



**GOOD
PRACTICES REPORT
CSR
FAKRO 2021**



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FAKRO supports:





Introduction

1

Our history begins with a childhood dream of the world being organised in a better way. In 1991, this dream came true through FAKRO, a company which set out from a small town of Nowy Sącz into foreign markets. Today, we are present in 50 countries around the world and we contribute every day to the improvement of the quality of life of people all over the globe. Since we started our business in Poland and abroad, we have been guided by the principle of social responsibility. This attitude comes from our strong belief in four values: development, innovation, responsibility and credibility. These are the very values that determine our attitude in aspects such as lawful employment, concern for the employees, their families and health, care for the environment, support for local communities and global initiatives, and finally the development of good relations with business partners. This Report reflects the existing policy, mission and ideals of the company, which all of us - members of FAKRO's excellence team - implement in our daily work.

On behalf of the entire Board of Directors of FAKRO Group, I promise to stay on the path of sustainable development, making every effort to ensure that FAKRO's business operations have only a positive impact on the reality around us.

Ryszard Florek
Prezes Zarządu Grupy FAKRO

FAKRO in numbers

2

500 000

Kilometres
of Hope

3198

employees in
Poland

200

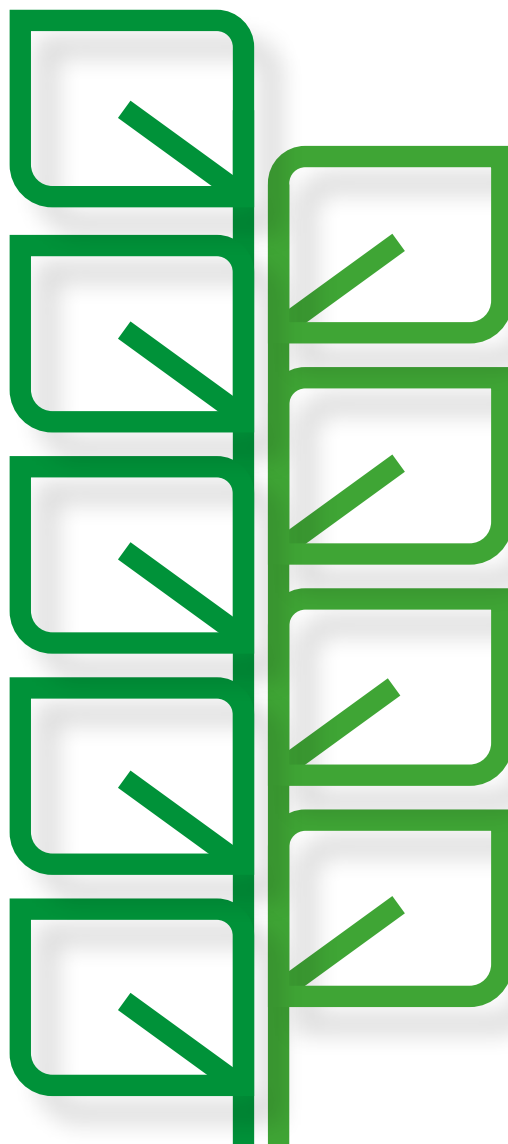
patent claims

46%

in the PPK
program

4

values



40 000m²

available for the production
of FSC-certified wood

841

employees abroad

100%

of the required recovery
and recycling of packaging
waste

23

countries where
FAKRO branch units
operate

1 mission





**DEVELOPMENT
INNOVATION
RESPONSIBILITY
CREDIBILITY**



FAKRO

– Mission and Values

3

3.1 *Corporate Mission*



The company's mission is to build living comfort around the world. Our products are safe, energy-efficient and environmentally friendly. We feel responsible for the environment - both the natural one and the one that means the local community. Our responsibility has been practically expressed by the consistently implemented pro-environmental standards, organization of educational campaigns and support for local civic initiatives; furthermore, in accordance with the spirit of corporate social responsibility, we invest in our and the next generations' future.

3.2 *Values of FAKRO*



The company's values support the employed team in pursuit of common goals. Development, innovation, responsibility and credibility are the values of FAKRO. They have become the foundation of a set of principles, thanks to which FAKRO is perceived as a reliable business partner.

3.2.1 *Development*



Development is carried out by striving to take advantage of the opportunities offered by the economy of scale. It has resulted in the expansion of the brand's competitiveness in the global market and investments in jobs and machinery. The development of the company is the development of our employees, who continue to develop even though they have already acquired high professional competence. FAKRO offers such opportunity to them. We organize vocational courses and language courses and provide opportunities for retraining. Every such change contributes to the growth of professional competence and personal development. The development of employees understood in a multifaceted way is our objective because we know that high qualifications, passion and commitment of the staff contribute to the strength of our company.

3.2.2 *Innovation*



Innovation is the implementation of new ideas and the creation of unique solutions. It is what gives us a competitive advantage in the domestic and global markets. Presently, FAKRO is one of the most innovative Polish companies and our employees have authored more than 190 patent applications and utility models. We are the winner of the prestigious award - Kamerton Innowacyjności. However, innovation is necessary not only in products but also in every area of the company's operation. The environment is changing dynamically and that is why we introduce new solutions in the production process, logistics, sales or marketing. These solutions enable us to shape a new and better reality.

3.2.3 *Responsibility*



Responsibility is implemented in environment-friendly and energy-saving solutions and in the reliable cooperation based on transparent conditions that we have with our business partners. As a company responsible for the planet, we plant energy willow and use renewable energy. We promote the idea of recycling among our children, teaching them the habit of saving and reducing waste. We appreciate respect for one's own workplace and the entrusted tools - taking care of the plant's assets reduces unnecessary costs. Thus, acting in compliance with the zero waste principle, we can minimize waste. Responsible approach to the Employee is described in the FAKRO Code of Ethics and in the Employee Set of Guidelines. We treat these documents with the utmost attention. We take great pleasure in working with people who are aware of their responsibility, including being responsible for the atmosphere at work. We know that it has an effect on stress levels and therefore on our employees' health. And it is a priority to us.

3.2.4 *Credibility*



Credibility is authenticity that inspires trust. It enables us to meet our commitments and respond to our customers' needs. The quality of our products has been credibly confirmed by numerous Polish and international certificates which build the global prestige of the FAKRO brand. We care about credibility in our relations with business partners, which improves the process of collaboration. A higher level of trust reduces the need for mutual control and smooth collaboration with existing business partners translates into further expansion of the network of contacts. We increase the level of trust by opening our doors to external partners - we invite them to our plant on the occasion of training programmes or business meetings. FAKRO is also a reliable employer offering stable employment and great social support package. This is particularly important in difficult and unpredictable times caused by the pandemic. As one team, we play fair.

Corporate social responsibility

4

4.1 *We promote activity*



FAKRO has long been committed to sports and promoting the spirit of fair competition. We particularly believe in team sports which teach team-based cooperation - a skill that is essential in everyday life on the job market and also in private life. We have been a sponsor of the Polish national soccer team for many years. We support our players when they are successful and we stay with them when they fail. As in many of our relationships, a sense of stable collaboration is crucial for us, too. It is not disturbed by occasional storms - we are always proud of „Our Boys”. We are also happy to witness the success of local football players. That’s why we support the Sandecja football club in our hometown of Nowy Sącz. We also remember about our youngest champions. We sponsor the UKS 3 Staszówka Jelna club -



representatives of the Sądecki region in women’s and girls’ soccer. We know that equal rights are also important in sports. We remember the force that is in women. We also remember that today we all live in constant rush, which increases the sense of insecurity and raises stress levels. The old saying goes that sports is health, which we fully agree with. That is why we encourage our employees to get engaged in sports. We subsidize access to the swimming pool, table tennis and volleyball. We organized tabata training on our premises under the guidance of our employee - a qualified personal trainer. We participate in charity runs together.



We hike mountain trails together. In 2021, we celebrated the 30th anniversary of our company. We celebrated our joint birthday with a 30/30/30 sports challenge involving our employees in a campaign promoting regular physical activity. Our

employees exercised while displaying our company logo. It is thanks to them that we have increased our presence in the public space both locally and abroad.

We support charitable actions

We are responsible and aware of the fact that others need help. We often support people in need and charitable organizations. We make donations, both financial and product donations. As a result, many foundations, schools and institutions can benefit from our range of products, and a cultural, charitable or sports events can be held on a larger scale than they would if dependent only on the organizers' budget. We help because it's fun to help. FAKRO is constantly pleased to support



many unique initiatives. One example is the help provided to disabled people from the association Community Self-Help Center “Our Second Home” in Mielec. We donated wooden materials to them for the needs of occupational therapy workshops. Acting in compliance with the idea of upcycling, the persons under the foundation's care gave wood a second life. The pandemic situation made our help even more needed than ever before. Many children were digitally excluded from remote education due to the lack of appropriate equipment. That's why, in cooperation with Polska Press Advertising Bureau, we organized help for children of the Child Care Center “Together” in the Gorlice district. Thanks to us, the children received new computers and tablets. FAKRO is with those who are recovering. One of the actions co-organized in cooperation with the Higher School of Business is Run for a Smile, a charity run event. Many of our employees take part in the run. These are both those who do sports every day and those who choose to be active only for this special occasion. Our employees are able to get out of their comfort zone. And, as we know, great things are going on outside of it. The “Kilometres of Hope” event is hugely popular among the FAKRO team. In the 1st edition, the goal was to collect 50,000 kilometres in five months. In accordance with the cam-

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paign objectives, once this result was achieved, FAKRO donated PLN 16,000 for the treatment and therapy of Wiktoria, Samanta, Krzyś and Igorek, children of our employees. In 2020, the bar was set much higher for the 2nd edition, based on the experience of 2019. The goal was to cover as much as 500,000 kilometres in five

KILOMETRY NADZIEI Z FAKRO

months. The employees surprised us once again with their tremendous commitment. It took slightly more than 2.5 months to reach the goal and FAKRO donated PLN 12,000 to support the treatment of Kuba, Jakub and dad of our company colleague. Every day our employees remember to help those in need. They are the ones who collect recyclable bottle caps which are regularly donated to support the therapy of 10-year-old Błażej, an ambitious boy who bravely conquers the world in a wheelchair. For several years now, we have regularly supported our Employees by promoting their children in the campaign to donate 1% of tax to charitable organizations. Our assistance goes beyond the borders of Europe. Among others, we helped the dependants under the care of the Congregation of the Sisters of the Angels, from the mission in Esseng, Cameroon. FAKRO employees donated glasses

FAKRO®

POMAGA

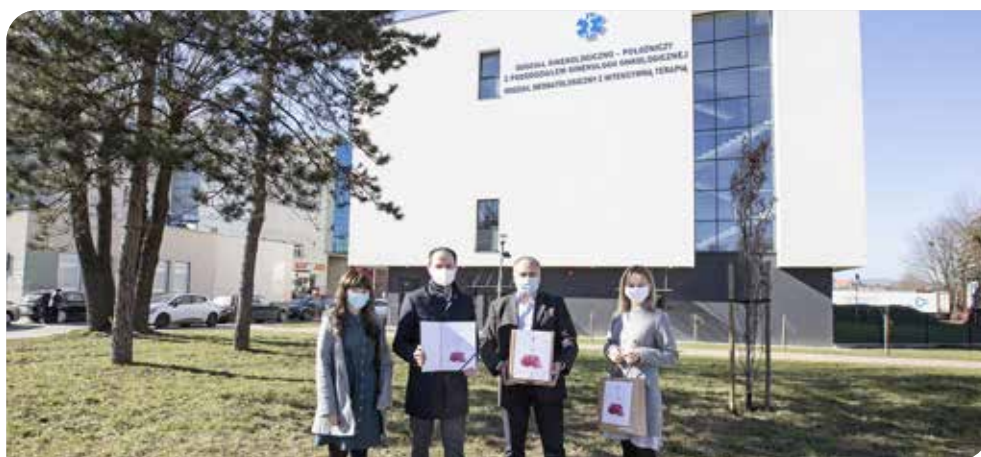
**ZBIÓRKA PLASTIKOWYCH NAKRĘTEK
DLA BŁAŻEJKA FRĄCZKA**



they needed. Since we are especially grateful to those who care about us, we donated masks to the Medical Rescue Service at a time when they were a commodity in short supply. On the occasion of Women's Day, kraft hand-made chocolates were presented to the ladies working at the Sącz-based hospital as a token of gratitude for their help. (We are responsible and aware of the fact that others need help. We often support people in need and non-profit organizations.)

4.3 *Pro-economic educational activities*

FAKRO, in cooperation with Fundacja Pomyśl o Przyszłości [English: Think of the Future Foundation], promotes knowledge of civic economics. We meet a wide spectrum of audiences - from kindergarten to completely adult and perspective



entrepreneurs. We say that success has to be earned and that it is worth taking your destiny into your own hands. We say it but mostly we act - for example, for the adjustment of the education system to the labour market. With the support of governmental agencies, we aim to create a vocational education system that meets the employers' needs. For years, FAKRO has been working with educational institutions that want get to know innovative technologies and improve the qualifica-



tions of both students and educators. Our partner institutions include more than 60 construction technical schools all over Poland. These are mainly schools associated in the Construction Schools Section of the Polish Chamber of Industry and Commerce of the Construction Industry. We support classes in such schools as the Environmental Engineering and Service School in Elbląg, the Vocational School Complex No. 5 in Białystok, the Lublin Training Center for Roofers (2 classes). We organize practical and theoretical training sessions for students and teachers throughout the country. Students learn about roof windows and the warm installation principles with us. In 2021, we trained more than 700 students. With intention to develop the further career path for professionals, we have developed master and apprentice examination standards for the profession of “Construction Carpentry Fitter”. We have prepared sets of master and apprentice examination tasks for this profession that represented three levels of difficulty. We support schools in their promotion campaigns to start roofing classes in the school year 2022/2023. We participate in open days and industrial competitions organized by schools such as: “Builder’s Days” and “Build with Passion”. We equip schools with training packages: frames, windows, flashings, installation instructions, sections and training posters. Our offer addressed to schools also includes training in automation. We cooperate with high schools on educational events. We co-organized the Coding Night - an IT marathon with Gen.

Józef Kustron Electrical and Mechanical School Complex in Nowy Sącz 12 teams applied to participate in the event. The participants’ works were judged by a board that included programmers from software companies IBCS Poland and GOTO-MA, along with programmers from FAKRO. We want young people to believe in success and their own capabilities. That is why we created the Summer School of Leaders. We invite ambitious young people to join it. Together we participate in workshops on economics, social capital, journalism and human resource management. Together - because the young people who join us show a lot of initiative and we want to promote such out-of-the-box individuals with an idea for themselves.



4.4 Fakro supports culture



The idea of holistic development combines the strengthening of the body and the spirit. Following this objective, FAKRO gets involved in cultural initiatives. We regularly support the Autumn Theatrical Festival held in Stary Sącz (previously in Nowy Sącz). During the pandemic and restrictions limiting the operation of cultural institutions, such action gains a new dimension. We are all the more happy to participate in such initiatives. Art develops creativity. And it takes only a step to innovative ideas from there. While looking to the future, we do not forget the past.

We draw lessons from the heritage of classic artists. Hence the idea to support the production of an audiobook based on Vitruvius' work „The Ten Books on Architecture”. Up to this day, the treatise by Marcus Vitruvius Polio has been an invaluable source of knowledge about the architecture and building art of the ancient Greeks and Romans. The idea of publishing the work in the form of an audiobook was initiated by the Chamber of Architects of the Republic of Poland. This is one of the manifestations of our efforts to make architecture popular as an applied art. A well-known actor, Mr. Adam Ferency, gave his voice in the recording.

Getting involved in the publishing of the treatise shows that FAKRO continues to be responsible not only for art but also for what the surrounding space looks like. Works such as this educate the recipient about good trends in the development of architecture. They provide the readers with a basis for arranging their surroundings in a functional and good-looking manner and the ergonomics of space reinforces the positive effect on the environment.

Universities and colleges

5



We particularly willingly collaborate with universities and colleges throughout Poland. We value the development opportunities that this collaboration provides - both for us and for university lecturers, students or graduates. As part of our agreement with the Cracow University of Technology, we carry out research and development projects. We test new technical and technological solutions. We work together towards the development of prototypes and demonstration systems. We take measures to improve qualifications of the research personnel by organising study visits, internships for students and internships for graduates of first, second and third degree programs. We provide training in engineering software.

5.1 *Cracow University of Technology*



We combine advanced theoretical knowledge with practical solutions. Aware of environmental and economic factors, we work on the improvement of the thermal insulation of solutions that are currently used. While designing our products, we pay special attention to their long life cycle. To verify the results of our works, we test products in extreme climatic conditions and numerous mechanical tests. We conduct acoustic tests because our windows are designed to provide relaxation in a space free from unnecessary noise. Our smart home which reduces the loss of light, heat and energy through the remote control system takes care of the environment. We are working on innovative solutions, the number of our patented solutions. The collaboration with the Technology Transfer Centre at the Cracow University of Technology allows us to analyse current innovative solutions on an ongoing basis already at the research work stage. In 2020, we jointly organised a competition for students of the Industrial Design Engineering: „Design with Fakro - a new line of window handles”. The theme of the competition was a new style design of the window handle used in FAKRO products. The competition task was to propose a new way of shaping and finishing the window handle together with the cap and the socket in which the „nose” is embedded. The most important evaluation criteria included the innovativeness of the solution and ergonomics of use. The winners were selected by a jury consisting of representatives of FAKRO and lecturers from the Cracow University of Technology and the Academy of Fine Arts in Cracow. The winning design was introduced to the range of our products. Industrial design plays a significant role in the design of our products. That is why we closely collaborate with the Faculty of Industrial Design at the Cracow University of Technology. (We value the development opportunities that this collaboration provides - both for us and for university lecturers, students or graduates.)



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5.2 *Wyższa Szkoła Biznesu – National Louis University, Nowy Sącz*



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5.3 *Higher State Vocational School in Nowy Sącz*



Państwowa Wyższa Szkoła Zawodowa [English: Higher State Vocational School] supports us with their facilities. We can use their equipment to develop our product range. We held lectures for the students of PWSZ in Nowy Sącz jointly with the “Pomyśl o Przyszłości” [English: Think of the Future] Foundation. The purpose of the meetings was to shape entrepreneurial attitudes among the students. This is particularly important in our region, considering its specific geographical conditions. Its small capital is Nowy Sącz, a former provincial capital city with a population of slightly over 80,000. There are no major urban centres nearby, which is why some young people have a difficult access to resources that are within the daily reach of residents of large cities, such as additional educational or cultural offerings. The exodus of talented youth to other remote locations offering the promise of an easier career is becoming a natural demographic problem. In such circumstances, it is important to show diverse career paths to young people, teaching them how to recognise their personal strengths and the opportunities that the world offers. The result of such educational activities is a space that is filled with successful entrepreneurs, despite the more difficult conditions at the beginning.

5.4 *Other collaboration with universities*



We work with the AGH University of Science and Technology to improve our SmartHome line of solutions. Jointly with the Silesian University of Technology, we conduct acoustic tests. We use research equipment and laboratories of the Cracow University of Technology and the AGH University of Science and Technology. This cooperation enables us to transfer theoretical knowledge into practical one. The effect of this is our latest GreenView line, the ARZ roller shutter or the AMZ roller shutter which is in the design phase. We became a supporting partner in the 6th Scientific Conference “Energy Security - Pillars and Perspective of the Development” organised by the Institute of Energy Policy and the Department of Economics of the Faculty of Management at Rzeszow University of Technology. We took part, as a silver partner, in the 52th Scientific Conference on Engineering of Construction Projects connected with the 70th anniversary of the Faculty of Construction and Environmental Engineering of the Bialystok University of Technology and the 7th Training Conference within the series „Modern Technologies in the Construction Industry - Challenges of the 21st Century. We were a partner to the training trip organized by the Scientific Circle „Young Construction Managers” operating at the Faculty of Civil Engineering of the Wroclaw University of Technology. We offer summer jobs in the form of graduate internships to graduates. In this way, 111 people have already gained their first professional experience with the FAKRO team. We regularly organise student internships.

5.5 *FAKRO Brand Ambassador - Student*



We have already mentioned that FAKRO promotes ambitious young people. Therefore we decided to implement the FAKRO Brand Ambassador - Student program addressed to university students. The objective of the program was to promote work at a Polish company with an established position in the global market through internships and apprenticeships offered to the students. The effect was an exchange of knowledge and experience and formulation of long-term development prospects for students. As a result of it, we have picked out real gems - young people studying science, involved in student organizations, recognised in the student community and engaged in various types of voluntary activity. It was desirable and important for the “FAKRO Brand Ambassador” Project to associate the candidate to the Nowy Sącz region and the Nowy Sącz community. The program was primarily addressed to people who come from Nowy Sącz and its vicinity, are related to the region through family ties, plans to settle in the region (e.g. change in marital status, desire to take up a job). We hope that the stabilizing pandemic situation will allow us to return to implementing the program as soon as possible.





6

FAKRO Products

6.1 *Wood - an ecological material in FAKRO's sustainable development strategy*



In the face of the climate change and increasing environmental degradation, we are being careful while making decisions. We know that our current actions have a real impact on the future of our planet. Therefore, when creating our products, we make every effort to ensure that they serve our customers for many years to come and that the materials they are made from come from sustainable sources and are recyclable. That's why we like wood so much. It is an ecological, healthy and durable material, suitable for long-term use. The natural properties of wood determine the unique nature of the windows made from it. Excellent insulating properties combined with resistance to numerous chemical agents contribute to the pro-ecological dimension of wood products. FAKRO relies on the best materials available and uses a selection process to choose wood with the best possible pattern and technical parameters. The wood is then subjected to deep impregnation, which extends the life cycle of the product. Our wood is obtained from forests where planned forest management has been in place in harmony with nature and with concern for future generations. The company holds an FSC® certificate as a proof of its adherence to ecological principles in forest production processes. A customer buying FAKRO products made of wood can be sure that it comes from a forest managed in accordance with the welfare of nature and the communities living there. In addition to the traditional eye-pleasing warm appearance, our wooden roof windows bring innovative thermal insulation solutions to the customer. This translates to a reduction in energy consumption, including reducing CO₂ emissions. Equipped with 3- and 4-pane sealed glass units, they help to rationally manage thermal energy at home, thereby helping to reduce heating bills. The warmest roof window available on the market, FAKRO FTT U8 Thermo has a heat transfer coefficient of $U_w=0.58 \text{ W/m}^2\text{K}$. It represents an incredible achievement in terms of thermal transmittance. Another important argument for choosing wooden windows, is the possibility to recycle the material, for example, in the production of fibre or plywood boards for further production of goods. This reduces emissions of greenhouse gases and now this is the most important challenge for companies in the construction sector. We have a lot of work to do so that we can confidently meet the requirements of climate neutrality and closed-loop economy in 2050. We are aware that this will be a revolutionary change but we look forward to it with because we know we are fighting for the common good.

(In addition to the eye-pleasing traditionally warm look, our wooden roof windows offer innovative thermal insulation solutions to the user. This translates into reduced energy consumption and consequently reduced CO₂ emissions.)



In addition to the traditional eye-pleasing warm appearance, our wooden roof windows bring innovative thermal insulation solutions to the customer. This translates to a reduction in energy consumption, including reducing CO₂ emissions.

6.2 *FAKRO aluminum and plastic windows comply with the Green Deal*



The number of PVC products being introduced to the market is growing every year. A PVC window is not what most people think of when they talk about ecology. However, it is always worth emphasizing their high thermal insulation performance and durability. More and more PVC windows are produced from recycled materials. When reusing one ton of PVC, we achieve up to 15 times less emissions, which is about 135 kg CO₂. The granulated material that is produced as a result of recycling PVC shows high homogeneity, and the profiles that are made from it feature high quality and functionality. FAKRO windows are manufactured of PVC profiles of the top class A, so they meet the requirements of the European standard EN 12608 and about 30% of the recyclate is used in them.

This gives hope of meeting the requirements of the European Green Deal, which calls for a reduction of CO₂ emissions of up to 55% by 2030, compared to 1990 levels in a given region, in order to achieve complete climate neutrality in 2050. FAKRO has been preparing for these changes for a long time by producing roof windows which are friendly to the environment.

6.3 *Smart home*



The term “SmartHome” is used to describe a home that uses technology that allows electronic systems to communicate with control systems. Automated homes are environmentally friendly - they provide safety, comfort and savings. The “SmartHome” solutions ensure that the amount of natural light in the room is optimised and temperature or air quality is correct. All these parameters have an effect on our well-being and health, also ensuring peaceful sleep. With FAKRO SmartHome, you can configure the system so that the house saves electricity and heat used while using the house. Through the use of FAKRO products, we reduce the use of electricity for heating in winter, or cooling by air conditioning on summer days. Therefore we reduce heating and electricity bills while taking care of natural resources. Being ECO is smart and automated products allow FAKRO to make promises to comply with the Green Deal requirements.



6.4 *Commitments for the future*



We are on a good way to exclude plastic film from the packaging of our products. Our new line of windows will be mostly packaged in cardboard. In addition, we are working on material passports for our products. The customer will be able to use them to assess the environmental impact of the components that we use.

Collaboration with suppliers and business partners

7



One of our priorities is the ethical standards of business practices. It is implemented through our corporate values: development, innovation, responsibility and credibility. We are constantly developing our offer, so we can present products with a wide range of innovative solutions to customers. While dealing with business partners, we are guided by responsibility. We meet deadlines and commitments. By caring for the environment, we take a responsible approach to the life cycle of our products. The idea of sustainable development accompanies us not only in the production or distribution process, but also in a pro-environmental approach to daily activities.



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We are a reliable business partner and expect our business partners to be reliable, too. Before starting collaboration, we carefully verify not only the scope of services being provided but also other factors which determine sustainability. It is important for us to cooperate with reliable people. Such people to whom the safety of their employees is important. We like to interact with those who, like us, care about the environment. Therefore we control our delivery and service conditions to reduce our carbon footprint and to extend our product life cycle. We are demanding but when we start to collaborate, we work together for many years. FAKRO's determination to develop new products and new solutions, anything that can be comfortable and friendly to the user who looks through the FAKRO windows continues to amaze me. While visiting the recent BUDMA 2022 trade fair, I had another opportunity to see new interesting unique values and features contained in windows which seem to be such a common product. Innovation has no boundaries - congratulations and appreciation go to the entire FAKRO team, constantly inspired by Ryszard Florek, an entrepreneurial innovator and advocate of the development of the Polish entrepreneurship and competitiveness.

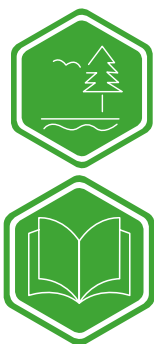
*Zdzisław Dąbczyński,
Founder and President of WIMED. Entrepreneur with a mission and a guitar*



Natural Environment

8

8.1 *Pro-environmental educational activities*



We teach how to be ECO, but we also listen and watch. For the youngest audience, we organize competitions on environmental issues. The EKOFAKRO contest for the children of employees of FAKRO Group attracted a lot of interest. The competition entry works showed a high level of environmental awareness among children and young people. The competition was organized with the idea of work-life balance in mind, giving employees time to have an open talk with children about our company and they way it operates in the context of sustainable development. The quality time with loved ones was an additional reward for all contest participants. We encourage our employees to be ECO in their daily lives. We do this through larger events, such as Car Free Day, in which we reward those who choose a bicycle as a means of commuting. We also do it on a regular basis. In line with the idea of zero waste, we reduce the unnecessary use of paper, water and electricity. In such a large organization, every smallest step matters.



8.2 *Ecological activities on the company's premises*



With the environment in mind, FAKRO has decided to diversify its heat sources. Therefore, it took steps towards energy willow plantations. This is one of the species of common willow, growing in a shrubby form, reaching up to 8 meters in



height, of which it can grow up to 3 meters in the first year after planting. The average production output of this plant under Polish climatic conditions is estimated at several tons of dry matter per one hectare of plantation. The crop is harvested in a one-year or two-, three-year cycle, after the leaves fall from the shoots in the months of November-February. The best yields are said to be achieved in a three-year cycle, reaching up to 22 tons per hectare per year. One plantation can be cultivated for 20-30 years. The calorific value of willow chips with a 30% moisture content is about 12 MJ/kg. Therefore, you can get about as much energy from one hectare as from several tons of coal while the environmental benefits are undeniable. FAKRO is developing its own plantation of this ecological fuel, increasing the cultivation area by about 4 hectares every year. We burn 280 tons of biomass obtained from energy willow in the winter season. This allows us to significantly reduce the consumption of coal dust. What's more, the use of willow does not require additional landfilling.

With the environment in mind, FAKRO has decided to diversify its heat sources. Therefore, it took steps towards energy willow plantations.



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In cooperation with the supplier, every day we receive a report with readings of the water meters located on the premises of FAKRO and neighbouring companies, to which, based on pre-concluded agreements, we supply water for social and domestic purposes. This allows us to evaluate the amount of water taken on an ongoing basis and detect any leaks caused by failures. In this way we take care not only of our own pocket but also of water resources. This is another argument for being ECO - taking care of the environment also pays off financially. The company's consumption of water, both its own and that supplied by an external company, is constantly reported to the relevant administrative units. In the age of consumerism, every action - even the most conscious one - generates an impact on the environment. This impact cannot be eliminated but we can minimise it through conscious decisions that take into account far-reaching effects. A responsible business should do everything that is possible to reduce the impact of adverse factors on the environment as much as possible. At FAKRO, amounts of hazardous and non-hazardous waste are entered through the Waste Database (BDO) every time waste is transferred. Waste records are kept on an on-going basis. The amounts are reported each year to the relevant administrative units. Waste generated at Fakro - both the production process waste and the municipal waste of a social and domestic nature - is collected selectively and then transferred to authorised entities. The collaboration undertaken with waste collection companies is always preceded by a verification process where the scrutiny covers not only the formal and legal



status of the potential service provider but also its reliability, conscientiousness and operational transparency. In accordance with the proximity principle, waste is transferred to entities operating locally, which minimizes the carbon footprint associated with waste transportation. The FAKRO Group signed an agreement with the Packaging Waste Recovery Organisation, which ensures the required levels of waste recovery and recycling at 100%. Liquid waste is collected into sealed and properly secured containers and then handed over to entities specialized in



managing this type of waste. Consequently, FAKRO does not release industrial wastewater into the environment, and the wastewater generated by the company in course of its operation is only that of a social and domestic nature. Suppliers providing raw materials for the production process are quite often establishments holding waste processing permits - in this way, we create „micro-circular loops“. The waste generated during the production process is then sent for processing and reattached as an input component to the production raw material. Thanks to such action, FAKRO not only provides waste to produce new raw material, but also uses these raw materials in the production process, which shows that we ourselves consciously look for opportunities to use recyclates while maintaining the high quality of our products

FAKRO Group as a workplace

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9.1 *Ethics*

FAKRO is at the top of many rankings run by independent media. We are particularly happy to hold the leading position in the WPROST Ranking of Employers among companies in the construction industry. It is important to us that the effort put into the development of our team has been recognised. The FAKRO team is united by consistent values, attitudes and principles defined in the Employee Set of Guidelines. It enumerates key ideas that have a practical translation into everyday collaboration. We are responsible and we carry out duties in a reliable manner. We organize our work and time well. We build mutual relationships, talk about prob-



lems and work as a team. We use our potential. We appreciate one another and are proud of where we work. We care about working conditions and development opportunities. We provide stability in uncertain times. We firmly believe that brand can be successful only as a result of effective cooperation of a motivated team of people who know what they want. Employees are recruited, remunerated and promoted in accordance with the applicable law. FAKRO makes every effort to create a friendly and safe labour environment for the employees so as to let them feel safe and avoid unnecessary stress. We make it very clear that there is no acceptance of bullying or derogating anyone in our team. We are all equal regardless of how diverse we are.

9.2 *Development and dialogue*



All employees are secured with a preparatory stage for the position they take on through appropriate introductory schedules, training programmes and on-the-job instructions. We want our employees who show initiative to be recognized - also financially. That is why we implement an employee transportation program. Our team commutes to work from many surrounding areas. Employees have the opportunity to use the employee transportation service. Provided that there is a person among them willing to act as a paid driver. The company funds a driver's license



course and employees get a minibus which is at their disposal and which they use to commute to work together. This is how we combine employee benefits with the idea of lifelong learning, that is, continuous development. Our language courses are based on the same assumption. As a global company, we perceive language skills among our employees as particularly valuable. We learn English, German and Spanish together. We do this through on-site classes and on-line courses. A responsible business is a company that employs pro-development employees and appreciates their innovative ideas. In order to recognize those of us who know how to improve the company's operations, the Idea Submission Program was put in place. Each month, an employee initiative is rewarded. This is not only an opportunity to appreciate our team members, strengthen their self-esteem and commitment to the company. The Program enables us to promote civic attitudes which are extremely important in everyone's daily life. We believe that the shape of the world we live in depends on us. Good solutions are developed only on the basis of honest and open discussion. That is why we repeatedly ask our team for their opinion. We do this in the form of surveys conducted among all employees of the FAKRO

A responsible business is a company that employs pro-development employees and appreciates their innovative ideas.

Group. We learn from one other by analysing the results of the surveys and drawing conclusions from them. We are not afraid of a difficult feedback. Constructive criticism and focus on finding solutions is our recipe for a better tomorrow. (A responsible business is a company that employs pro-development employees and appreciates their innovative ideas)

9.3 *Family*



We are a family business, so family is very important to us. We support employees in the toughest times. We also know how to be happy together. We organize company events in such a way as to combine the aspect of integration with the opportunity to spend free time with loved ones. We open the doors of our facto-





ry to the children of the employees. We show them how their parents work. We have fun together but we also use the fun time to learn. We learn first aid with the Mountain Volunteer Search and Rescue Service. We play with foreign languages. We learn about nature. We go on family mountain rallies with guides. With maps in our hands, we search for treasures in the Geocaching-type outdoor games. We remember about the every-day life support. We offer subsidies for nurseries and



kindergartens, allowing young parents to work freely. We subsidize school books to support the smart future for our children.



9.4 *Health*



We stand together in the face of the pandemic. We quickly complied with the restrictions, protecting our employees from the risk of infection. We are looking for solutions in the situation full of challenges. Immediately after it became necessary, procedures were implemented to regulate the company's operations during the pandemic. Our actions go beyond the restrictions imposed by state authorities. We take initiatives put forward by our team.

In December 2020, FAKRO employees who recovered from COVID - 19 decided to donate plasma for those in need. In 2021, we conducted a vaccination campaign for employees at our site. In addition, we regularly strengthen our immunity - for another year in a row, we gave out cod liver oil and vitamin C to employees. We are not afraid of difficult subjects. In cooperation with the Nowy Sącz Association of Amazons, we organized a campaign entitled "Piękna, bo świadoma" [English: „Beautiful Because Aware”]. This campaign showed the FAKRO brand as a friendly and responsible employer, promoting a healthy lifestyle and caring for the employee. The event consisted in the participation in a workshop on breast cancer prevention. The recipients of the event were female employees of the Pol-



ish companies within the FAKRO Group. Life can surprise us and one cannot be ready for everything. However, we do what we can. Our selected employees have been trained in first aid. They can be quickly found in the phone book thanks to a dedicated marking system. Therefore, in truly critical situations, we can respond

quickly because the health and sense of safety of employees is the priority of a responsible company. To the FAKRO Group, health and safety in the workplace are a fundamental right of the employee and a key element of the Group's sustainability. Shaping safe working conditions for our Employees is absolutely one of our priorities. At work, we follow generally applicable regulations, such as the OSH laws and



ordinances. We have also taken additional measures aimed at providing preventive health care for employees:

- weekly training sessions on the operation of the 5S + OSH system at which current OSH problems and accident statistics at the company are discussed,
- OSH audits that check the labour environment safety and the employees' awareness and behaviours,
- information, regularly displayed on screens, about the number of days without accidents at work and post-audit conclusions,
- articles raising awareness of occupational health and safety, published in the company press.

The average accident frequency rate in the FAKRO Group in Poland has been declining for the last three years. It was 14.1 in 2019, it was 13.1 a year later and it dropped to 11 in 2021. We know that simply raising employees' awareness through training or on-the-instructions will not prevent accidents or accident-like incidents from happening. However, we constantly strive to minimize the risk of accidents at work. (Safe working conditions are a priority for us in carrying out our daily tasks).

Safe working conditions are a priority for us in carrying out our daily tasks.



9.5

Ambassadors

FAKRO employees know that they work for an excellent company and want to brag about it. That's why we launched the FAKRO Brand Ambassador program. It provides an opportunity to distinguish those who add the greatest value to the company and promote it every day through their work and attitude to the environment. In this way we have been able to identify a unique interdepartmental team full of incredible energy. Their regular meetings form a unique platform for exchanging ideas and experiences. It is a fantastic "A" team, thanks to which many strategic



projects have become a daily reality.



GO GREEN FAKRO

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10.1 *FAKRO – dealing green.*

We support the European Green Deal

GOGREEN

The European Green Deal (GreenDeal) is a call for change in a direction that will benefit us all. Our today's actions have an effect on many aspects important for a good future, such as fresh air, clean water, healthy soils and food. We can achieve this by creating energy-efficient buildings, introducing green solutions for transportation, investing in renewable energy sources and making our consumption environment-friendly. Additional benefits of our sustainable actions are: competitive industry, future-proof jobs and products with extended life cycles. Our common goal is a Europe that will be the first to call itself a completely climate-neutral continent as early as in 2050. In the meantime, an intermediate step that the European countries are already taking is to reduce CO2 emissions by at least 55% by 2030 as compared to the 1990 levels in the same region. To achieve this goal, we need social capital at the international level. We must remember that adapting the company's operations to regulations and directives is a multifaceted job. It requires not only changes in production processes and technological ideas but also logistics of goods, administration of production buildings and a modern approach to the product life cycle. FAKRO has acted with respect for ecology and the good of the climate since the very beginning of its existence. Offering quality and long-lasting products has been encoded in the company's DNA. The very logo reflects the values that guide the manufacturer - the green symbol in the shape of a parallelogram has not been included there without a cause. The color emphasizes a strong connection between the company's values and its proximity to nature. It is estimated that 35 million buildings need to be renovated by 2030. This entails large projects, including the replacement of windows as well as door and gate carpentry. Renovation of existing residential houses or public buildings has a real impact on the energy savings and protection of the earth's natural resources. The construction sector must learn to design, build and renovate while maximising the use of renewable energy. That is why FAKRO has been developing its product range in line with the principle that the product should be better than required by regulations that are mandatory at the given time. It must be a reliable product with high performance standards for years to come. (FAKRO has acted with respect for ecology and the good of the climate since the very beginning of its existence. Offering quality and long-lasting products has been encoded in the company's DNA.)

FAKRO has acted with respect for ecology and the good of the climate since the very beginning of its existence. Offering quality and long-lasting products has been encoded in the company's DNA.



10.2 „Clean Air with Murator”

FAKRO feels responsible for pro-environmental education. We raise pro-environmental awareness, and not that of our little ones. In addition to that, we conduct campaigns highlighting the benefits that can be achieved by insulating the house and replacing inefficient heating equipment. We do this, for example, with Murator magazine in the “Clean Air with Murator” campaign through which we teach how to carry out effective thermal upgrade of a building using grants, loans and tax reliefs. We have already completed the third edition of the “Clean Air with Murator” competition of which FAKRO has been a partner since the very beginning. In the final stage of the competition, awards are given in four categories, and FAKRO is the sponsor of the award in the ROOF WINDOWS category.



10.3 *Polish Ecological Club*



The Polish Ecological Club is an association that has operated since 1980; its mission is to save and improve the environment and to protect nature, human life and health. On December 16, 2021, the association awarded FAKRO with the PEC’s 40th anniversary medal. FAKRO’s contribution to the process of environmental protection, promotion of green energy and fidelity to the principles of sustainable development was recognized. As a company operating in the construction industry, we realise like no one else that the quality of life depends on the balance maintained between the environment and the development of civilization.

10.4 *Renewable energy*



FAKRO feels the power behind the use of renewable energy sources. As part of the 1st stage of implementing a photovoltaic system at FAKRO's Nowy Sącz branch, Columbus Energy S.A. (one of the largest photovoltaic companies in Poland, the co-owner of Saule S.A. - perovskites) has installed photovoltaic systems with a total power output of 500 kWp at our plant. This is an equivalent of 1350 modules with a total area of 2300 m². This amount would be enough to power 150 single-family buildings for a whole year. Their arrangement is intended to maximise the auto-consumption of energy obtained from the sun at individual sites of the plant. The planned annual energy production from the project is about 500 MWh. It will save about 475 tons of CO₂ annually in relation to the emissions for this amount of energy from conventional coal-fired power plants. Taking into account the minimum 25-year lifespan of the system and the small decrease in the efficiency of the modules during this period, we will prevent about 10,000 tons of CO₂ from being released into the atmosphere. Another obvious benefit is the economic aspect, given the rising energy prices. This will allow us to stabilise the prices of our products while maintaining the best possible quality. As part of Stage II, we plan to install systems with a total output capacity of as much as 2,000 kWp, in Nowy Sącz alone. The investment, due to the complexity of the building permit and design process, will be carried out in 2022-2023, practically covering most of the available area of our company's roofs. As part of Stage III, we will build photovoltaic systems at the other FAKRO Group plants: in Stolarta, Florada, FAKRO WDF and FAKRO PP in Rudnik nad Sanem. We will carry out this stage in parallel with stage II. With the implementation of the above projects, FAKRO will receive a certificate attesting to the production of renewable energy and the reduction of its organisation's carbon footprint.

Certificates

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Currently, we hold more than 20 certificates and quality marks. All FAKRO products covered by the requirements of the European harmonized standards hold the CE mark. The declared parameters are validated by independent notified laboratories. The certificates held require regular external control audits. The quality of our products is confirmed by independent institutions. We are proud to hold both mandatory certificates, e.g. American QAI, NFRC, IGCC/IGMA, Russian or Ukrainian certificates, and certificates for smoke- and fireproof products under the CE marking, e.g. the Slovak FIRES certificate.

We also hold prestigious voluntary certificates confirming the quality of our products and the fact that they meet the requirements established for a specific market, for example, the French CSTB/QB certificate for the production of wooden roof windows, certificates for the production of insulating glass units: the German IFT Rosenheim certificate, the French CEKAL certificate or the British BBA certificate for the production of wooden roof windows.



Energy Star



FIRES The Experts on Fire Safety



CEKAL Paris



Centroseprobud Kijev



LAB



CSTB Paris



Gosstro Rossji Sankt Peter



IFT Rosenheim



British Board Of Agreement



ITB Warszawa



Insulating Glass Manufacturers Alliance



The mark of responsible forestry

Currently, we hold more than 20 certificates and quality marks. All FAKRO products covered by the requirements of the European harmonized standards hold the CE mark.

Conclusion

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The year 2021 will mark 30 years since the FAKRO brand has been on the market. We remember our past, respect it and learn from it. However, today we are already living in the future, and we undertake all our actions to make it the best possible future for us, for the world, for future generations. We achieve our goal primarily thanks to our team - pro-development, innovative, reliable and responsible people. Together we can do more, so all hands on deck! Editorial team: Consultations

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ROZWIĄZAŃ DLA DOMU

FAKRO®



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A close-up photograph of a green leaf, showing a dense network of veins. The veins are a lighter shade of green, creating a complex, branching pattern across the leaf's surface. The overall color is a vibrant, natural green.

GO GREEN