Waste Management Policy

„Sirma Group Holding" JSC

Contents

1. General

Sirma is committed to responsible waste management practices that protect the environment while ensuring compliance with Bulgarian laws and EU directives. This policy will be communicated to all employees and stakeholders to foster a culture of sustainability within the organization.

This Waste Management Policy outlines the commitment of Sirma (Sirma Group Holding JSC and all daughter companies) to manage waste generated from its operations responsibly and sustainably. It aims to comply with Bulgarian laws, specifically the Waste Management Act (WMA) and the Waste Electrical and Electronic Equipment (WEEE) Directive, while promoting environmental sustainability. Offices of Sirma, which are located in other countries, shall adhere to local legislation and requirements in addition to this policy.

1.1 Purpose
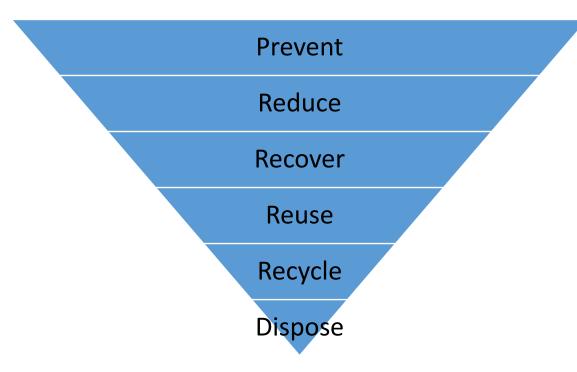
The purpose of this policy is to:

- Ensure compliance with applicable waste management regulations.
- Minimize waste generation and promote recycling and recovery.
- Protect human health and the environment from hazardous waste.
- Foster a culture of sustainability within the organization.

1.2 Scope

This policy applies to all companies within "Sirma Group Holding" JSC, employees, contractors, and stakeholders involved in the operations of Sirma. It covers all types of waste generated, including electronic waste (e-waste), office waste, and other materials.

1.3 Philosophy

The philosophy of waste management followed by Sirma may be depicted as an inverted pyramid which symbolizes the reduction of waste:

Prevent

Reduce

Recover

Reuse

Recycle

Dispose

- **Prevent**: Some waste is generated inevitably by every enterprise. Sirma strives to prevent generating non-biodegradable waste. Evading plastic, using glass, and decreasing packaging are routine projects within the company.
- **Reduce**: Efforts to reduce waste generated by Sirma form the base of our waste management.
- **Recover**: The biggest impact of waste generated by Sirma has electronic waste (e-waste). Electronic equipment may be repaired and refurbished in order to prolong its usefulness. This is what we do. We measure this by monitoring the average age of the electronic equipment we use.
- **Reuse**: Even when electronic equipment cannot properly serve its function for groundbraking coding, it may still be useful for personal or educational use. We organize tenders for the resale of older IT equipment and actively donate to educational organizations – from kindergartens to the Technical University.
- **Recycle**: Should equipment be rendered totally useless, Sirma hands it over to licensed recycling companies, which will extract all useful materials and dispose of the rest in a hazardless manner.
- **Dispose**: Finally, following the recycling of any useful materials, what is left is disposed in the safest possible manner at designated licensed locations.

2. Legal Framework

Sirma commits to adhering to the following legal frameworks:

- Waste Management Act (WMA): Governs the management of all types of waste in Bulgaria.

- WEEE Directive (2012/19/EU): Regulates the disposal and recycling of electrical and electronic equipment.

- National Waste Management Plan (2021-2028): Outlines strategic goals for waste prevention, recycling, and reduction of landfill use.

3. Waste Management Operational Goals

The objectives of this policy include:

- Become a fully paperless company by 2027;

- Maintain the average use of electronic equipment of 5 years and above;

- Maintain a reuse rate of IT hardware of 30%;

- Maintain a recycling rate of 70% for all e-waste and

- Ensure proper recycling and disposal of e-waste materials through certified recyclers;

- Ensure proper standard office waste disposal through certified waste management companies.

4. Roles and Responsibilities

4.1 Board of Directors

The Board of Directors of Sirma will ensure compliance with this policy and relevant regulations. It will furthermore allocate the necessary resources for effective waste reduction and waste management practices, projects, and initiatives.

4.2 Employees

The employees of Sirma will participate in training programs on waste management practices. They will also strictly follow procedures and policies for waste reduction, segregation, and disposal.

4.3 Waste Management Coordinators

Waste management at Sirma is a team effort, which encompasses all. However, certain coordination and direct responsibilities have been delegated to the following staff:

- The Chief Partnership Officer of Sirma shall liaise with vendors and select these, which have strong sustainability practices (e.g. less packaging).

- The Head of hardware support at Sirma will organize any repairs to IT hardware

when necessary. He/She is also responsible for monitoring and fulfilling, as necessary, all hardware needs of the employees. Remarketing tenders and hardware donations will be overseen by him/her. He/she also shall liaise with recycling companies, select the best for Sirma's partner, and organize the handover of e-waste to them.

- The Facility manager of Sirma's HO will oversee the implementation of the waste management policy. He/She will maintain records of waste generated and disposed of, as well as liaise with external waste management and recycling licensed companies.
- The Sustainability manager shall collect data for the waste management KPIs and disclose them to management, the employees, and external stakeholders.

For companies and offices of Sirma outside Bulgaria, the above persons shall have their local employee, who is responsible for executing these tasks at the local level.

5. Waste Types and Segregation

The offices of Sirma generate various types of waste, including electronic waste (e-waste), paper, and general office refuse. Identifying and categorizing these waste types is crucial. E-waste, which includes discarded computers and peripherals, requires specific handling due to its hazardous components.

Sirma identifies the following types of waste generated from its operational and administrative activities:

- **Office Waste**: paper, plastics, packaging materials;
- **Electronic Waste**: computers, servers, printers, etc;
- **Hazardous Waste**: batteries, chemicals used in IT equipment.

The different types of waste are segregated and collected separately with the purpose of being handled as necessary.

6. Waste Minimization Strategies

The waste minimization strategies in Sirma focus on preventing or reducing unnecessary waste generation while promoting sustainability.

Regular audits help identify waste hotspots, enabling targeted interventions. Encouraging a culture of recycling and responsible disposal of electronic waste ensures that outdated equipment is processed sustainably. Additionally, fostering employee awareness through

training programs enhances participation in waste prevention and waste reduction initiatives. By integrating these strategies, Sirma can significantly lower their environmental footprint while improving operational efficiency and contributing to a more sustainable future.

6.1 Waste prevention measures

Sirma has adopted the following measures to prevent the generation of non-biodegradable waste:

- **Biodegradable waste**: Discontinue use of any plastic cups, dishes, and cutlery in the offices of Sirma;
- **Reusable materials**: Promote the use of reusable items, such as cutlery, mugs, and dishes, in the office kitchens to reduce single-use waste.
- **Sustainable Procurement**: Preference for suppliers that prioritize sustainability and offer recyclable or minimal packaging materials.

6.2 Waste reduction measures

Sirma has adopted the following measures to minimize waste generation:

- **Paperless company**: Sirma implements and promotes digital solutions and digital documentation to decrease paper usage, such as adopting electronic documentation and communication tools throughout the company, eventually reaching the goal of becoming a paperless organization;
- **Cloud utilization**: Sirma promotes the use of cloud solutions throughout the company to reduce hardware needs;
- **Inventory management**: Maintain an effective inventory system to monitor equipment usage and identify opportunities for reuse, minimizing unnecessary purchases.
- **Hardware repairs**: Sirma encourages repairs and upgrades of IT hardware instead of purchasing new equipment.

6.3 Reuse Initiatives

Sirma implements initiatives to reuse decommissioned IT hardware where possible. The company has established a system for:

- resale of decommissioned IT hardware and
- donation of old equipment that is still functional.

7. Recycling and Disposal

Sirma is committed to responsible waste and e-waste management and partners with certified waste disposal and recycling companies to ensure effective disposal of electronic waste. The company's recycling procedures encompass several steps:

7.1 Recycling Procedures

- **Office Waste Disposal**: Sirma ensures that all office waste is disposed of by licensed waste-handling operators. This partnership guarantees compliance with local regulations and promotes environmentally friendly practices.

- **E-Waste Collection**: All electronic waste generated by Sirma is collected by licensed recyclers. This process begins with designated collection points within the company, where employees can drop off obsolete or broken devices. The recyclers then transport the collected e-waste to their facilities for processing.

- **Certificates of Recycling**: Sirma obtains certificates of recycling for all processed e-waste. These certificates serve as documentation that the waste has been recycled responsibly, providing transparency and accountability in our waste management practices.

- **Compliance and Reporting**: The company maintains detailed records of the types and quantities of e-waste collected, ensuring compliance with regulatory requirements. This documentation not only supports environmental sustainability but also aids in corporate responsibility initiatives.

By implementing these comprehensive recycling procedures, Sirma actively contributes to reducing the environmental impact of electronic waste while promoting a sustainable operational model within the IT service industry.

7.2 Hazardous Waste Disposal

Whatever the efforts, certain e-waste, which is generated by Sirma, does contain hazardous materials. Sirma is dedicated to the responsible management of hazardous waste, ensuring that all materials are disposed of in strict accordance with legal requirements and environmental regulations. The company's approach to hazardous waste disposal involves several key practices:

- **Segregation of Hazardous Materials**: Sirma implements a rigorous segregation process for hazardous waste to prevent contamination and ensure safe handling. Employees are trained to identify hazardous materials, which may include batteries, chemicals, and other electronic components that could

pose environmental or health risks. Clear labeling and designated storage areas are established to facilitate proper segregation.

- **Secure Storage**: Once identified, hazardous waste is stored securely in designated containment areas that meet safety standards. These storage facilities are designed to prevent leaks and spills, protecting both employees and the environment. Access to these areas is restricted to authorized personnel only, ensuring that hazardous materials are handled safely and responsibly.

- **Partnerships with Licensed Disposal Companies**: Sirma collaborates with certified waste disposal companies that specialize in the handling and treatment of hazardous waste. These partners are fully licensed and comply with all relevant regulations, ensuring that hazardous materials are disposed of in a manner that minimizes environmental impact.

- **Compliance with Legal Requirements**: Sirma stays informed about local, national, and international regulations governing hazardous waste disposal. The company conducts regular reviews of its practices to ensure compliance with evolving legal standards. This proactive approach helps mitigate risks associated with hazardous waste management.

By implementing these comprehensive hazardous waste disposal measures, Sirma not only ensures compliance with legal requirements but also demonstrates its commitment to environmental stewardship and corporate responsibility. This approach helps protect both public health and the environment while reinforcing Sirma's reputation as a responsible IT service provider.

8. Training and Awareness

8.1 Employee Training

Sirma recognizes the importance of equipping its workforce with the knowledge and skills necessary for effective waste management. To achieve this, the company conducts comprehensive employee training sessions focused on various aspects of waste management and sustainability. These training sessions cover:

- **Waste Prevention, Reduction, and Management Practices**: Employees are acquainted with Sirma's waste management policy and procedures, emphasizing the significance of minimizing waste generation at every stage of operations. This includes strategies for preventing and reducing material consumption and implementing efficient practices that contribute to

sustainability.

- **Importance of Recycling and Proper Disposal Methods**: Training also highlights the critical role of recycling in waste management. Employees learn about the different types of recyclable materials, the processes involved in recycling, and the environmental benefits associated with proper disposal methods. This knowledge empowers employees to make informed decisions regarding waste disposal in their daily activities.

- **Environmental statistics**: The footprint that IT equipment turned into waste has on nature is unknown to most. Few people know that the production of one laptop consumes 190,000 liters of water and emits 331 kg. CO_2 equivalent. The same applies to the Company's overall carbon footprint and water used. Sirma collects and discloses such information to its employees and other stakeholders. We are convinced that awareness leads to conscious sustainable practices.

By fostering a culture of awareness and responsibility, Sirma ensures that its employees are not only compliant with regulations but also actively engaged in sustainability initiatives.

8.2 Awareness Campaigns

In addition to formal training, Sirma implements various awareness campaigns aimed at promoting sustainability practices among its employees. These campaigns serve to reinforce the company's commitment to environmental stewardship and encourage active participation in community initiatives. Key elements include:

- **Sustainability Practices Awareness**: Sirma runs campaigns that educate employees about sustainable practices both at work and in their personal lives. This includes tips on reducing energy consumption, minimizing single-use plastics, and adopting eco-friendly habits.

- **Community Engagement Initiatives**: Sirma and its employees actively participate in community initiatives that align with its sustainability goals (e.g. plastic caps collection for the support of child healthcare in Sofia). These initiatives not only contribute to social causes but also foster a sense of community among employees, encouraging teamwork and collaboration for a common sustainable purpose.

- **Internal Competitions and Events**: To further promote awareness, Sirma organizes internal competitions and events that challenge employees to come

up with innovative ideas for reducing waste or enhancing recycling efforts within the company. These activities not only raise awareness but also stimulate creativity and engagement among staff.

Through these comprehensive training initiatives and awareness campaigns, Sirma cultivates an informed workforce that is proactive about waste management and sustainability, ultimately contributing to a more environmentally responsible organization.

9. Monitoring and Reporting

9.1 Record Keeping

In order to measure waste management dynamics, specific KPIs have been introduced. By monitoring them and comparing the results with those of the previous years, Sirma can comprehend its progress.

Sirma maintains accurate records of:

- Types and quantities of waste generated;
- Disposal methods used;
- Average length of utilization of IT hardware.

Reporting these values in Sirma's annual Sustainability Report makes waste management results transparent.

9.2 Performance Monitoring

Sirma regularly reviews performance against objectives, conducts audits to assess compliance with this policy, and discloses the results to its stakeholders. The performance monitoring is also used to address any issues with waste management which have been identified.

10. Continuous Improvement

Regular audits and assessments of this waste management policy will allow Sirma to identify areas for improvement. By analyzing waste flows and disposal methods, Sirma can refine its strategies to reduce overall waste generation and enhance recycling efforts.

Sirma encourages feedback from employees on improving waste management practices. This policy shall be reviewed annually or as needed, based on legislative changes or operational needs.

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