WASTE MANAGEMENT POLICY

OF
SIRMA GROUP JSC
AND ITS SUBSIDIARIES

last updated on 18 June 2026

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WASTE MANAGEMENT POLICY OF SIRMA GROUP JSC AND ITS SUBSIDIARIES

I. General Provisions

Art. 1. Purpose and scope

(1) This Waste Management Policy (the "Policy") sets out how Sirma Group JSC (the "Company") and its subsidiaries (together – the "Group" or "Sirma") manage the waste generated by their operations responsibly and sustainably, protecting the environment and complying with Bulgarian law and EU law.

(2) The Policy applies to all companies in the Group and to all their employees. Contractors who work on Sirma's premises or handle its equipment or waste are bound to comply with it through their contracts. It covers all types of waste – office waste, electronic waste (e-waste), hazardous waste and other materials.

(3) The companies and offices of Sirma outside Bulgaria comply with local legislation and requirements in addition to this Policy; where they differ, the stricter requirement applies.

Art. 2. Objectives

The purpose of the Policy is to:

1. ensure compliance with applicable waste management regulations;
2. minimise waste generation and promote re-use, recycling and recovery;
3. protect human health and the environment from hazardous waste;
4. foster a culture of sustainability within the organisation.

Art. 3. Legal framework

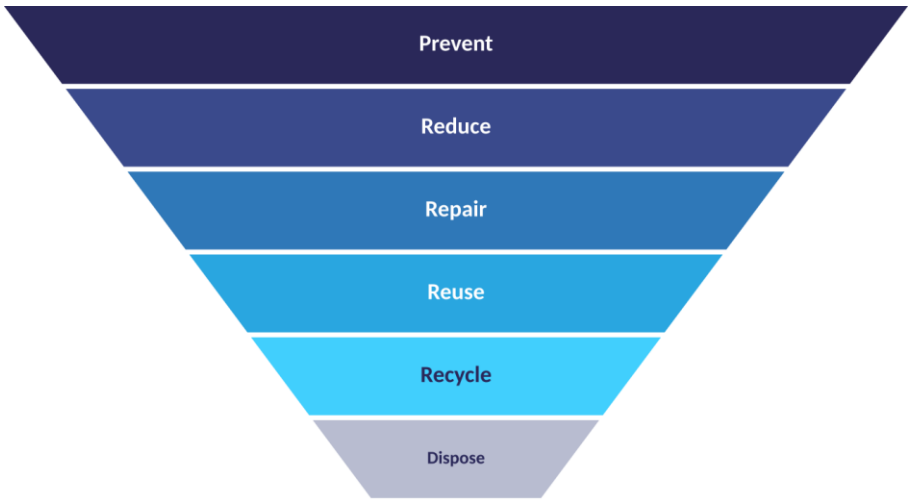
Sirma complies with:

1. the Waste Management Act ("WMA") and the secondary legislation under it, including Ordinance No. 2 of 23.07.2014 on the classification of waste – governing the management of all types of waste in Bulgaria;
2. Directive 2008/98/EC on waste – establishing the waste hierarchy;
3. Directive 2012/19/EU on waste electrical and electronic equipment (WEEE), transposed into Bulgarian law through the WMA and the Ordinance on waste electrical and electronic equipment (adopted by Council of Ministers Decree No. 256 of 13 November 2013, State Gazette No. 100 of 2013, last amended by State Gazette No. 2 of 2021) – regulating the collection, recycling and disposal of electrical and electronic equipment;
4. Regulation (EU) 2023/1542 concerning batteries and waste batteries – as regards batteries and accumulators;
5. the National Waste Management Plan 2021–2028 – outlining strategic goals for waste prevention, recycling and reduction of landfill use.

References to legislation in the Policy are to the acts as amended from time to time.

Art. 4. Waste hierarchy

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



1. Prevent: some waste is generated inevitably by every enterprise. Sirma strives to prevent the generation of non-biodegradable waste. Avoiding plastic, using glass and reducing packaging are routine projects within the company.
2. Reduce: efforts to reduce the waste generated by Sirma form the base of its waste management.
3. Repair: the biggest impact of the waste generated by Sirma comes from electronic waste. Electronic equipment is repaired and refurbished in order to prolong its useful life. Sirma measures this through the average age of its IT hardware at withdrawal from use (Art. 5).
4. Reuse: even when electronic equipment can no longer serve its function in the demanding environment of IT specialists, it may still be useful for personal or educational use. Sirma organises tenders for the resale of older IT equipment and actively donates to educational organisations – from kindergartens to the Technical University.
5. Recycle: should equipment become totally unusable, Sirma hands it over to licensed operators under Art. 16, which extract all useful materials and dispose of the rest safely.
6. Dispose: finally, after any useful materials have been recycled, what is left is disposed of in the safest possible manner at designated licensed locations.

Art. 5. Operational goals

The operational goals of the Policy are:

Indicator	Goal	How it is measured
Paperless organisation	A paperless company by the end of 2027; paper is used only where the law or a counterparty requires it	Sheets of paper purchased per employee per year, against the base year
Age of IT hardware at withdrawal from use	On average at least 5 years	Average age of IT hardware (laptops, desktops, servers) at the time it is taken out of use
Reuse	At least 30% of IT hardware taken out of use is passed on for reuse	Resold or donated devices ÷ devices taken out of use (by number), per year
Recycling of scrapped equipment	100% of scrapped equipment is handed over for recycling to licensed operators, with a recycling certificate	Scrapped equipment handed over for recycling with a certificate ÷ all scrapped equipment, per year

Indicator	Goal	How it is measured
Lawful handover	100% of electronic, hazardous and office waste is handed over only to licensed operators, with a document for every handover	Handovers with a complete set of documents ÷ all handovers

The indicators are measured per calendar year. The base year and the starting values are set by the Coordinators under Art. 8 and entered in the first report under Art. 24.

II. Roles and Responsibilities

Art. 6. Board of Directors

The Board of Directors ensures compliance with the Policy and the relevant regulations and allocates the necessary resources for effective waste reduction and waste management practices, projects and initiatives. The Board adopts the Policy and amendments to it.

Art. 7. Investments, Risk and Sustainability Committee

The Investments, Risk and Sustainability Committee reviews the Policy at least once a year, discusses the annual report on its implementation under Art. 24 and proposes amendments to it to the Board.

Art. 8. Waste management coordinators

Overall responsibility for implementing the Policy rests with the Chief Operating Officer. Waste management at Sirma is a team effort, which encompasses all. However, certain coordination and direct responsibilities have been delegated to:

1. the Chief Partnership Officer, who liaises with vendors and selects those with strong sustainability practices (e.g. less packaging);
2. the Head of hardware support, who organises repairs of IT hardware when necessary, monitors and fulfils the hardware needs of employees, oversees remarketing tenders and hardware donations, organises the erasure of data under Art. 19, liaises with licensed recycling operators, selects the best for Sirma and organises the handover of e-waste to them;
3. the Facility manager of the headquarters, who oversees the implementation of the Policy, keeps records of waste generated and handed over and liaises with licensed waste management and recycling operators;
4. the Investor Relations and Sustainability Director, who collects the data for the indicators under Art. 5, prepares the annual report under Art. 24 and discloses them to management, employees and external stakeholders.

For the companies and offices of Sirma outside Bulgaria, the persons above designate a local employee who is responsible for carrying out these tasks at local level.

Art. 9. Employees

Sirma's employees take part in training on waste management practices (Art. 21). They strictly follow the procedures for waste reduction, segregation and disposal. Employees report spills, damaged batteries and other waste incidents immediately (Art. 25).

III. Waste Types and Segregation

Art. 10. Waste types

The offices of Sirma generate various types of waste. Identifying and categorising them 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:

1. office waste: paper, plastics, packaging materials and mixed household waste;
2. electronic waste: computers, servers, printers , mobile devices, network equipment, data carriers etc.;
3. hazardous waste: batteries and accumulators, toner and ink cartridges, fluorescent lamps, chemicals used in IT equipment.

Art. 11. Segregation

Waste is sorted at source and collected separately – in labelled containers and at designated points – so that it is handled according to its specific requirements. Hazardous waste is never put into the containers for office or mixed waste.

Art. 12. Classification and records

(1) Each type of waste is classified by code under Ordinance No. 2 of 23.07.2014 on the classification of waste. For every handover of waste a handover protocol is drawn up and the other documents required under the WMA are collected, including the recycling certificates under Art. 18.

(2) The documents are kept for the period required by law and in any case for at least five years.

IV. Waste Minimisation

Art. 13. Waste prevention measures

Sirma's waste minimisation strategies focus on preventing or reducing unnecessary waste generation. Sirma has adopted the following measures to prevent the generation of non-biodegradable waste:

1. single-use plastics: the use of plastic cups, dishes and cutlery in the offices of Sirma has been discontinued;
2. reusable materials: the use of reusable items, such as cutlery, mugs and dishes, is promoted in the office kitchens to reduce single-use waste;
3. sustainable procurement: preference is given to suppliers that prioritise sustainability and offer recyclable or minimal packaging; when IT equipment is purchased, its energy efficiency, repairability and the possibility of returning it to the supplier are taken into account.

Art. 14. Waste reduction measures

Sirma has adopted the following measures to minimise waste generation:

1. paperless organisation: Sirma implements and promotes digital solutions, electronic documentation and communication tools throughout the Group to decrease paper usage, eventually reaching the goal of becoming a paperless organisation (Art. 5);

2. cloud utilisation: Sirma promotes the use of cloud solutions to reduce hardware needs;
3. inventory management: an effective inventory system is maintained to monitor equipment usage and identify opportunities for reuse, minimising unnecessary purchases;
4. hardware repairs: repairs and upgrades of IT hardware are preferred to purchasing new equipment.

Art. 15. Reuse initiatives

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

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

Before resale or donation the data on each device is erased under Art. 19, and the handover is evidenced by a written document. Resale is organised by tender. Equipment that is not fit for use is not donated and is treated as waste under Art. 16.

V. Recycling and Disposal

Art. 16. Licensed operators

(1) Sirma is committed to responsible waste and e-waste management and hands waste over only to licensed operators. A “licensed operator” is a person holding a permit or registration document under the WMA for the relevant activity and type of waste.

(2) Before a contract is concluded, and at least once a year afterwards, the validity of the operator’s permit or registration document is checked and the check is recorded.

Art. 17. Office waste

Sirma ensures that all office waste is handed over to licensed operators. This guarantees compliance with local regulations and promotes environmentally friendly practices.

Art. 18. Electronic waste

(1) All electronic waste generated by Sirma is collected by licensed operators. The process begins with designated collection points within the company, where employees drop off obsolete or broken devices. The operators then transport the collected e-waste to their facilities for processing.

(2) Sirma obtains a certificate of recycling for all processed e-waste. It is evidence that the waste has been recycled responsibly and provides transparency and accountability. Sirma also keeps detailed records of the types and quantities of e-waste collected (Art. 12).

Art. 19. Data protection

(1) Before IT equipment or data carriers are handed over for reuse, recycling or disposal, all data is reliably erased or the carriers are physically destroyed. This is evidenced by a protocol, which is kept under Art. 12.

(2) Erasure and destruction follow Sirma’s information security procedures and the Privacy and Data Protection Policy.

Art. 20. Hazardous waste

Whatever the efforts, certain e-waste generated by Sirma does contain hazardous materials. Sirma manages hazardous waste responsibly and ensures that it is disposed of in strict accordance with legal requirements and environmental regulations through the following practices:

1. segregation: hazardous waste is separated from other waste to prevent contamination and ensure safe handling. Employees are trained to identify hazardous materials (batteries, chemicals and other components that could pose environmental or health risks). Clear labelling and designated storage areas are established;
2. secure storage: hazardous waste is stored in designated areas that meet safety standards and prevent leaks and spills. Access to them is restricted to authorised personnel;
3. licensed operators: hazardous waste is handed over only to licensed operators that specialise in its treatment (Art. 16);
4. compliance: Sirma stays informed about local, national and international regulations governing hazardous waste and reviews its practices against them at least once a year.

VI. Training and Awareness

Art. 21. Employee training

Sirma equips its workforce with the knowledge and skills necessary for effective waste management. On joining and at least once a year employees are acquainted with the Policy and its procedures and are trained in:

1. waste prevention, reduction and management practices – the significance of minimising waste at every stage of operations and efficient practices that reduce material consumption;
2. the importance of recycling and proper disposal methods – the types of recyclable materials, the recycling processes and the environmental benefits;
3. separate collection of hazardous waste and what to do in an incident (Art. 25);
4. the environmental impact of IT equipment turned into waste and of Sirma's own activity, based on verifiable data with a stated source.

Art. 22. Awareness campaigns

In addition to formal training, Sirma runs campaigns promoting sustainable practices among its employees, which reinforce the company's commitment to environmental stewardship:

1. sustainable practices: campaigns on sustainable practices at work and in personal life – reducing energy consumption, minimising single-use plastics, adopting eco-friendly habits;
2. community initiatives: Sirma and its employees take part in community initiatives that align with its sustainability goals (e.g. plastic caps collection in support of child healthcare in Sofia). They contribute to social causes and encourage teamwork;
3. internal competitions and events: Sirma organises internal competitions and events that challenge employees to come up with innovative ideas for reducing waste or enhancing recycling efforts within the company.

VII. Monitoring, Reporting and Review

Art. 23. Indicators and records

(1) In order to measure waste management dynamics, specific indicators have been introduced (Art. 5). By comparing the results with those of previous years, Sirma can assess its progress.

(2) Sirma maintains accurate records of:

1. types and quantities of waste generated;
2. the treatment method and the recipient (operator) for every handover;
3. average age of IT hardware at withdrawal from use;
4. the share of hardware passed on for reuse and of scrapped equipment recycled.

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

Art. 24. Performance review

Sirma reviews performance against the goals at least once a year, conducts an internal check of compliance with the Policy, performed by the Investor Relations and Sustainability Director – a person other than the one who keeps the records, and discloses the results to its stakeholders. The annual implementation report is submitted to the Committee under Art. 7. The results are also used to address any issues with waste management that have been identified.

Art. 25. Incidents and corrective action

Spills of hazardous substances, damaged batteries, lost devices holding data, handover of waste to an unlicensed operator and other breaches of the Policy are reported immediately to the Facility manager of the headquarters and the Head of hardware support. They take the necessary measures and record the case and the corrective action. Where data is at risk, the rules on information security and personal data protection apply.

Art. 26. Review of the Policy and feedback

(1) Regular audits and assessments of the Policy allow Sirma to identify areas for improvement. By analysing waste flows and disposal methods, Sirma refines its strategies to reduce overall waste generation and enhance recycling efforts.

(2) Sirma encourages feedback from employees on improving waste management practices. The Policy is reviewed at least once a year, and whenever legislation or operational needs change, by the Investments, Risk and Sustainability Committee under Art. 7, and amendments are adopted by the Board of Directors.

Art. 27. Communication and publication

The Policy is communicated to all employees and published at www.sirma.com, stating the date of its last update.

Final provisions

§ 1. By resolution of the General Meeting of Shareholders of 18 June 2026, the name of the Company was changed from "Sirma Group Holding" JSC to Sirma Group JSC (registered in the Commercial Register on 7 July 2026). All references to "Sirma Group Holding" JSC, "SGH" and the "Holding" in the Group's documents are to be read as references to Sirma Group JSC.

§ 2. Annual reviews that do not change the text of the Policy are not entered in the amendment history.

Amendment history

Date	Decision	Amendment
24 Mar 2017	Resolution of the Board of Directors	Adoption of the Policy
18 Jun 2026	Resolution of the General Meeting of Shareholders	Change of the Company name to Sirma Group JSC

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