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ENVIRONMENTAL POLICY

of the FORTE Group

Appendix to Resolution No. 12/2022 dated May 23, 2022. of
the Management Board of FABRYK MEBLI "FORTE" S.A.



1. MISSION AND VISION

MISSION: We believe that every home deserves beauty, comfort and safety.
We create better homes.

FABRYKI MEBLI "FORTE" S.A. bearing in mind that the earth is our home, as one of Europe's largest furniture manufacturers takes responsibility for caring of the environment and the consequences of using its resources, for the benefit of present and future generations, considering it an important social duty to ensure environmental protection both in its own operations and among its contractors (customers and business partners).

To achieve its mission, it commits to:

- **management aimed at integrating environmental issues into the development strategy**
- **Conducting business with respect for the environment in a responsible and sustainable manner, relying on the best technologies and respecting the law and the principles of sustainable development**
- **Building a closed-loop economy and maximizing waste utilization**
- **the continuous effort to reduce the adverse impact on the environment**

The policy is an important part of strategic management, and thus a commitment to take measures to, among other things, **use the latest production technologies, use materials with the least possible environmental impact or reduce the consumption of natural resources**, etc.

In this way, FORTE Group gives not only the high quality of its products and the safety of the product and production in relation to the environment,
But also a long-term contribution to achieving the UN Sustainable Development Goals.



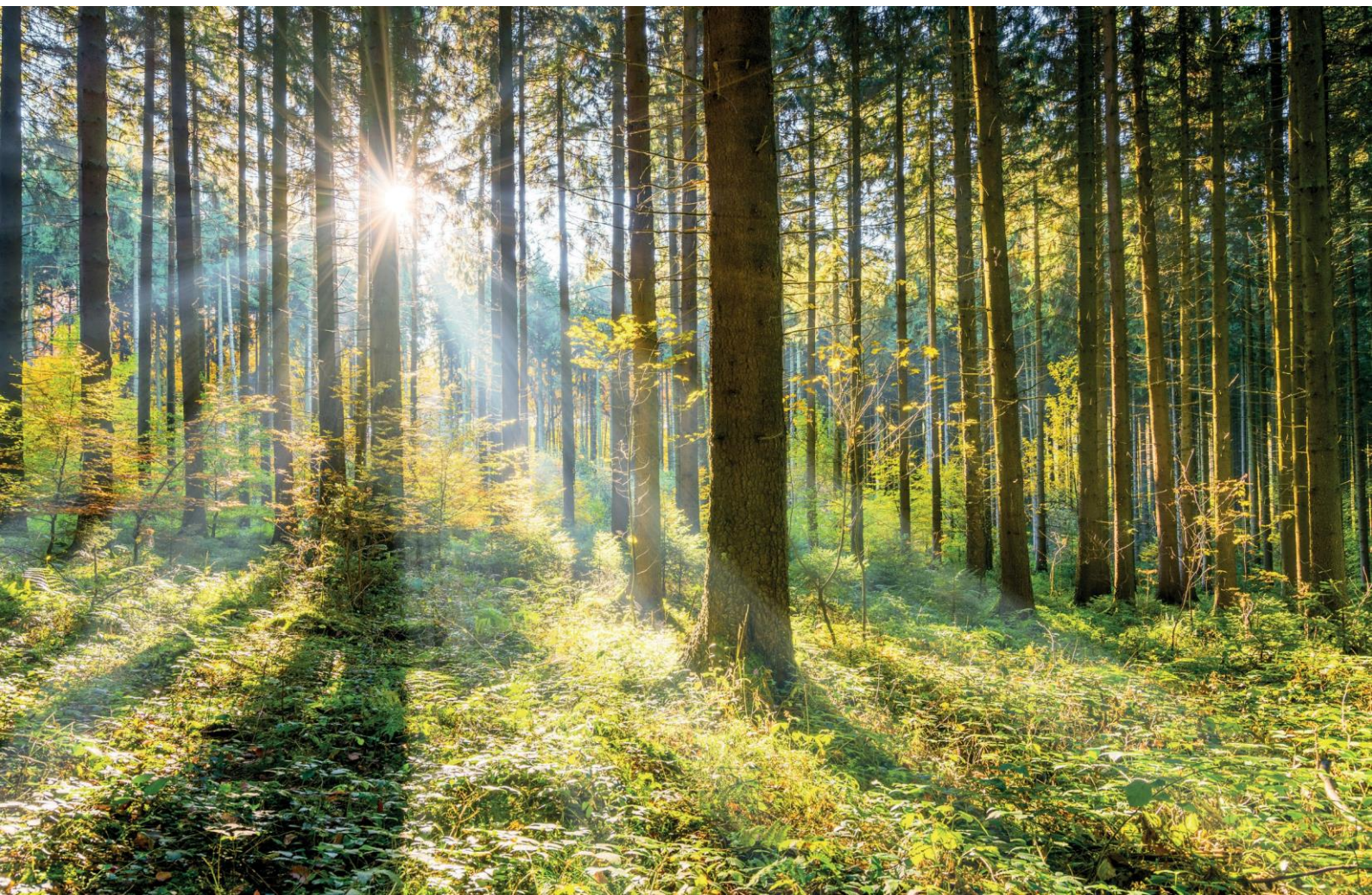
2. POLICY OBJECTIVES

The purpose of the Policy is to **define the basic principles and courses of action** in the processes carried out by each business area - with regard to environmental aspects, in order to ensure consistency, completeness of approach and uniform understanding and coordination of activities in the environmental area.

The policy indicates how **FORTE Group can contribute to neutralizing environmental impacts** throughout the product life cycle.

The environmental policy is a document that enables the introduction of tools to support environmental activities in key processes and business areas.

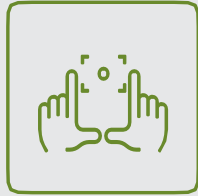
It is also the basis for assessing the FORTE Group's performance in the area of environmental protection and environmental management.





3. DEFINITIONS

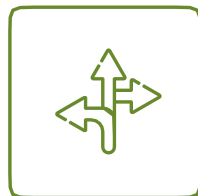
- **Closed-loop economy (GOZ)** - The essence of this approach is to use waste as a substitute for materials and thus reduce the consumption of natural resources. It also has the effect of reducing landfill and increasing the waste stream used for recovery and recycling. This closes the cycle of the life of a product, which can be divided into three stages: production-use-use of waste in the next production cycle.
- **Product life cycle (LCA)** - process in management including design, construction, commissioning, operation, maintenance, repair, modification, replacement, and decommissioning or disposal.
- **Raw materials** - materials of natural/primary origin for further use in the supply chain, in particular: fossil fuels, wood, water.
- **Materials** - pre-processed materials and intermediates, used or produced in the implemented processes
- **Supply chain** - all activities related to the flow from and to FORTE Group of raw materials, materials: semi-finished products, finished products, secondary raw materials, waste. The term also includes the flow of information, which is important throughout the process.
- **Operational limits** - values established for environmental reasons: permissible concentrations, annual limits, limits on operating times, etc.
- **FORTE or the Company** - FABRYKI MEBLI "FORTE" S.A. the parent company in the FABRYKI MEBLI "FORTE" S.A. Capital Group.
- **FORTE Group or Capital Group** - FABRYKI MEBLI "FORTE" S.A. together with with subsidiaries and affiliated companies, as defined by the applicable accounting regulations
- **Business areas** - areas of the Capital Group's core business activities
- **Policy** - Environmental policy in FORTE's operations
- **Contractors** - external entities, others than FORTE Employees with whom certain companies of FORTE Group are doing or plan to business
- **Directors or Managers** -- director or manager of the relevant organizational unit of FORTE or FORTE Group, responsible for supervising the activities of individual organizational units of FORTE or FORTE Group
- **Compliance Officer** - a person responsible for overseeing the compliance area of the Company
- **Employees** - persons working or cooperating with FORTE regardless of the attitude of employment or the form of contract linking them with a Capital Group, including apprentices and trainees



4. SCOPE OF APPLICATION OF THE ENVIRONMENTAL POLICY

The policy applies to all activities and activities carried out within the FORTE Group's business areas that involve environmental impacts and use of its resources in accordance with the principles of sustainable development.

The Policy applies to all Employees of FORTE Group.



5. COURSES OF ACTION

5.1. The FORTE Group considers environmental protection, reducing the carbon footprint throughout the supply chain, as **one of its priorities when making key business decisions**. The guiding principle of environmental protection in FORTE is the principle of sustainable development, in which the overriding value is man as part of the environment. The life and health of every human being including the quality of the environment are indisputable criteria at all levels of FORTE's operations.

5.2. FORTE Group **identifies and documents significant environmental impacts**, of all areas of the Group's operations, at all stages of the product life cycle.

5.3. FORTE Group operates in accordance with the applicable environmental laws, internal regulations and the values expressed in the Code of Ethics, i.e.

- **improves technology** to reduce the negative impact of operations on the environment,
- **operates responsibly**, with respect for the environment, creating products that meet the highest quality standards,
- **monitors legislation** in order to take the necessary preemptive measures to affect its fulfillment
- **Actively works to protect the environment** and promote pro-environmental attitudes,
- cooperates with **external entities that share similar values**.

5.4. FORTE Group **implements closed-loop economy** to conserve natural resources and reduce environmental impact, and strives to continuously improve it.

5.5. FORTE Group **strives for continuous development of knowledge and culture of environmental responsibility** among employees and contractors.

5.6. FORTE Group **avoids the use of substances that are harmful to the health of Employees and the environment**, and if their use is necessary, takes measures to reduce the impact of these substances on the environment.

5.7. FORTE Group **strives to minimize the stream of waste generated** through conscious planning and design, optimization of processes, elimination of waste.

5.8. FORTE Group manages waste to an extent that exceeds the requirements of the applicable law in order to subject **more than 90% of the waste generated** to recovery or **recycling** processes.

5.9. FORTE Group **monitors the types of and quantities of waste** from production processes in order to maximize their use in further recovery or recycling processes.

5.10. FORTE Group **effectively manages water resources**.

5.11. FORTE Group **strives to improve energy efficiency** to reduce or not increase consumption of natural resources.

5.12. FORTE Group **monitors its impacts** (emissions to the environment) to eliminate negative impacts on biodiversity.

5.13. FORTE Group introduces **products that contribute to reducing the environmental impact of a product** in its life cycle, i.e. those that at the stage of design, implementation or use take into account environmental aspects and the scale of environmental impact.

5.14. FORTE Group **actively seeks technical and organizational solutions** that minimize specific and potential environmental impacts and continuously improves the processes implemented.

5.15. FORTE Group **promotes nature conservation** in particular by taking measures to preserve biodiversity, protect species, maintain natural habitats, species and animals and functioning ecosystems around key locations of its operations

5.16. FORTE Group willingly undertakes, participates and supports the participation of Employees in all initiatives, actions and activities in **the field of environmental education of local communities**.

5.17. FORTE Group **cooperates With local governments**, authorities and government entities and local communities to develop recommended actions and solutions related to environmental protection, and actively conducts information policy in the field of environmental protection environment and the actions taken by the FORTE Group.

FORTE updates the Policy each time there is a change in the overall direction of the Group's activities or a change in the priorities to be followed by the Group on climate, environmental and legal issues.



6. ENVIRONMENTAL IMPACT MONITORING

The FORTE Group monitors the main (significant) aspects of the direct environmental impact of its activities and is extending its monitoring in terms of indirect environmental impact.

Taking into account the changing legislative environment and other conditions including the market, the planning of actions to reduce the identified scale of impacts is carried out based on defined, measurable environmental objectives - determined in individual business areas, for which, at the same time, the method and frequency of their monitoring is established.

FORTE Group establishes indicators and reporting systems to objectively identify and compare the environmental impact of significant environmental aspects, and then make management decisions in individual business areas of the FORTE Group.

Relevant organizational units in FORTE Group, provide collection and timely reporting of comprehensive and reliable data on the scope of use of the environment, in order to meet the requirements of the reporting and implementation of legal requirements.

Annual non-financial reports indicate operational limits in the area of environmental and management reviews present the results of actions taken and the degree of achievement of the set goals, while indicating proposals for corrective actions if the set goals are not achieved.



7. TOOLS TO SUPPORT THE IMPLEMENTATION OF CLIMATE AND ENVIRONMENTAL POLICIES

The tools supporting the implementation of the Climate Policy are:

7.1. Established short- and long-term goals related to reducing the environmental impact of operations throughout the supply chain (Short-term goals are evaluated no less than once every two years, long-term goals are reviewed, at least once every 5 years)

7.2. Established indicators and target values for specific goals

7.3. Integrated monitoring and reporting to assess the achievement of the objectives of the commitments and significant environmental aspects

7.4. Integrate and ensure the flow of information, the way of internal and external communication of FORTE Group

7.5. External regulations and internal system arrangements

7.6. Due diligence processes

In management areas:

- a) Risks
- b) Resources
- c) Human capital

7.7. Incentive systems

7.8. Outreach activities and internal and external communication





8. ROLES AND RESPONSIBILITIES

8.1. Basic responsibilities for environmental protection

8.1.1. All Employees, regardless of their position, are required to:

- a) Promoting ecological behavior,
- b) knowledge of and compliance with the law in the field of environmental protection , as well as internal regulations including, among others. Code of Ethics and the principles of this Policy,
- c) Internal reporting of all violations of legal regulations, internal environmental regulations, in accordance with the rules of the Whistleblower Procedure.

8.1.2. FORTE Directors and Managers are responsible for:

- a) spreading and verifying the knowledge of environmental principles among subordinate Employees
- b) monitoring of the impact of the conducted processes on the environment
- c) Timely transmission of reliable and comprehensive information on the established scope of environmental use and about the environmental effects of the implemented processes
- d) organization and conduct of subordinate processes in accordance with the objectives and priorities contained in this Policy and internal regulations and procedures

e) streamlining internal processes with modern technology - to minimize impacts and to avoid environmental deterioration.

f) Developing and recommending directions for improvement measures to be taken by FORTE Group. To this end, Directors and Managers report on pro-environmental activities in the area it manages to the director of the Management Systems Office, by the 30th day, after the end of each quarter.

8.2. FORTE's Management Board is responsible for providing the resources necessary to conduct its business in accordance with the directions contained in this Policy

8.3. The PRESIDENT determines/approves the goals and priorities of the Climate Policy and Environmental Protection Group

8.4. The Director of the Management Systems Office - Board Representative is responsible for updating this Policy

8.5. Communication is provided by the Director of the Brand Management Office

8.6. Supervision of the implementation of the provisions of this Policy and compliance is exercised by the Board of Directors and the Director of the Management Systems Office assisted by the Compliance Officer



10. GENERAL PROVISIONS

10.1. Adoption, amendment or repeal of this Procedure shall require a resolution of the FORTE Management Board.

10.2. Violations of the Policy may subject the violator to disciplinary or contractual sanctions.

10.3. The decision to impose sanctions requires an investigation. The totality of circumstances will be taken into account when making the decision. The decision regarding the imposition of sanctions shall be made by the FORTE Management Board in consultation with the Legal Office.

10.4. The application of disciplinary or legal sanctions does not preclude FORTE from pursuing claims for damages, including recourse claims in connection with FORTE's financial losses or fines.

President of the Management Board of
Fabryki Mebli "FORTE" S.A.

Maciej Formanowicz



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