Centre based in Kęty, within the Extruded Products Segment, as well as the Research and Innovation Centre in Ogrodzona, within the Aluminium Systems Segment.

 **5,500**
Employees

 **15**
Foreign companies

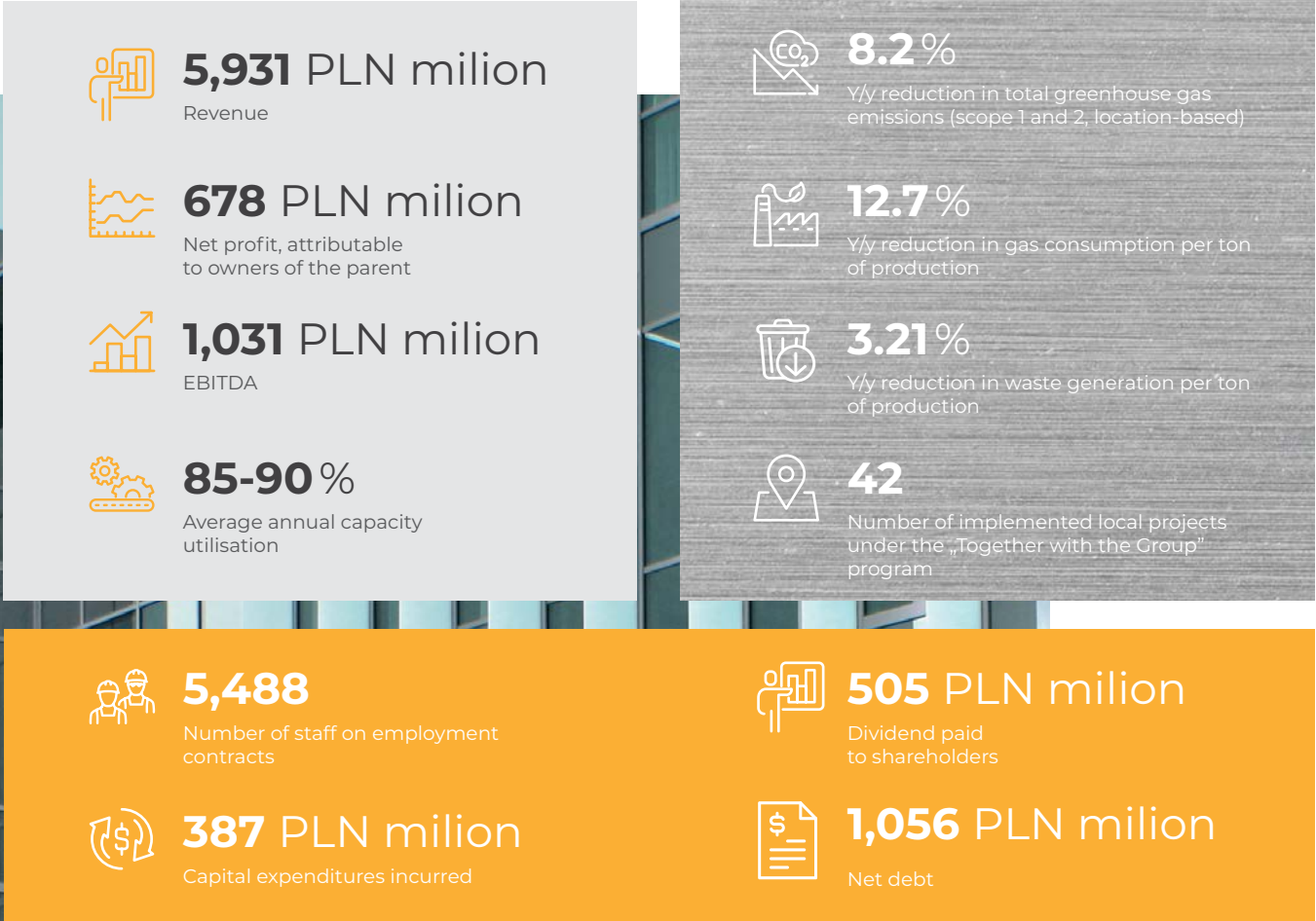
Production plants and research centres of the capital group



Selected results

Despite economic slow-down, the challenges related to COVID-19 pandemic, the consequences of war in Ukraine, the energy crisis, inflation and high volatility of raw materials prices as well as limitations in the materials availability, the Company and its

Capital Group proved their strong market position. The financial results achieved in 2022 were the highest in the history of Grupa KĘTY S.A.



Mission, Vision and Values

The Capital Group development directions, as well as its operational and financial objectives are formulated each time by the Company Management Board in the form of an announced development strategy covering for the ESG area and including parameterised commitments related to sustainable

development that the Group aims to achieve. The cornerstones of each strategy are the Mission, Vision and Values adopted for the Capital Group and the constant endeavour to maintain corporate governance and open information policy at the highest level.



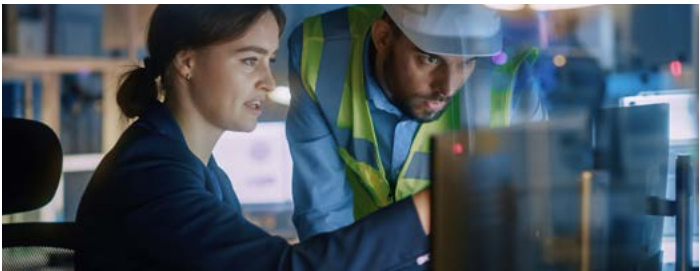
MISSION

For the future... ,ensuring employee development, effective use of natural resources, safety, environmental protection, long-term economic value’.



VISION

‘A world-class company in the areas of its operation’.



VALUES

Our values compromise moral standards, business ethics and culture, innovative solutions and social responsibility, reflecting the way the Grupa Kęty S.A. Capital Group operates.

ESG and sustainable development activities

An integral part of the Capital Group Strategy are commitments related to the ESG area in the form of sustainable development goals, which comprise the impact on the environment, safety and development

of the Company employees, responsibility within the supply chain and engagement in local communities among the key elements of the Strategy performance, applicable to all Capital Group companies.

20%

reduction by 20% of the value of greenhouse gas emissions per production unit ⁽¹⁾

75%

increase to 75% of the share of aluminium scrap in the products made of soft alloys, extruded from lowemission billets ⁽²⁾

5%

growth of the share of the manufactured packaging films and laminates fit for recycling by 5% ⁽²⁾

20%


increase by 20% in the number of certified energy-efficient, passive buildings constructed with Aluprof systems ⁽²⁾

5%


improvement of the status of an attractive employer measured by the reduced year over year staff turnover ratio by 5%

150


performance of 150 projects for local communities within the 'Together with the Group' voluntary actions and grants programme ⁽²⁾



sharing the generated profit with shareholders in accordance with the dividend policy,



covering qualified suppliers with the provisions of the Suppliers Code of Conduct ⁽²⁾



reduction of the Total Recordable Incident Rate (TRIR) ⁽³⁾ to less than 1 in the area of occupational health and safety ⁽²⁾

⁽¹⁾ Base year 2016, Scopes 1+2 (direct and indirect emission).
⁽²⁾ Base year 2020.
⁽³⁾ Total Recordable Incident Rate is defined as the number of injuries per 100 workers at a respective employer during a one-year period.

When analysing the impact of the Capital Group, we have tried to respond to the key issues raised by the stakeholders, including but not limited to occupational health and safety, dividend policy, risk management, support to local initiatives,

development of the local labour market, and activities for the environment, as well as the challenges of the 21st century and the ever changing environment, such as prevention of climate change and protection of human rights.

Below presented are the main assumptions in the particular ESG areas:



E	S	G
Greenhouse gas emissions limitation	Caring for occupational health and safety	Focus on the Company vision and values
Development of the recycling processes and effective waste management in all areas of the organisation's operation	Creation of the image of an attractive employer and innovative sector, and attraction of talents	Sharing the generated profit with a broad group of stakeholders
Innovativeness and development of products, services and processes compliant with the climate change challenges	Support to local communities	Respect for human rights, corruption prevention and carrying out a responsible environmental policy within the broad chain of supply
	Acting for the benefit of people threatened with social exclusion	
	Development of the idea of educating through sport as a tool to encourage young people to be physically active and to prevent obesity	

Major aspects	Aspect impact		Impact significance	Method of management
	in-house	external		
ENVIRONMENT				
Greenhouse gas emissions limitation	x	x	We assume full responsibility for the influence of our actions on the environment. By way of greenhouse gas emissions we exert a real influence on climate change.	We have set out a strategic indicator, namely reduction of GHG emissions intensity. A full description of our actions as regards emissions reduction is provided in 'Environmental repositibility'. At the same time, owing to the importance of the subject, the attainment of the non-financial indicator has been made an element of the variable remuneration of the Management Board of Grupa KĘTY S.A.
Development of recycling processes and effective waste management in all areas of the organisation's operation	x	x	Our basic raw material is aluminium, a metal which may be repeatedly recycled without any loss of properties. By way of improving processes, we can have real influence on aluminium recycling increase. The Capital Group activities are carried out in three operating egments, where we perform many processes and use various technologies, but in each of them we are guided by the effective circular economy concept.	Our approach to aluminium recycling processes, waste management and circular economy is described in section 'Environmental repositibility'.
Innovativeness and development of products, services and processes compliant with the climate change challenges	x	x	Know-how is a major non financial asset of the Capital Group. In developing our products we are guided by the expectations of our customers, simultaneously caring for sustainability.	A description of our operating segments as well as their research and development activities may be found in section 'Operating activities'.
SOCIAL				
Care for occupational health and safety	x		The Capital Groupemploys nearly 5,500 people, out of which 70% production workers, where there is an increased risk of accidents at work. We have a real influence on building safe working environment by way of taking actions aimed at prevention of occupational hazards and improvement of staff awareness.	We have set out a strategic indicator, i.e. Total Recordable Incident Rate. A full description of our actions as regards OHS is provided in section 'Occupational health and safety'. At the same time, owing to the importance of the subject, the attainment of the non-financial indicator has been made an element of the variable remuneration of the Management Board of Grupa KĘTY S.A.

Major aspects	Aspect impact		Impact significance	Method of management
	in-house	external		
Employment attractiveness based on the image of an innovative sector and attraction of talents	x	x	The Capital Group is a cluster of 5,500 people. We have a real influence on their development. We have an ambition to create and develop a team of engaged and professional employees	Our approach to HR processes, including training and additional benefits, as well as transparent recruitment processes, has been described in section 'Employees'. We measure the effects of our actions with the staff turnover ratio.
Support to local communities	x	x	The Capital Group engages in the communities of the areas where its companies are located. We have a real influence on our environment. We want to create positive change and, therefore, together with our employees who form local communities, we respond to challenges and needs and contribute to the region's development.	We have set out a strategic indicator, namely the number of local projects. The full spectrum of our engagement and local initiatives has been described in section 'Community engagement'. At the same time, owing to the importance of the subject, the attainment of the non-financial indicator has been made an element of the variable remuneration of the Management Board of Grupa KĘTY S.A.
Care for the people threatened with social exclusion	x	x	It is an important aspect we have identified when creating the corporate foundation and selecting the directions for the foundation's activities. Through the corporate foundation we prevent local social problems.	The activities of the 'Grupa Kęty for the Children of the Podbeskidzie Region' Foundation have been described in section 'Community engagement'.
Development of the idea of educating through sport, as a tool to extend the physical activity of children and youths and to prevent obesity – the 21st century disease	x	x	Sports means discipline, fair play, principles, and consequence – all values we care for in business. Engaging in the idea of education through sport, we have influence on improving the physical activity of children and youths and to preventing obesity.	The full spectrum of our engagement and sports activities has been presented in section 'Community engagement'.
GOVERNACE				
Responsibility within the supply chain	x	x	We have a broad perception of business. We care that the issues important to us and the values we create are respected by our suppliers and that also follow them. We want to run a cohesive and balanced business.	The activities stemming out from the Code of Conduct for Suppliers of the Capital Group of Grupa KĘTY S.A. are presented in section 'Responsibility within the supply chain'.
Development of business and allocation of the generated profit among a broad group of stakeholders	x	x	We are guided by the idea of caring for the entrusted assets. By way of taking management decisions, we have a real influence on the value of the shares of our Company and the generated financial results.	Dividend Policy, Remunration Policy,Tax Policy, donations to the 'Grupa Kęty for the Children of the Podbeskidzie Region' Foundation, community engagement.

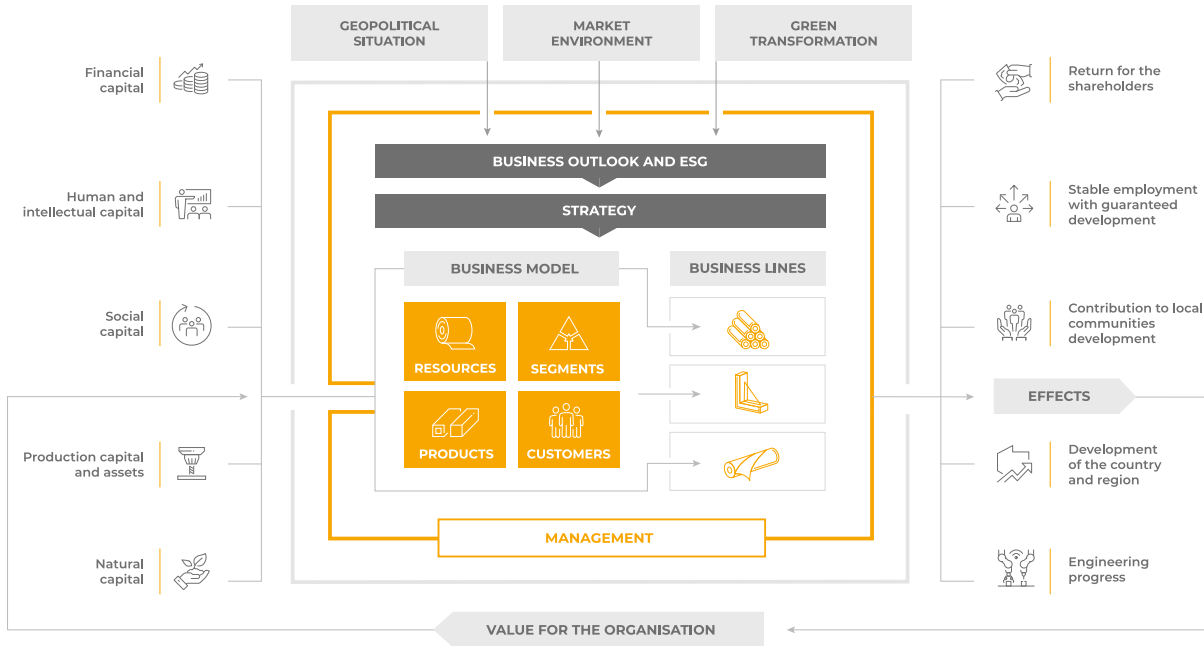
Value creation model

Our business model is based on the basic principle of the fastest possible reaction to customer needs. The principle is particularly important for the Extruded Products Segment and the Flexible Packaging Segment, which carry 100% of production activities based on specific orders, and their competitive advantage results from the ability of proper customer needs identification, fast reaction to market changes, high effectiveness of the production process, as well as accurate investment decisions.

Slightly different are the activities of the Aluminium Systems Segment, which has its own product portfolio comprising a number of aluminium joinery systems as well as external aluminium roller-shutters. Nevertheless, also in that Segment the basic advantage results from the proper identification of customer needs and market situation, as well as adequate product offer and customer service adjustment.

The Segments operate based on the available capitals – financial, human, intellectual, production, social and natural – and are assisted and influenced by a number of stakeholder groups. Thanks to effective utilisation of resources, value is created for the respective stakeholders.

Business model and value creation model



Capitals

FINANCIAL CAPITAL

Input at the end of 2021

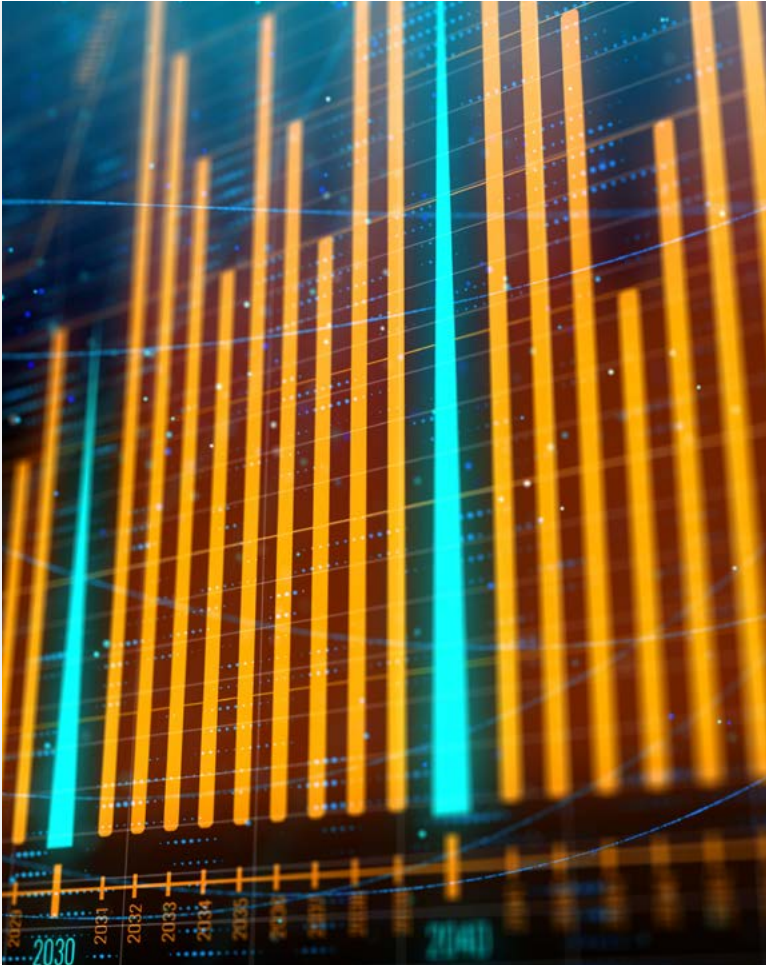
- Equity – PLN 1,769 million
- Total liabilities – PLN 1,757 million
- Public aid (income tax exemption) – PLN 31.1 million

Capital management

We are guided by the idea of caring for the entrusted assets. By way of taking management decisions, **we have a real influence on the value of the shares of our Company and the generated financial results**

Results (at the end of 2022)

- Return on Equity (RoE) – 35%
- PLN 107.5 million – CIT paid in 2022
- PLN 237.7 million – VAT paid by the Polish companies in 2022
- PLN 505 million – Dividend paid out





PRODUCTION CAPITAL AND ASSETS

Input at the end of 2021

- PLN 1,461 million – value of property, plant and equipment
- PLN 1,804 million – value of current assets
- PLN 310 million – value of capital expenditure

Capital management

We have been systematically developing our production potential, adjusting processes and products to the circular economy.

Results (at the end of 2022)

- Ca. 86-90% production capacity utilisation
- PLN 5,930.9 million – sales revenue
- 17.5% – Return on assets (RoA)

HUMAN AND INTELLECTUAL CAPITAL

Input at the end of 2021

- 5,555 employees
- 30% of women

Capital management

The major asset of the organisation are employees, who bring to life every business process thanks to their knowledge, skills and experience. Human resources represent an extraordinary asset of the organisation. Our Strategy is based on building long-term relations, based on mutual respect. So, the way to success leads through preparing an interesting offer for the candidates, employing people with adequate competences, and

subsequently providing the employees with safe, good and competitive working conditions and development opportunities.

Results (at the end of 2022)

- 5,488 employees
- 31% of women
- 84% of employees with unlimited term employment contracts
- PLN 606.7 million – costs of employee benefits
- Average 6 hours of training per employee
- 611 new employees
- Turnover at the level of 12.3%
- EBITDA per employee – PLN 188,000

NATURAL CAPITAL

Input at the end of 2021

- 35,900 tonnes of recycled aluminium scrap
- 278,000 tons of consumed materials
- PLN 676,600 GJ of consumed energy
- PLN 665,500 GJ of consumed natural gas
- 1,042,000 m³ of consumed water
- 0.559 MgCO₂e/Mg GHG emissions intensity by companies located in Poland (Scopes 1+2 location based/production)

Capital management

The Capital Group is guided by the principles of sustainable development and respect for the environment. Priorities in this respect are defined in the Environmental Policy, the Climate Policy and the Code of Ethics of the Capital Group KĘTY S.A. The methods and tools of implementation, along with the assignment of responsibilities, are defined by formal procedures and instructions implemented

as part of the management system compliant with the guidelines of the ISO 14001 international standard. These documents parameterize the environmental goals set out in the 2021-2025 Strategy. The companies have declared their responsibility for the impact of their activities on climate change and committed to minimising it by reducing greenhouse gas emissions, increasing energy efficiency, recycling enhancement and efficient waste management.

Results (at the end of 2022)

- 0.97% increase in recycled aluminium scrap per ton of production
- 4% decrease in materials consumption
- 6.4% decrease in electric energy consumption
- 25.1% decrease in water consumption per ton of production
- 1.99% decrease in GHG emissions intensity by companies located in Poland (Scopes 1+2 location based/production)





SOCIAL CAPITAL

Input at the end of 2021

- Over 12,000 key stakeholders (employees, customers, suppliers)
- Local communities at main company locations (Bielsko-Biała, Kęty, Goleszów, Tychy, Opole, Złotów)

Capital management

The Capital Group engages in the communities of the areas where its companies are located. **We have a real influence on our environment.** We want to create positive change and, therefore, together with our employees who form local communities, we respond to challenges and needs and contribute to the region's development.

Results (at the end of 2022)

- Nearly 300 charges of the 'Grupa Kęty for the Children of the Podbeskidzie Region' Foundation
- 75% strategic suppliers covered with the Suppliers Code of Conduct
- Effects of the 'Ultrakrew' blood donation social campaign – within the two editions of the action (in winter and summer), 1,658 litres of blood were collected across Poland, which translates into potentially 11,500 people saved. The Capital Group of Grupa Kęty organised two blood donation actions attended by 185 donors and resulting in 83 litres of blood collected
- 42 projects under the 'Together with the Group' programme

ESG Results

Within the Strategy, we have set out 9 ESG goals. The chart below presents the results generated in 2022 in reference to the performance effectiveness indicators we had selected.

Indicator	Unit	Indicator calculation formula	Description of the measurement method	Goal 2025	Performance 2022
ENVIRONMENTAL					
Reduction of the intensity of greenhouse gas emissions	[Mg CO ₂ e/Mg]	[(GHG emissions Scope 1) plus (GHG emissions Scope 2 location based)]/ Production size	1. The indicator covers Scope 1 and Scope 2 emissions. 2. Base year: 2016 3. Calculation method compliant with the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard, Revised Edition. 4. The indicator covers the domestic companies of the Capital Group. In case of a major change in the Group structure, there are possible adjustments in the calculation of the indicator pro rata to the changes. 5. Value of emission reported in metric tons, as an equivalent of CO ₂ e.	-20%	-18.9%***
Share of aluminium scrap in the products extruded from low-emission billets	[%]	(weight of aluminium scrap)/(weight of product)	1. The scrap covers: post-consumer scrap, pre-consumer scrap, and home scrap 2. Billets manufactured of grade 6000 alloys at the Kęty plant 'Z' melting and casting line	75%	70.5%*
Increase in the number of Aluprof-systems-constructed buildings with environmentally-friendly certificates	[%]	Number of Aluprof-systems-constructed buildings in the databases of certified buildings in Poland and abroad.	The database of buildings certified by the Polish Green Building Association [Polski Związek Budownictwa Ekologicznego] (buildings classified based on buildings multi-criteria environmental assessment systems: Breeam, Leed, DGNB, HQE), plus foreign databases.	+20%	+32%**

* Performance in 2022.
** Performance incrementing since the Strategy implementation date.
*** Percentage change in GHG emissions compared with the base year.

Indicator	Unit	Indicator calculation formula	Description of the measurement method	Goal 2025	Performance 2022
Growth of the share of the manufactured packaging films and laminates fit for recycling.	[%]	(number of metres square of films and laminates fit for recycling)/(total number of metres squares of films and laminates)	Films and laminates fit for recycling specified based on structure analysis. Total quantity of films and laminates [m²] based on sales report.	+5%	+2.8%**
SOCIAL					
Improvement of occupational health and safety – Total Recordable Incident Rate (TRIR)	number	Number of injuries / time worked x 200,000	The number of injuries per 100 workers. The constant of 200,000 is calculated as follows: 100 employees work 40 hours a day 50 weeks a year.	<1	1.30*
Staff turnover	[%]	Number of employees leaving the company / average headcount	The number of employees covers those employed under employment contracts	-5% y/y	+8% y/y*
Performance of social initiatives within the 'Together with the Group' programme	project	Number of projects in the given year	Individual projects within the subsequent editions of the 'Together with the Group' grant programme	150	73**
MANAGEMENT					
Consequent dividend policy	[%]	Value of dividend paid / value of consolidated net profit attributable to owners of the parent	The value of dividend passed by the Annual General Meeting Consolidated net profit attributable to owners of the parent published in the consolidated annual financial statements for the year to which the dividend refers	60-100%	85%*
Engagement of suppliers in the sustainable development of the Capital Group	[%]	Certified suppliers / list of suppliers	List of suppliers – accepted group of strategic suppliers, defined for each operating segment of the Capital Group	100%	75%**

* Performance in 2022.
 ** Performance incrementing since the Strategy implementation date.
 *** Percentage change in GHG emissions compared with the base year.

Comments to the results:

Within the Strategy of the Capital Group of Grupa KĘTY S.A., there have been developed action plans responding to the market and customer needs, guided by the responsible and sustainable development objectives. We define ESG goals as the process of improving and adapting the Capital Group to the changing market environment and expectations in terms of environmental, social and governance impact. We welcome progress and analyse deviations.

In the area of our **environmental impact and climate change prevention**, we are satisfied to report performance compliant with the Strategy progress, and even exceeding the attainment of two strategic goals. After the two years of the Strategy implementation, the Aluminium System Segment exceeded the 5-year goal – Increase by 20% in the number of Aluprof-systems-constructed buildings with environmentally-friendly certificates compared to the base year 2020 – reaching the level of 32%. This is mainly due to the green transformation we are seeing in the construction industry and the change in the investors' perception of certification, which is becoming a market standard for an increasing number of investments.



We see the dynamic development of sustainable construction as an opportunity in the development of our products in that area and the active participation of the Aluprof brand in the architecture of the future – in 2023, decisions will be made regarding the new target value for this indicator or a new goal will be defined.

A similar situation occurred with regard to the climate impact goal. In 2022, due to the 17% reduction in the GHG emissions intensity compared to the base year value, the target was updated from -15% to -20%. In view of the -18.9% reduction in GHG emissions intensity achieved for domestic companies after 2022, the achievement of the target appears not to be compromised.

The 2022 performance and achievement of strategic goals for the other two environmental indicators (Share of aluminium scrap in the products extruded from low-emission billets, and Growth of the share of the manufactured packaging films and laminates fit for recycling) raise no concerns, as both of the processes that perfectly fit the circular economy concept are subject to continuous supervision.



We have been gradually increasing the proportion of aluminium scrap recovered in the remelting processes, whereas the Flexible Packaging Segment has been adapting its product offer to the requirements of its business partners, such that the packaging produced has the least possible impact on the natural environment.

In the social area, we have been consequently performing local projects under the 'Together with the Group' programme. In the two Strategy years there were 73 such projects carried out, which proves that our commitments to local communities have been performed. As regards safety (TRIR – the number of accidents per 100 employees), we achieved the result of 1.30 in 2022, which means an 8% growth compared to 2021. We still support the strategic goal of <1 and in order to achieve it we have been planning to implement additional actions in the subsequent years.

A major deviation from the set-out goal (ratio reduction by 5% y/y) was recorded in 2022 for staff turnover. Owing to the Covid pandemic, the value of in 2020 was disturbed compared with the preceding years, therefore, 2019 was assumed as the base year. In that manner the goal for 2022 had been set as 10.8,

whereas the realisation was at the level of 12.3. This forces the Capital Group to carry out a review and take additional actions. A key tool for the staff turnover ratio are the exit interviews with the employees leaving the organisation. We have been analysing their opinions regarding working conditions and company offer, and based on that we have been improving our working environment.

In the management area, we complied with the dividend payment ratio in 2022, and implemented the Code of Conduct for Suppliers of the Capital Group of Grupa KĘTY S.A. in our relations with some more suppliers. During the year, due to the discontinuation of cooperation with suppliers from Russia and Belarus as a result of the conflict in Ukraine, but also for natural reasons resulting from the current operations (change of supplier, diversification of purchases), the list of suppliers was updated in each of the operating segments. Still an unchanging element is the aim to cover as much turnover as possible with sustainability principles. In 2022, the Code standards were implemented in cooperation with a greater number of suppliers, with the total reaching 565 as at 31 December 2022.

Financial results

Statement of profit or loss Consolidated data (in thousands of PLN)	2021 r.	2022 r.	change y/y
Sales revenues	4,597 575	5,930,865	29%
- including revenue in Poland	2,309,480	2,857,394	24%
- including revenue in other countries	2,288,095	3,073,471	34%
EBITDA*	899,694	1,031,435	15%
EBITDA margin**	19.57%	17.39%	-
Net profit from operations	746,048	865,183	16%
Operating margin***	16.23%	14.59%	-
Net profit attributable to equity holders of the parent company	594,638	678,356	14%
Net margin****	12.93%	11.44%	-

* EBITDA - net profit from operations + depreciation and amortization

** EBITDA margin - (Net profit from operations + depreciation)/Sales revenue

*** Operating margin - (Net profit from operations)/Sales revenue

**** Net margin - Net profit attributable to equity holders of the parent company / Revenue from sales

Profitability indicators (consolidated data)	2021 r.	2022 r.	Zmiana r/r
ROA (Return on assets)*	17.5%	1. 0,6 p.p.	1. 0,6 p.p.
ROE (Return on equity)**	34.9%	2. 1,3 p.p.	2. 1,3 p.p.

* ROA - Net profit attributable to shareholders of the parent company/Total assets.

** ROE - Net profit attributable to equity holders of the parent company/ Equity attributable to equity holders of the parent company

Grupa Kęty on WSE

The shares of the Company have been quoted at Warsaw Stock Exchange since 16 January 1996, under the ISINPLKETY000011 code, in the sector of non-ferrous metals metallurgy. Since 4 August 2022 the shares of the Company are quoted within the WIG20 and WIG20TR indexes, and also belong to the WIGdiv and WIG-ESG indexes. As at 23 March 2023, there were the total of 9,650,152 shares of Grupa Kęty S.A. issued, of the nominal value of PLN 2.50 each.

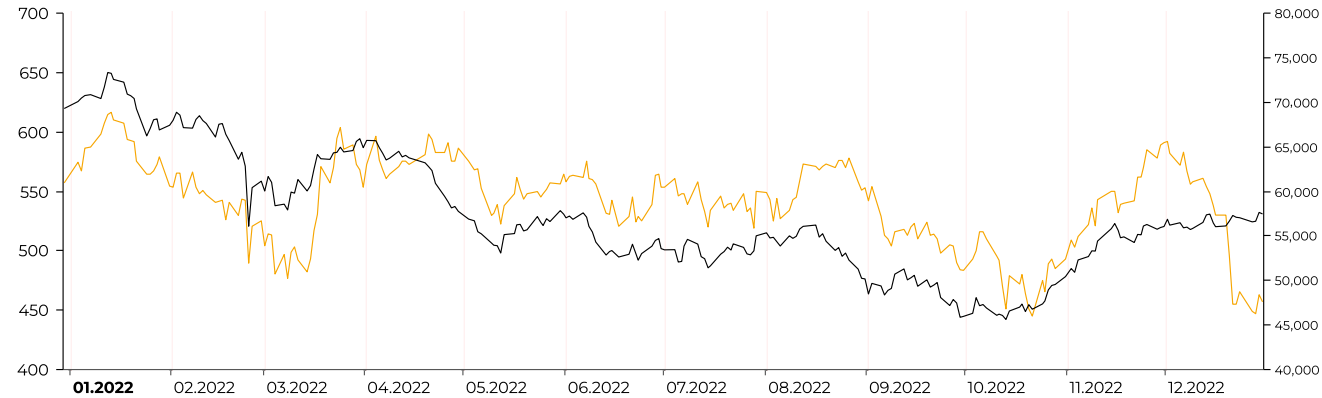
The Company does not have a strategic investor in the sector. The main shareholders are Open Pension Funds [OFE], holding jointly over 50% of votes in the General Meeting.

A list of the Company shareholders with over 5% share in the Company equity and in the total number of votes at the AGM as at the date of publishing this and previous interim report is presented in the table below.

	Number of shares as at the date of the latest interim report publication (19.10.2022)	Percentage of share capital and total number of votes	Number of shares (23.03.2023)	Percentage of share capital and total number of votes
PTE Allianz Polska S.A. (post the merger with Aviva PTE Aviva Santander S.A.)**	<5%	<5%	1,676,763	17.38%
Nationale Nederlanden OFE*	1,528,835	15.84%	1,531,756	15.87%
Aviva PTE Aviva Santander S.A	1,262,123	13.08%	<5%	<5%
Generali PTE S.A. (post MetLife OFE take-over and change of name into NN Life OFE)***	<5%	<5%	894,045	9.26%
MetLife OFE	581,224	6.02%	-	-
OFE PZU ZłOTA JESIEŃ*	844,104	8.75%	863,923	8.95%
AEGON PTE S.A.*	640,481	6.64%	644,413	6.68%
Others	4,793,385	49.67%	4,039,252	41.86%
Total	9,650,152	100.00%	9,650,152	100.00%

* Data presented based on OFE reports regarding the annual assets structure as at 30 December 2022.
** Data presented based on the notification dated 5 January 2023, received from Powszechne Towarzystwo Emerytalne Allianz Polska S.A., managing Allianz Polska Otwarty Fundusz Emerytalny, Allianz Polska Dobrowolny Fundusz Emerytalny, and Drugi Allianz Polska Otwarty Fundusz Emerytalny.
*** Data presented based on the notification dated 3 February 2023, received from Generali Powszechne Towarzystwo Emerytalne S.A., managing Generali Otwarty Fundusz Emerytalny, Generali Dobrowolny Fundusz Emerytalny, NN Life Otwarty Fundusz Emerytalny (formerly: Metlife OFE) and NN Life Dobrowolny Fundusz Emerytalny (formerly: Metlife DFE).

Grupa Kęty S.A share prices vs WIG index



Grupa KĘTY S.A. has paid dividend on a regular basis. In 2022, the Company paid out PLN 505,378,460.24 dividend (growth by over 17% compared to the preceding year), i.e. PLN 52.37 per share, which represented approximately 85% of the consolidated net profit for 2021. The dividend record day was set for 11 July 2022, whereas the dividend payment date was set for 2 August 2022 (the amount of PLN 168,395,152.40, i.e. PLN 17.45 per share) and 11 October 2022 (the amount PLN 336,983,307.84, i.e. PLN 34.92 per share).

Value of dividend paid and dividend per share

