

***Polenergia S.A. Capital Group***

**CONSOLIDATED NON-FINANCIAL STATEMENT  
FOR THE YEAR ENDED DECEMBER 31, 2022**

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## **1. Message from the President**

**[2-14] [2-22]**

Dear All,

I would like to present you with Polenergia Group's first full non-financial report for 2022 drawn up taking into account GRI standards and new European Taxonomy guidelines.

The year 2022 was for us a time of dynamic changes in terms of the development of our own projects and new business investments. We significantly increased the installed capacity of onshore wind and photovoltaic farms commissioned. We conducted intensive works on the further development of offshore wind farms, as well as the development of energy infrastructure and prosumer-oriented energy. In 2022, we also continued our works on hydrogen projects, which will be of great importance for making high-emission sectors of industry, transport and energy production more environmentally friendly. All this will be our contribution to the process of European Union energy transformation.

Unfortunately, the past year was also a time of dramatic events related to the war in Ukraine. Guided by the impulse to help, in the face of the tragedy of millions of people, we reacted by creating and co-creating many aid initiatives, lots of them are being continued to this day. Russia's aggression against Ukraine caused also a series of changes that have affected Europe's energy system and accelerated the need for the aforementioned transformation, this key segment of the economy for business and society.

We look forward to the legislative activities at the level of the entire European Community, which bring a chance to stop the negative effects of global warming and unfavourable climate change. At the same time, the requirements for business are growing, which, having great potential, should actively participate in changes that future generations will benefit from. These challenges, included in the ESG areas, are an opportunity for real action. Therefore, we do not treat the requirements related to non-financial reporting as additional burdens, but as an element of joint actions for the climate.

Prioritising due diligence in all of its actions, Polenergia Group implemented a number of changes in internal policies and the new ESG Strategy. In 2022, efforts were undertaken to align the Group's internal approach with the latest sustainability regulations and best practices. The point of reference in this regard was the materiality study, conducted with the participation of our significant stakeholders, whose opinions were one of the main factors in forming conclusions for further sustainability management.

Over the past year, we reviewed our approach to ethics and due diligence policies. The result of these works is a new Code of Ethics, which is the overarching standard of conduct for Polenergia Group. It is available on our corporate website: [www.polenergia.pl](http://www.polenergia.pl).

Year after year, Polenergia Group is striving to improve the sustainability of its business. In response to our stakeholder expectations, we publish this report with the first summary of the Group's compliance with the requirements of the EU Taxonomy, which sets the framework for environmentally sustainable operations. Polenergia Group undertakes to consistently strive for further development of its business, taking into account the requirements of the Taxonomy. One of the manifestations of our endeavours is the new Sustainability Strategy, as part of which we are planning to conduct an in-depth analysis of our impact on the environment and create new solutions and tools to effectively respond to emerging challenges.

We have set ourselves ambitious goals in the ESG strategy over a time horizon until 2030, which coincides with the time frame for the UN 2030 Sustainable Development Goals agenda. This agenda is our key signpost in setting goals and activities related to responsible and sustainable development.

This non-financial report is the first publication of this kind issued by Polenergia Group, which aims to achieve maximum compliance with the requirements of the material indicators of the GRI Standard. I would like to emphasize that although Polenergia Group is not yet subject to the non-financial reporting obligation for 2022, we chose to embrace it to ensure an adequate level of transparency of our non-financial activities in accordance with the best standards. This publication includes indications resulting from the provisions of the Accounting Act and good practices. This report prepares Polenergia Group for the challenge of reporting under the new Corporate Sustainability Reporting Directive (CSRD).

Activities and initiatives related to the sustainable development of the Polenergia Group, including our activities with respect to local communities, biodiversity, climate education or the development and support of the Group's employees are also described on our interactive ESG website: [www.esg.polenergia.pl](http://www.esg.polenergia.pl). We promote an approach where sustainable development and transparent communication are not as much good practices as the duties of a responsible business.

I would like to invite you all to read our report.

Michał Michalski, PhD

President of the Management Board of Polenergia S.A.

## **2. About Polenergia Group**

### **Polenergia Group's business model**

**[2-1] [2-6]**

We operate in the energy sector. Our main goal is to provide energy generated with the use of technological solutions that minimise the impact on the environment.

Our customer base includes large, medium and small enterprises as well as individual consumers. We offer our customers, among others, products based on the Energy 2051 standard. Customers who choose these of Polenergia products receive a certificate of origin of the energy supplied, which summarises the environmental benefits achieved through cooperation with us.

Polenergia Capital Group (further "Group") consists of the parent company Polenergia S.A. (further "Company") with its registered office in Warsaw (ul. Krucza 24/26, 00-526 Warsaw) and its subsidiaries. At present, the Group's operation covers the entire territory of Poland, with a focus on locations of the highest energy capacity i.e. extraordinary wind load factor (for wind farms) or insolation (for solar farms) conditions and relatively low connection costs as well as, in the field of energy trading, gas trading, property rights, CO2 emission allowances, guarantees of origin, on Polish and certain foreign markets. The Group's operation is synergistically integrated and optimized, which enables maximization of income and reduction of operating expenses.

Mission of the Group involves active support of transformation of the Polish energy market by development of low-carbon economy, clean and renewable energy sources and pursuing towards achievement of climate neutrality in the EU in 2050.

### **Polenergia Group operating segments**

**[2-6]**

The essence of the Group's operation lies in its holding structure, in which the Company acts as a dominating company, manages the individual special purpose vehicles and provides them with operational, administrative, legal, HR as well as financial and accounting service.

Current operation of the Group includes the following core areas of business:

- ▶ Onshore wind farms - development, construction and maintenance of onshore wind power generation facilities,

- ▶ Photovoltaic farms - development, construction and maintenance of solar power generation facilities,
- ▶ Offshore wind farms – development of offshore wind power generation facilities,
- ▶ Gas and clean fuels - development, construction and maintenance of facilities producing electricity through gas cogeneration and carrying out development work on hydrogen production based on energy from renewable sources,
- ▶ Trading and sales - trading in electricity and certificates of origin, as well as other energy market instruments, the sale of electricity to industrial and individual consumers and the provision of market access services to renewable energy generators. This area also includes the activities of the Polenergia Fotowoltaika Group, which consist in the sale and installation of photovoltaic panels and heat pumps as well as energy storage facilities and private chargers for electric cars,
- ▶ Distribution and eMobility- the provision of electricity and gas distribution and sales services to commercial, industrial and individual customers and the development of electromobility.

The new directions of strategic development of the Group include energy storage, other innovation in the energy sector and potential expansion onto the foreign markets.

The chapter also includes information on significant events between the end date of the reporting period and the date of publication of the report.

## Major projects, investments and facilities

### Projects in operation

### Projects in operations

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#### ► Gawłowice Wind Farm

Gawłowice Wind Farm (Polenergia Farma Wiatrowa 1 Sp. z o.o.) is located in Radzyń Chełmiński Town and Municipality, Grudziądz Poviāt, Kuyavian-Pomeranian Voivodeship. The construction works carried out in two stages were completed in 2015. The configuration of Gawłowice WF includes 21 wind turbines in total with tower height of 115 m and rotor diameter of 108 m, main electrical substation, underground transmission line infrastructure, as well as access roads to each turbine. Total capacity of Gawłowice WF is 48.3 MW.

#### ► Krzęcin Wind Farm

Krzęcin Wind Farm (Polenergia Farma Wiatrowa 23 Sp. z o.o.) is located in Krzęcin Commune, Choszczno Poviāt, Western Pomeranian Voivodeship. The configuration of Krzęcin WF includes 4 wind turbines with tower height of 80 m



each and rotor diameter of 77 m, underground transmission line infrastructure, as well as access roads to each turbine. Total capacity of Krzęcin WF is 6 MW.

► **Modlikowice Wind Farm**

Modlikowice Wind Farm (Talia sp. z o.o.) is located in Zagrodno Commune, Złotoryja Powiat, Lower Silesian Voivodeship. Modlikowice WF was put into operation in early 2012. The configuration of Modlikowice WF includes 12 wind turbines with tower height of 105 m and rotor diameter of 90 m, main electrical substation, underground transmission line infrastructure, as well as access roads to each turbine. Total capacity of Modlikowice WF is 24 MW.

► **Łukaszów Wind Farm**

Łukaszów Wind Farm (Amon sp. z o.o.) is located in Zagrodno Commune, Złotoryja Powiat, Lower Silesian Voivodeship. Łukaszów WF was put into operation in early 2012. The configuration of Łukaszów WF includes 17 wind turbines (2 MW type) with tower height of 105 m and rotor diameter of 90 m, main electrical substation, underground transmission line infrastructure, as well as access roads to each turbine. Total capacity of Łukaszów WF is 34 MW.

► **Mycielin Wind Farm**

Mycielin Wind Farm (Polenergia Farma Wiatrowa Mycielina Sp. z o.o.) is located in the Communes of Niegosławice and Szprotawa, Żagań Powiat, Lubusz Voivodeship. Mycielina WF was built in 2015 and received its operating permit in February 2016. The configuration of Mycielina WF includes 23 wind turbines in total with tower height of 125 m and rotor diameter of 110 m, main electrical substation, underground transmission line infrastructure, as well as access roads to each turbine. Total capacity of Mycielina WF is 46 MW.

► **Puck Wind Farm**

Puck Wind Farm (Dipol Sp. z o.o.) is located in Gnieźdźewo Commune, Puck Powiat, Pomeranian Voivodeship. Puck WF was put into operation in 2007. The configuration of Puck WF includes 11 wind turbines with tower height of 78 m and rotor diameter of 87 m, main electrical substation, underground transmission line infrastructure, as well as access roads to each turbine. Total capacity of Puck WF is 22 MW.

► **Rajgród Wind Farm**

Rajgród Wind Farm (Polenergia Farma Wiatrowa 6 Sp. z o.o.) is located in Rajgród Commune, Grajewo Powiat, Podlasie Voivodeship. Rajgród WF was put into

operation in 2014. The configuration of Rajgród WF includes 11 wind turbines with tower height of 115 m and rotor diameter of 108 m, main electrical substation, underground transmission line infrastructure, as well as access roads to each turbine. Total capacity of Rajgród WF is 25.3 MW.

► Skurpie Wind Farm

Skurpie Wind Farm (Polenergia Farma Wiatrowa 4 Sp. z o.o.) is located in Płońska Commune, Działdowo Powiat, Warmia and Masuria Voivodeship. Skurpie WF was put into operation in Q3 and Q4 2015. The configuration of Skurpie WF includes 19 wind turbines with tower height of 115 m and rotor diameter of 108 m, main electrical substation, underground transmission line infrastructure, as well as access roads to each turbine. Total capacity of Skurpie WF is 43.7 MW.

► Szymankowo Wind Farm

Szymankowo Wind Farm (Polenergia Farma Wiatrowa Szymankowo Sp. z o.o.) is located in Miłoradz Commune, Malbork Powiat, Pomeranian Voivodeship. Szymankowo WF was put into operation in Q4 2021. The configuration of Szymankowo WF includes 11 wind turbines (3.45 MW type) with tower height of 134 m and rotor diameter of 132 m, main electrical substation, underground transmission line infrastructure, as well as access roads to each turbine. Total installed capacity of the wind farm is 38 MW.

► Kostomłoty Wind Farm

The Kostomłoty Wind Farm (Farma Wiatrowa Dębice/Kostomłoty sp. z o.o.) is located in Kostomłoty Commune, Środa Śląska Powiat, Lower Silesian Voivodeship. Construction of the wind farm was completed in 2022. The configuration of Kostomłoty WF includes 9 wind turbines (3 MW type) with tower height of 122 m and rotor diameter of 136 m, main electrical substation, underground transmission line infrastructure, as well as access roads to each turbine. Total installed capacity of the wind farm is 27 MW.

► Dębsk Wind Farm

Dębsk Wind Farm (Polenergia Farma Wiatrowa 3 sp. z o.o.). In October 2022, the project obtained an Use Permit, and in January 2023, a concession for the production of green energy. Dębsk WF is located in Żuromin Commune and Kluczbork Osada Commune in Żuromin Powiat, Mazovian Voivodeship. The configuration of Dębsk WF includes 55 wind turbines (2.2 MW type) with tower height of 120 m and rotor diameter of 110 m, main electrical substation, underground transmission line infrastructure, as well as access roads to each

turbine. The wind farm has a total capacity of 121 MW making it one of the largest wind farms in Poland.

► **Sulechów I Photovoltaic Farms**

Sulechów I Photovoltaic Farms (Polenergia Farma Wiatrowa 17 sp. z o.o.) are located in Sulechów Commune, Zielona Góra Poviát, Lubusz Voivodeship. They comprise eight photovoltaic farms, each with approx. 1 MW capacity, including the necessary infrastructure and a 15/110 kV substation. Total area of the farm is approx. 16.5 ha. Total capacity of the farms is 8 MWp. The farms received the operation permit in October 2019 and started producing electricity in November.

► **Sulechów II Photovoltaic Farms**

Sulechów II Photovoltaic Farms (Polenergia Farma Wiatrowa 17 sp. z o.o.) are located in Sulechów Commune, Zielona Góra Poviát, Lubusz Voivodeship. Sulechów II project consists of twelve photovoltaic farms with a capacity of up to 1 MW each, with the necessary technical infrastructure. Total capacity of the farms is 11,7 MWp. Sulechów II Photovoltaic Farms entered into operational mode in April 2022.

► **Sulechów III Photovoltaic Farms**

Sulechów III Photovoltaic Farms (Polenergia Farma Wiatrowa Grabowo sp. z o.o.) are located in Sulechów Commune, Zielona Góra Poviát, Lubusz Voivodeship. Sulechów III photovoltaic farms consist of nine photovoltaic farms with a capacity of up to 1 MW each, with the necessary technical infrastructure. Total capacity of the farms is 9,8 MWp. Sulechów III Photovoltaic Farms entered into operational mode in April 2022.

► **Buk I Photovoltaic Farms**

Buk I Photovoltaic Farms (Polenergia Farma Wiatrowa Rudniki sp. z o.o.) are located in Buk Commune, Poznań Poviát, Greater Poland Voivodeship. Buk I PVF consists of seven photovoltaic farms with a capacity of up to 1 MW each, with the necessary technical infrastructure. Total capacity of the farms is 6.44 MWp. Buk I Photovoltaic Farms entered into operational mode in September 2022.

The portfolio of Polenergia Group includes 11 wind farms with a total capacity of 435 MW and five photovoltaic farms with a total capacity of 37 MWp (together with the photovoltaic facility on the premises of the CHP plant in Nowa Sarzyna) that are currently in operation.

► Elektrociepłownia Nowa Sarzyna Sp. z o.o.

The CHP plant (Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o.) ("ENS") is located approximately 1 km to the north-west of the town of Nowa Sarzyna. The total area of ENS is approximately 6 hectares.

The company produces electricity and heat. Electricity and heat are produced in cogeneration by combustion of natural gas (or, occasionally, reserve fuel - light heating oil) in a gas-steam unit. Production of heat is also possible without cogeneration in a reserve source - an auxiliary boiler room using natural gas or light heating oil. In addition, the company provides a number of regulatory system services, supporting the Polish power generation system in crisis situations as a participant of the power market or providing a forced system generation service for Polskie Sieci Elektroenergetyczne. However, the most important task of the CHP plant ensuring the security of the power system is to provide a system self-start and recovery service in case of a black-out. ENS is the only thermal CHP plant in Poland, next to hydroelectric power plants, that provides such a service.

► Polenergia Obrót S.A.

Polenergia Obrót S.A. specialises in the wholesale trading of electricity, gas, property rights, CO2 emission allowances and certificates of origin. It operates on the Polish, German, Czech, Slovak and Hungarian markets. It also offers a wide range of products and services dedicated to big industrial customers and green energy producers. Since October 2013, Polenergia Obrót has been a direct member of the Polish Power Exchange and a member of the European Federation of Energy Traders (EFET). Since 2013, it has been a direct member of the EPEX SPOT SE exchange and since 2018 also of the EEX exchange. Since 2016, it has been trading on the ICE exchange in London in CO2 allowances. In addition, Polenergia Obrót operates in the area of trading in property rights related to certificates of origin, both with a view to long-term contracts and spot transactions.

► Polenergia Sprzedaż

Polenergia Sprzedaż Sp. z o.o. sells green energy from RES sources owned by Polenergia Group. The recipients are business and individual customers (B2B and B2C). Green energy produced in the Group's generation assets is sold as a product in the "Energy 2051" standard. As part of intra-group cooperation, products were prepared, implemented and offered, combining the installation of photovoltaic panels, heat pumps and the supply of green energy. Prosumers could take advantage of a unique offer on the market, combining green energy in the "Energy 2051" standard with a price guarantee for up to 8 years. "Energy 2051" constitutes a registered trademark, which guarantees that customers

receive clean, renewable and zero-emission green energy compliant with the European Green Deal guidelines.

► Polenergia Fotowoltaika

Polenergia Fotowoltaika (previously Edison Energia) was acquired by Polenergia Group in 2022. The company provides comprehensive support and implementation of installations to individual and corporate customers interested in investing in photovoltaic solutions. The company offers the sales and installation of technologically advanced solutions for heating and cooling buildings, as well as domestic water heating. Polenergia Fotowoltaika offers innovative solutions in the area of photovoltaics, heat generation and energy consumption optimisation as also energy storage that bring individual and business customers long-term tailored benefits. So far, Polenergia Fotowoltaika has installed more than 26,000 photovoltaic systems with a total capacity of more than 160 MWp and in the segment of heat pumps 689 units of these devices were installed.

The company started selling services in the corporate segment (large installations with a capacity of over 50 kW). Development work on new products is also underway, both independently by the Company and in cooperation with Polenergia Sprzedaż.

► Polenergia Dystrybucja

Polenergia Dystrybucja sp. z o. o. constructs and maintains its own power engineering infrastructure throughout Poland, in order to provide electricity distribution and sales services. Polenergia Dystrybucja's customer base includes small, medium and large enterprises as well as housing cooperatives and individual customers. Currently, it serves 24, 000 customers connected to its own network. By 2026, Polenergia Dystrybucja plans to implement another 85 investment projects, which will result in an increase in the customer base to approximately 77,000. All this makes Polenergia Dystrybucja a nationwide leader in off-grid energy systems.

► Polenergia eMobility

Polenergia eMobility sp. z o. o. develops its own network of electric vehicle charging stations in Poland, powered by green energy. The company also helps private customers and companies to build and manage their own electric vehicle charging stations.

In 2022, the company started selling charging services at its own stations. By the end of 2022, the Company had installed 7 public charging stations at 3 locations

and 6 charging points for private customers. Other stations are under construction in various locations. eMobility owns and develops its own customer software for servicing the charging stations as well as for customer service.

## Wind and photovoltaic projects in progress

### Projects in progress

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#### ► Piekło Wind Farm

Piekło Wind Farm (Polenergia Farma Wiatrowa 16 Sp. z o.o. and Polenergia Farma Wiatrowa Piekło Sp. z o.o.), is located in Międzychód Commune and Kwilcz Commune, Międzychód Powiat, Greater Poland Voivodeship. 6 turbines are currently under construction on the farm. Total capacity of the wind farm will be 13,2 MW. The project won the auction in December 2020. Construction works started in March 2023. 100% of construction and assembly works were completed, all turbines were assembled. The turbine acceptance works, tests and start-up works are in progress. The end of works is planned for the second half of 2022. In line with the Group's good practices, the entire construction process is subject to independent environmental supervision.

► Grabowo Wind Farm

Grabowo Wind Farm (Polenergia Farma Wiatrowa Grabowo Sp. z o.o.) is located in Grabowo Commune, Kolno Poviast, Podlasie Voivodeship. The project won the auction in December 2021 and is currently under construction. Construction works started in March 2023. 100% roadworks and foundation were accomplished, 100% of medium voltage and high voltage power lines were made, 100% of the scope of works related to the power station was completed. In October 2022, deliveries of the main components of the wind farms began. Currently, 16 out of 20 turbines have been assembled, further installation and commissioning works of the turbines, as well as commissioning of the installed turbines, are in progress. The end of construction is planned for the second half of 2023. Total capacity of the wind farm will be 44 MW. In line with the Group's good practices, the entire construction process is subject to independent environmental supervision.

► Strzelino Photovoltaic Farm

Strzelino Photovoltaic Farm (Polenergia Obrót 2 Sp. z o.o.) will be located in the village of Strzelino, Słupsk Commune, Słupsk Poviast, Pomeranian Voivodeship. The project received the necessary corporate approvals at the end of 2022 and is currently in the phase of direct preparation for construction. A contract was signed with the contractor for installation and assembly works. The supplier of photovoltaic modules, inverters and the Contract Engineer were selected. Start of construction works is planned for the beginning of March 2023. The estimated completion date of construction is planned for December 2023. Total capacity of the farm will be 45.15 MWp.

► Szprotawa Photovoltaic Farm

Szprotawa Photovoltaic Farm (Polenergia Farma Wiatrowa Namysłów Sp. z o.o.) will be located in Szprotawa Commune, Żagań Poviast, Lubusz Voivodeship. The project will consist of 4 photovoltaic installations with a total capacity of 47 MWp together with the necessary technical infrastructure. The Group plans to conclude key project contracts in the second half of 2023, subject to obtaining corporate approvals required for the implementation of these projects. The planned commencement date is the second half of 2023. The project is expected to be commissioned in the first half of 2024.



**Projects in development****Projects in development****Photovoltaic projects in development****► Świebodzin I and Świebodzin II Photovoltaic Farms**

In December 2021, the subsidiary Polenergia Farma Wiatrowa Olbrachcice sp. Z o.o. developing a portfolio of Świebodzin I photovoltaic farm projects with a total capacity of 10.5 MW, successfully participated in the auction for the sale of energy from renewable energy sources.

Subsidiary Polenergia Farma Fotowoltaiczna 12 sp. z o.o. developing a portfolio of Świebodzin II photovoltaic farms with a total capacity of 10.5 MWp, obtained a construction permit. The final decision concerning the implementation of the Świebodzin I and Świebodzin II photovoltaic farms projects has been postponed for several months, the final decision will be made around mid-2023.

The Group is working on the further development of wind and photovoltaic projects. Currently, the Group's portfolio includes photovoltaic projects



(in addition to those mentioned above) and wind (onshore) projects at a less advanced stage, with a total capacity of more than 1.3 GW.

## **Offshore projects**

Development work continues in the offshore wind farm segment. The Group holds 50% of shares in MFW Bałtyk I Sp. z o.o., MFW Bałtyk II Sp. z o. o. and MFW Bałtyk III Sp. z o. o. that prepare together the construction of three offshore wind farms located in the Baltic Sea with a total capacity of up to 3000 MW.

### **► Bałtyk I Offshore Wind Farm**

Bałtyk I offshore wind farm will be located on the border of the Polish Exclusive Economic Zone at the level of Łeba Municipality. The project is located 81 km from the port of Łeba, in waters 25-35 metres deep. The project will cover an area of about 128.5 km<sup>2</sup>, and the power of all turbines will not exceed 1,560 MW. The project is developed by JV Equinor and Polenergia - each company holds 50% of shares. In January 2019, the project obtained the connection conditions for 1560 MW, and in January 2021 obtained the connection agreement from the distribution system operator. Between December 2020 and March 2022, a comprehensive ex-ante maritime environment survey programme was carried out for the purposes of the maritime environmental impact assessment of the Bałtyk I OWF project and connection infrastructure used for transmission of energy from the installation. The application for issuing the decision on environmental conditions was submitted on 18.05.2022 to the Regional Directorate for Environmental Protection in Gdansk.

### **► Bałtyk II Offshore Wind Farm**

Bałtyk II offshore wind farm is to be located approximately 37 km north of the Polish coastline, in Smołdzino Commune. The project will cover an area of approximately 122 km<sup>2</sup>. In 2018, Equinor and Polenergia started cooperation on the construction of Bałtyk II Wind Farm. A company (Morska Farma Wiatrowa Bałtyk II) was established for this purpose, in which each company holds 50% of shares. The commencement of the construction stage is subject to obtaining the necessary permits as also final investment decision. The environmental impact assessment procedure was completed and the environmental decision was issued on 27 March 2017. The project will consist of up to 60 wind turbines with a planned total capacity of 720 MW.

On May 4, 2021, the President of the Energy Regulatory Office issued to MFW Bałtyk II Sp. Z o. o. decision on granting the right to cover the negative balance for electricity generated in the Bałtyk II offshore wind farm. On June 6, 2022, MFW Bałtyk II Sp. z o. o. submitted a notification application to the President of the Energy Regulatory Office aimed at applying to the President of the Office of

Competition and Consumer Protection for an opinion on the project of individual support granted for the Baltic II offshore wind farm project, and for issuing - after the European Commission has issued a decision on compatibility with the internal market public aid granted to the company - decision to amend the first decision of the President of the Energy Regulatory Office and determine the price which is the basis for covering the negative balance for the project. The application is currently being processed by the European Commission under the pre-notification procedure.

► **Bałyk III Offshore Wind Farm**

Bałyk III offshore wind farm is to be located approximately 37 km north of the Polish coastline, in Smołdzino Commune. The project will cover an area of approximately 117 km<sup>2</sup>. In 2018, Equinor and Polenergia started cooperation on the construction of Bałyk III Wind Farm. A company (Morska Farma Wiatrowa Bałyk III) was established for this purpose, in which each company holds 50% of shares. The commencement of the construction stage is subject to obtaining the necessary permits as also final investment decision. The environmental impact assessment procedure was completed for the project and the environmental decision was issued on 7 July 2016. The project will consist of up to 60 wind turbines with a planned total capacity of 720 MW.

On May 4, 2021, the President of the Energy Regulatory Office issued to MFW Bałyk III Sp. z o. o. decision on granting the right to cover the negative balance for electricity generated in the Bałyk III offshore wind farm. The notification application for the Baltic III offshore wind farm project is under preparation.

In addition, a decision on environmental conditions for the connection infrastructure was obtained in March 2019. Due to significant changes, an application for a new decision, for the connection infrastructure of offshore wind farms Bałyk II and Bałyk III, was submitted to the relevant authority (Regional Directorate for Environmental Protection in Gdańsk) on 2 June 2022.

► **Development of Lithuanian Offshore Wind Farms**

In preparation for the auction for a 700 MW project in the Lithuanian maritime areas, the Company, together with the Lithuanian local partner MODUS and the selected advisor Ramboll Company, is working on the technical and economic concept of the project. A detailed plan has also been prepared to organize the documentation for the auction, which is to be opened in the third quarter of 2023.

## **Investments in hydrogen**

Polenergia Group is actively developing the Hydrogen Programme, the aim of which is to expand the current value chain with the use of electricity to produce green hydrogen (by electrolysis of water using electricity generated from

renewable energy sources). The implementation of the Programme includes the development of new business models and the construction of hydrogen generation units for industrial use, to power zero-emission transport and for energy production applications. Three projects are implemented as part of the Programme: H2Silesia, H2HUB Nowa Sarzyna and eFuels.

► H2Silesia

The H2Silesia project consists in the construction of large-scale plant producing green hydrogen of 105 MW capacity for heavy industry in the Upper Silesia. The planned installation will be able to produce a maximum of 13,000 tonnes of hydrogen per year.

In 2022, an extensive feasibility study and technical concept for the project was completed, which presented the selection of production technology along with the dimension of the basic equipment, as well as an analysis of the requirements for the location of the facility, the supply of electricity and other process media. Discussions are underway with potential customers for the produced hydrogen. Launching the production of green hydrogen is scheduled for 2027 subject to obtaining all permits and making the final investment decision.

In 2022, the H2Silesia project was pre-notified in the IPCEI (Important Projects of Common European Interest) process at the national level. The objective of the IPCEI scheme is to strengthen the capacity of European industry and to ensure Europe's independence in the value chains of strategic importance for its development by developing innovative products. The H2Silesia project awaits notification of the European Commission under the 3rd call for proposals.

In January 2022, Polenergia, in cooperation with twenty companies, universities and institutions, established the Silesia-Lesser Poland Hydrogen Valley. The aim of the scheme is to support the development of the hydrogen economy and to build a branch of the hydrogen industry in the region.

► H2HUB Nowa Sarzyna

The H2HUB Nowa Sarzyna project consists in construction of a pilot plant for green hydrogen production of the nominal capacity of approx. 5 MW, which will enable maximum production of approx. 720 tonnes per year. The plant will be located in Nowa Sarzyna at the area of Nowa Sarzyna CHP Plant. The scope of investment covers the construction of the hydrogen production unit, compressor and high-pressure store with hydrogen distribution hub.

A feasibility study and technological concept was completed in 2022. Work is currently underway on the ground-level project, the construction project and the documentation necessary to obtain the relevant permits.

The hydrogen produced will be used to power zero-emission transport in the Podkarpacie region, for industrial applications, as well as for conducting in-house

tests related to the future generation of industrial heat and electricity from hydrogen at the CHP Plant in Nowa Sarzyna.

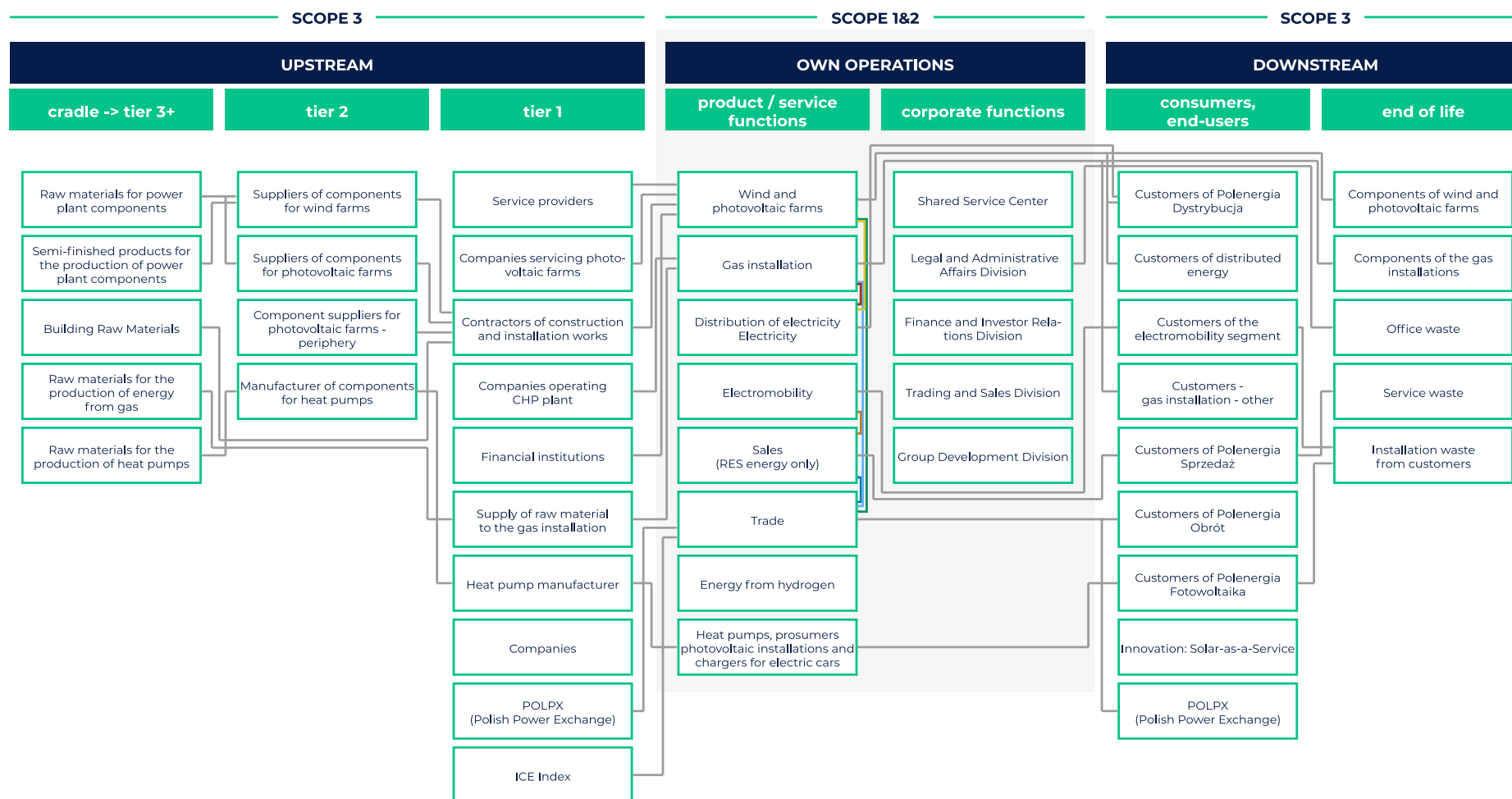
The H2HUB Nowa Sarzyna project is part of the Podkarpacie Hydrogen Valley scheme, the co-founders of which are Polenergia S.A. and Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. The aim of the scheme is to support the development of the hydrogen economy, technologies and business models using hydrogen produced by electrolysis of water using electricity from renewable energy sources.

#### ► eFuels

As part of Polenergia Group's long-term business development, a project entitled eFuels has been launched to prepare the Group to participate in the hydrogen economy, not only in terms of the production of green hydrogen, but also its conversion into downstream products. The aim of the project is to use green hydrogen for the production of sustainable aviation fuel, which will allow to reduce greenhouse gas emissions in the aviation industry without the need to construct new infrastructure and fuel depots or to develop new aircraft designs. In the competition launched by the National Centre for Research and Development, entitled 'New technologies in the field of energy', Polenergia was among six teams that were granted funding for the implementation of innovative energy projects. The project is implemented under a consortium arrangement led by Polenergia S.A. Other partners include Polenergia Elektrociepłownia Nowa Sarzyna sp. z o.o. and Wrocław University of Technology.

## Value Chain

[2-6]



## **Group Structure and Shareholding**

### **[2-1] [2-2]**

#### **Group structure**

The Group structure as at 31 December 2022 is as follows:

- ▶ Polenergia S.A.
- ▶ Dipol Sp. z o.o.
- ▶ Amon Sp. z o.o.
- ▶ Talia Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 1 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 3 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 4 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 6 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 10 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 12 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 13 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 14 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 16 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 17 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 22 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa 23 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa Szymankowo Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa Dębice/Kostomłoty
- ▶ Polenergia Farma Wiatrowa Piekło
- ▶ Polenergia Farma Wiatrowa Grabowo Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa Rudniki Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa Mycielin Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa Wodzisław Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa Namysłów Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa Krzywa Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa Olbrachcice Sp. z o.o.
- ▶ Polenergia Obrót 2 Sp. z o.o.
- ▶ Polenergia Farma Wiatrowa Bądecz Sp. z o.o.

- ▶ Polenergia Farma Fotowoltaiczna 1 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 2 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 3 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 4 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 5 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 6 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 7 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 8 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 9 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 10 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 11 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 12 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 13 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 14 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 15 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 16 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 17 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 19 Sp. z o.o.
- ▶ Polenergia Farma Fotowoltaiczna 20 Sp. z o.o.
- ▶ MFW Bałtyk III Sp. z o.o.
- ▶ MFW Bałtyk II Sp. z o.o.
- ▶ MFW Bałtyk I Sp. z o.o.
- ▶ MFW Bałtyk I S.A.
- ▶ Polenergia Fotowoltaika S.A.
- ▶ Polenergia Pompy ciepła Sp. z o.o.
- ▶ Polenergia Zielony Ryś Sp. z o.o.
- ▶ Polenergia Elektrownia Północ Sp. z o.o.
- ▶ Certyfikaty Sp. Z o.o.
- ▶ Inwestycje Rolne Sp. z o.o.
- ▶ Polenergia Dystrybucja Sp z o.o.
- ▶ Polenergia Kogeneracja Sp. z o.o.
- ▶ Polenergia eMobility Sp. z o.o.
- ▶ Polenergia Elektrociepłownia Nowa Sarzyna Sp. z o.o.

- ▶ Polenergia Obrót S.A.
- ▶ Polenergia Sprzedaż Sp. z o.o.
- ▶ Polenergia Energy Ukraine LLC

## Shareholding structure

Shareholder	Number of shares	Number of votes	Share
MANSA INVESTMENTS SP. Z O.O. <sup>1</sup>	28,617,254	28,617,254	42.84%
BIF IV Europe Holdings Limited <sup>2</sup>	21,317,706	21,317,706	31.91%
Allianz OFE, Allianz DFE, Drugi Allianz Polska OFE	5,229,666	5,229,666	7.83%
OFE Nationale-nederlanden <sup>3</sup>	3,767,231	3,767,231	5.64%
Other (less than 5%)	7,870,389	7,870,389	11.78%
<b>Total</b>	<b>66,802,246</b>	<b>66,802,246</b>	<b>100.00%</b>

<sup>1</sup> 100% of the shares in Mansa Investments sp. z o.o. are indirectly controlled by Dominika Kulczyk through the company: Kulczyk Holding s.à r.l.

<sup>2</sup> Notice of change in shareholding communicated by the Company to the public by current report No. 1/2023 of 6 January 2023.

<sup>3</sup> As reported at the Issuer's General Meeting of Shareholders convened on 11 May 2022.

## Management of the Group

### Process of appointing company authorities

#### [2-10]

The processes of appointing members of the Management Board and the Supervisory Board of Polenergia S.A. are described in the Articles of Association of Polenergia S.A.

In order for Polenergia Group's Management Board and Supervisory Board to perform their duties with the highest standards and effectiveness, only persons with required competence, skills and experience are appointed to those two bodies.



Candidates for the Supervisory Board are verified as early as at the stage when they are presented by shareholders (including in terms of compliance with the provisions on the independence of the respective member and the rights of the respective shareholder).

### **Management Board**

The Company's Management Board consists of one to six members, appointed for a joint term of office, including the President of the Management Board and the Vice President of the Management Board. The term of office of the Management Board is three years. The Company's Management Board is appointed by the Supervisory Board, which also determines the number of its members. The Management Board manages the Company and represents it externally. All matters related to the management of the Company not reserved by the Act or the Articles of Association to the competence of the General Meeting or the Supervisory Board shall be resolved by the Management Board.

### **Supervisory Board**

The Supervisory Board of Polenergia Group consists of six to nine members. The number of members of the Supervisory Board for a given term of office is determined by the General Meeting of Shareholders. The term of office of the Supervisory Board is three years. Members of the Supervisory Board are not appointed for a joint term of office.

Members of the Supervisory Board are appointed as follows:

- ▶ Up to six members of the Supervisory Board - on the basis of the personal rights vested in Mansa and Brookfield respectively (each referred to as an "Entitled Shareholder") as follows:
  - if the Eligible Shareholder holds at least 22.80% of the shares - it shall be entitled to appoint three members to the Supervisory Board;
  - if the Eligible Shareholder holds less than 22.80% but at least 20% of the shares - it shall be entitled to appoint two members to the Supervisory Board;
  - if the Eligible Shareholder holds less than 20% but at least 10% of the shares - it shall be entitled to appoint one member to the Supervisory Board;
- ▶ Two members of the Supervisory Board must meet the independence criteria set out in Article 129(3) of the Act on Statutory Auditors, Audit Firms and Public Oversight of 11 May 2017 and shall be appointed by the General Meeting, whereby:
  - any shareholder may propose candidates for the position of independent members of the Supervisory Board, provided that such independent members may not at any time be involved in, directly or indirectly,

cooperate with or benefit from any activity competitive to the Company or any company from the Group, or be associated with any entity or person engaged in such competitive activity;

- each Entitled Shareholder holding 20% or more of the Shares shall be excluded from voting on the appointment of one independent member of the Supervisory Board (this provision shall not apply to the appointment of a second independent member of the Supervisory Board; for the avoidance of doubt, such exclusion shall no longer be applicable if the shareholding of the relevant Entitled Shareholder falls below 20% of the total Shares);
- in the event that the General Meeting fails to appoint an independent member to the Supervisory Board in the manner described in Article 5.4.2.(b)(ii) of the Articles of Association, the exclusion of voting rights referred to in Article 5.4.2.(b)(ii) of the Articles of Association shall not apply to the appointment of such independent member of the Supervisory Board at any subsequent General Meeting until such independent member has been appointed; and
- members of the Supervisory Board who have not been appointed in accordance with Article 5.4.2 (a) of the Articles of Association shall be appointed and dismissed by the General Meeting by a simple majority of all shareholders.

## **Composition of the Management Board**

### **[2-9] [2-11] [405-1]**

As at 31 December 2022, the structure of the Management Board of Polenergia S.A. was as follows:

- ▶ Michał Michalski, PhD - President of the Management Board of Polenergia S.A.  
CEO (Chief Executive Officer). Oversaw the investment portfolio of Polenergia Group in terms of strategy and business development.
- ▶ Tomasz Kietliński - Vice-President of the Management Board of Polenergia S.A.  
CFO (Chief Financial Officer). Also served as Chief Financial Officer
- ▶ Iwona Sierżęga - Member of the Management Board of Polenergia S.A.  
Supervised the Clean Fuels and Environmental Protection Division. Was responsible for managing the Environmental Protection and Sustainable Development Department in the performance of tasks related to the preparation of non-financial reports and the ESG Strategy of Polenergia Group.

- ▶ Jarosław Bogacz, PhD - Member of the Management Board of Polenergia S.A. Also served as President of the Management Board of Polenergia Obrót.
- ▶ Piotr Maciołek - Member of the Management Board of Polenergia S.A. COO (Chief Operating Officer). Was responsible for running operational projects.

In 2022, there were no changes to the composition of Polenergia Group's Management Board. On 8 February 2023, the Supervisory Board removed Jarosław Bogacz, PhD from the Management Board of Polenergia S.A.

Diversity indicators in the Management Boards of the Group are published in the tables on employment for GRI 2-7.

## **Composition of the Supervisory Board**

### **[2-9]**

Composition of the Supervisory Board as at 31 December 2022:

- ▶ Dominika Kulczyk - Chairman of the Supervisory Board
- ▶ Thomas Joseph O'Brien - Vice Chairman of the Supervisory Board.
- ▶ Ignacio Paz-Ares Aldanondo - Member of the Supervisory Board.
- ▶ Emmanuelle Rouchel - Member of the Supervisory Board.
- ▶ Hans E. Schweickardt - Member of the Supervisory Board
- ▶ Szymon Adamczyk - Member of the Supervisory Board
- ▶ Orest Nazaruk - Member of the Supervisory Board
- ▶ Jacek Santorski - Member of the Supervisory Board

In 2022, the following changes were made to the composition of the Supervisory Board:

- ▶ Resignations:
  - Grzegorz Stanisławski - resignation submitted for personal reasons, effective as at 10 October 2022 12:00.
  - Adrian Dworzyński - term of office expired on 11 May 2022.
- ▶ Appointments:
  - Szymon Adamczyk - Appointed to the Supervisory Board by the General Meeting of the Company on 11 May 2022.

- Orest Nazaruk - Appointed to the Supervisory Board by the General Meeting of the Company on 11 May 2022.
- Jacek Santorski - Appointed to the Supervisory Board by virtue of the personal entitlement of the shareholder Mansa Investments sp. z o.o. as of 10 October 2022.

### **Committees of the Supervisory Board**

In 2022, the following Committees were functioning within the Supervisory Board of Polenergia S.A.:

#### **Audit Committee**

Composition of the Audit Committee of the Supervisory Board as at 31.12.2022:

- ▶ Orest Nazaruk - Chairman of the Audit Committee of the Supervisory Board
- ▶ Hans E. Schweickardt - Member of the Audit Committee of the Supervisory Board
- ▶ Szymon Adamczyk - Member of the Audit Committee of the Supervisory Board

Three meetings of the Audit Committee were held during the last financial year.

#### **Operational Supervision Committee**

Composition of the Operational Supervision Committee as at 31.12.2022:

- ▶ Hans E. Schweickardt Chairman of the Operational Supervision Committee
- ▶ Ignacio Paz-Ares Aldanondo Member of the Operational Supervision Committee
- ▶ Thomas O'Brien Member of the Operational Supervision Committee

Four meetings of the Operational Supervision Committee were held during the last financial year.

#### **General Meeting of Shareholders**

- ▶ Pursuant to Article 395 § 1 and Article 399 § 1 of the Commercial Companies Code, a general meeting of shareholders is convened once a year. 2022. The Management Board of Polenergia S.A. convened the General Meeting of Shareholders on 11 May 2022 at 12:00.

## **Sustainability management and delegation of responsibilities in the ESG area**

### **[2-12] [2-13] [2-14] [2-16] [2-17]**

The sustainable development of Polenergia Group, which consists of activities in all relevant areas falling within the scope of ESG, is a priority area of interest for the Group's authorities. The Group allocates adequate resources for the supervision and implementation of operational activities.

#### **Role of the Management Board**

The members of Polenergia Group's Management Board act in the interest of the company and are responsible for its activities, including in the ESG area. The tasks the Polenergia Group's Management Board include involvement in setting strategic goals in the ESG area and their implementation, as well as overseeing the implementation of relevant solutions and the achievement of the set goals.

Ms Iwona Sierżęga, Member of the Management Board, coordinates the preparation of the 2022 ESG report and the development of the ESG Strategy for Polenergia Group.

The Group's Management Board receives reports on the progress of the works on the preparation of the 2022 ESG report and the development of the ESG Strategy for Polenergia Group.

#### **Role of the Supervisory Board**

The main task of the Supervisory Board is to issue opinion on the company's strategy, verify the work of the Management Board in terms of achieving the set strategic objectives, as well as monitor the company's performance.

In addition to its activities resulting from the provisions of law, once a year the Supervisory Board prepares and presents an annual report to the general meeting for approval.

The members of the Supervisory Board receive information from the Management Board during the Supervisory Board meetings regarding ESG initiatives and activities implemented by Polenergia S.A. and the subsidiaries of Polenergia Group.

Information on non-financial activities includes information on the preparation of a new ESG strategy and ESG report for the current year, the implementation of the group's CSR strategy, including, for example, the implementation of environmental education projects, charity activities, activities related to biodiversity protection, providing support in the scope of education of future employees of the energy sector and engaging employees in employee volunteering programmes.

**Participation of Polenergia Group's authorities in sustainable development activities in 2022**

Members of the Management Board actively participated in preparatory meetings for the development of Polenergia Group's ESG strategy. This included active participation in meetings concerning the materiality study conducted among stakeholders of Polenergia Group, in terms of ESG-related issues and risks, including the completion of a relevant questionnaire. Members of the Management Board also participated in a meeting devoted to the development of a value chain for Polenergia Group.

In addition, Board Member Ms Iwona Sierżęga actively participates in activities in the area of ESG and represents Polenergia Group in various partnerships and initiatives Polenergia Group is part of (e.g. UNGC climate-change education or the Academy of Energy launched by Lesław A. Paga Foundation).

During Management Board meetings, members discuss activities related to the development of the ESG Strategy, preparation of the non-financial report for 2022 and various ESG-related initiatives, including philanthropic activities, activities in the area of environmental protection and biodiversity, educational activities and initiatives in other relevant ESG areas.

**Stakeholders' opinions and decisions of the Management Board in terms of sustainability**

Polenergia Group implements its investments in close cooperation with local communities and local authorities. In accordance with Polenergia Group's Public Participation and Consultation Procedure, arrangements and consultations are carried out with local communities with regard to the impact of the implemented investments on local communities.

With respect to the implemented investments, information points are organised in public premises accessible to residents (e.g. local government offices), where detailed information on a given investment is provided, comments and complaints concerning the investment are collected, and contact details of the Group's employees responsible for the investment and public communication can be found.

Each investment is implemented in close cooperation with the representatives of local authorities, so as to minimise the negative impact of the construction work in progress or the entire investment. Joint philanthropic activities and initiatives aimed at promoting biodiversity are also implemented. The Management Board, as the highest strategic decision-making body for key business projects, takes into account the opinions of stakeholders communicated to the Management Board regarding the Group's sustainability when setting directions for further development.

## **Communication about critical issues**

The Group has adopted channels for communicating critical issues, including procedures for reporting violations of ethical standards.

## **Remuneration policy for company authorities**

**[2-19] [2-20] [2-21] [405-1]**

### **Management Board**

In accordance with the Remuneration Policy, Members of the Company's Management Board are entitled to:

1. Monthly basic salary - determined by the Supervisory Board taking into account in particular:

- ▶ the function performed on the Company's Management Board,
- ▶ scope of duties and responsibilities,
- ▶ professional experience,
- ▶ past performance and qualifications.

If a Member of the Company's Management Board is employed or holds a position on more than one legal basis in Polenergia Group, this doesn't affect the total fixed remuneration due to that Member by virtue of his/her employment with the Company. If a Member of the Company's Management Board is employed or holds a position in another company of Polenergia Group, his/her monthly basic salary in the Company is reduced (by this amount);

2. Variable remuneration in the form of a bonus - the bonus may consist of two or more parts and each part of the bonus is dependent on at least one financial criterion (including Earnings or EBITDA). In addition to the above remuneration components, the Members of the Management Board of the Company may be granted additional monetary or non-monetary benefits by the Supervisory Board, including in particular:

- ▶ private health care package for the Member of the Management Board and members of his/her family (i.e. spouse, partner and children under 18), valid in Poland,
- ▶ road traffic accident insurance coverage for the Member,
- ▶ company car on the terms and conditions set out in the Company's current policy,
- ▶ third-party (D&O) liability insurance coverage for the Member,
- ▶ (in justified cases) cash award in the amount determined by resolution of the Supervisory Board,



- compensation for compliance with the non-competition clause upon termination of employment.

## **Supervisory Board**

The Supervisory Board carries out its tasks on a continuous basis, and therefore the remuneration of the Board Members does not depend on the number of meetings held. The remuneration of the members of the Committees, in particular the Audit Committee, should take into account the additional workload related to performing tasks thereunder.

The amount of remuneration of the Members of the Supervisory Board should not depend on the short-term performance of the company.

The remuneration of the Members of the Supervisory Board only has a fixed component – a monthly lump-sum for performing the function of a Member of the Supervisory Board of the Company, determined by a resolution of the General Meeting of Shareholders of the Company.

## **Assessment of the performance of the Company's authorities**

### **[2-18]**

One of the tasks of the Supervisory Board is to assess the activities of the Company's Management Board in terms of the economic, environmental and social impact criteria. The Supervisory Board issues its opinion on the company's strategy and verifies the level of achievement of the Management Board's objectives. In 2022 the remuneration of the Members of the Management Boards in Polenergia Group was not linked to the level of achievement of ESG measures.

## **Management of the conflict of interest**

### **[2-15]**

Members of the Management Board or the Supervisory Board should avoid engaging in professional or non-professional activities that could lead to the conflict of interest or adversely affect their reputation as a Member of the Company's body and, in the event such a conflict arises, should disclose it immediately.



## Key non-financial performance indicators

Key non-financial performance indicators are monitored at the level of the entire Group.

	Polenergia Group
Indicator	2022
<b>E Area</b>	
Energy generated from RES (MWh)	1,053,486.53
Scope 1+2 market-based emissions per unit of renewable and non-renewable heat and power generated (Mg CO <sub>2</sub> e/MWh)	0.05
Scope 1 +2 market-based emissions per unit of revenue (Mg CO <sub>2</sub> e/1mln PLN)	9,37
Total waste generated (Mg)	504.18
<b>S Area</b>	
Employment in the Group in the number of persons (hired based on employment contract)	424
Total number of persons hired by the Group (based on employment contracts and other forms of employment)	862
Turnover rate (Women+Men)	21.9%
<b>G Area</b>	
Number of whistleblower reports analysed	No reports in 2022

## Key financial results of Polenergia Group

[201-1]

In thou. PLN	For 12 months ended	
	31.12.2022	31.12.2021
Profit before tax	200 269	420 052
Financial revenues	(38 334)	(230 274)
Financial costs	75 672	44 130
Depreciation/Amortization	116 421	93 272
Cost connected with result of result of control over subsidiaries	-	13 863

Development - related impairment loss	318	228
Gas and Clean Fuels Segment - related impairment loss	-	19 889
<b>EBITDA</b>	<b>354 346</b>	<b>361 160</b>
<b>Adjusted EBITDA</b>	<b>354 346</b>	<b>361 160</b>

In thou. PLN	For 12 months ended	
	<b>31.12.2022</b>	<b>31.12.2021</b>
Sales revenue	7 089 231	3 999 053

## **Membership associations**

### **[2-28]**

In 2022, the Polenergia and its subsidiaries were members of the following organisations and initiatives:

- ▶ PSEW - Polskie Stowarzyszenie Energetyki Wiatrowej (Polish Wind Energy Association) - an organisation supporting and promoting the development of wind energy, which brings together leading companies operating in the wind energy market in Poland,
- ▶ AHK Polska - Polish-German Chamber of Industry and Commerce, which provides an opportunity to establish and develop business contacts and exchange experience with German companies.
- ▶ Stowarzyszenie Emitentów Giełdowych (Association of Stock Exchange Issuers) - an organisation which promotes the development of the Polish capital market and represents the interests of companies listed on the Warsaw Stock Exchange.
- ▶ Izba Energii Przemysłowej i Odbiorców Energii (Chamber of Industrial Energetics and Energy Consumers) - an organisation bringing together entities involved in the generation, transmission, trading and consumption of electricity and heat. The key objective of the Chamber is to improve the competitive position of its members by reducing the costs associated with the generation and use of energy.
- ▶ UN Global Compact Poland Network Poland - implementation of the "Climate Positive" programme (under the United Nations Global Compact with regard to the following UN Sustainable Development Goals: Goal 6 (Clean Water and Sanitation), Goal 7 (Affordable and Clean Energy), Goal 11 (Sustainable Cities and Communities), Goal 12 (Responsible Consumption and Production), Goal 13 (Climate Action), Goal 14 (Life Below Water), Goal 15 (Life on Land), Goal 17 (Partnerships for the Goals).
- ▶ UNGC Programme Board
- ▶ National Foundation for Environmental Protection, UNEP/GRID-Warszawa - Partnership established for the implementation of the Sustainable Development Goals, as well as under the Green Ribbon #ForPlanet "Only One Earth" campaign (involvement in the activities organised under the Re:Generation Programme, support of selected actions for the protection of valuable ecosystems).
- ▶ Signatory of the Diversity Charter launched by the Responsible Business Forum
- ▶ Sectoral Agreement for Offshore Wind Energy (as a signatory)
- ▶ Sectoral Agreement for Hydrogen (as a signatory)

- ▶ Hydrogen Europe - membership in Hydrogen Europe will enable Polenergia to co-create the hydrogen market by establishing new and sustainable business relationships. Activity under HE involves the formulation of postulates in key areas of hydrogen energy development, not only on the domestic market but also on the European arena, as well as access to knowledge resources related to technologies and business aspects of the development of hydrogen investments.
- ▶ Podkarpackie Hydrogen Valley - established in 2021; its main objective is the use of hydrogen technologies that are innovative in economic terms and environmentally friendly.
- ▶ Silesian-Lesser Polish Hydrogen Valley - established in January 2022 by 20 companies, universities and institutions. It is the second largest hydrogen valley in Poland in terms of size and potential. The aim of the scheme is to support the development of the hydrogen economy and to build a branch of the hydrogen industry in the region.
- ▶ Lesław A. Paga Foundation Strategic Partner of the 11th Edition of the Academy of Energy (providing support for an education and development programme for outstandingly talented Polish students in the field of power engineering).
- ▶ Lesław A. Paga Foundation Strategic Partner of the 5th Edition of the Academy of Businesswomen Leaders (providing support for young women in terms of developing communication skills, working on own image and expanding networking opportunities).
- ▶ Towarzystwo Obrotu Energią (Association of Energy Trading) - supporting member.

## **Awards in 2022**

In 2022, Polenergia Group was granted the following recognitions and awards:

- ▶ Polenergia was recognised by the UN Global Compact Poland for its efforts and support for sustainable development in the area of labour standards, protection of human rights and ethical standards, as well as for undertaking ambitious measures in the area of climate protection and sustainable development for the sake of future generations.
- ▶ Polenergia was awarded the title of Green Energy Leader for Industry. The jury of the Green Industry Diamonds Competition awarded Polenergia the prize in recognition of its efforts to transform the country's energy sector and being a pioneer in Poland in terms of offering the Energy 2051 standard, which guarantees its consumers 100% green energy at any time of consumption – a requirement, which - according to the European Green Deal guidelines - will only become binding in 30 years.
- ▶ Polenergia as an Energy Transformation Leader. For the first time ever, the Polish Climate Congress awarded prizes with the European Commission and

the Ministry of Climate and Environment as honorary patrons. The jury of the competition appreciated the innovative Polenergia 360 offer, which guarantees long-term energy prices from 100% renewable sources, giving Polish households a sense of energy security.

- ▶ The Responsible Business Forum has singled out Polenergia as one of the most advanced companies in terms of inclusion and diversity management in Poland. The Responsible Business Forum, coordinator of the Diversity Charter, presented the Polish results of the Diversity IN Check survey. In 2022, only 38 employers were confirmed to have met the required level of maturity.
- ▶ Polenergia Sprzedaż was the first energy company in Poland to receive a certificate from TÜV SÜD Polska Sp. z o.o. confirming the highest quality of its green energy sales offer compliant with the Energy 2051 standard. This standard, which is unique on the Polish market, sets the direction to be followed by all individual and business consumers of electricity who want to take a step right now to achieve a zero-carbon footprint.

### **3. Relevance of information and governance**

**[2-29] [3-1] [3-2] [3-3]**

For Polenergia Group, performance and due diligence in terms of sustainability is a priority. In order to ensure an appropriate level of optimisation of activities in ESG areas, including: identification of the scope of material topics for non-financial reporting, establishment of a comprehensive goal-setting process for the ESG Strategy and implementation of an effective due diligence process in line with best practices, Polenergia Group conducted a comprehensive materiality study in 2022.

#### **Methods for determining materiality**

The methodology which was used to perform the study was aligned with the requirements of the CSRD and in the ESRS projects. The methodology took into account the principle of double materiality. This means that the study took into account the materiality of the impact of Polenergia Group on sustainability issues, as well as financial materiality, i.e. the impact of given sustainability issues on the financial performance of Polenergia Group in the future. The study was carried out in cooperation with the external consulting firm MATERIALITY, according to the MAX - MATERIALITY ASSESSMENT MATRIX methodology in the basic + version.

The following sources of information were included in the study:

- ▶ Analysis of the source data,
- ▶ Comparative analysis of 20 entities from the energy sector in Poland and abroad,
- ▶ Comprehensive survey conducted on a group of 39 representatives of the management board, senior management of the company and 5 MATERIALITY experts,
- ▶ Surveys and structured interviews with 11 representatives of external stakeholders from the Group's environment,
- ▶ Matrix analysis of the results.

During the interviews, representatives of relevant stakeholders were given the opportunity to anonymously report and assess the materiality of issues and risks arising in the relationship with Polenergia Group, which were used to develop post-survey recommendations.

## Material stakeholders, issues and risks

11 Material stakeholder groups	19 Material ESG issues of different management priority:	12 Material areas of ESG-related risks and opportunities
<ul style="list-style-type: none"> <li>▶ Corporate customers</li> <li>▶ Shareholders</li> <li>▶ Employees</li> <li>▶ Universities and students</li> <li>▶ Social environment and local communities</li> <li>▶ Business partners</li> <li>▶ Suppliers and subcontractors</li> <li>▶ Business partners</li> <li>▶ Regulating and supervising entities</li> <li>▶ Capital market, including credit rating agencies</li> <li>▶ Auditors</li> </ul>	<p>Top priority</p> <ul style="list-style-type: none"> <li>▶ Energy efficiency</li> <li>▶ Fuel and energy mix</li> <li>▶ Greenhouse gas (GHG) emissions</li> <li>▶ Climate change adaptation</li> <li>▶ Spatial impact issues</li> <li>▶ Employees' rights in the entire value chain</li> <li>▶ Structure and functioning of the company authorities</li> </ul> <p>Medium priority:</p> <ul style="list-style-type: none"> <li>▶ Biodiversity and ecosystems</li> <li>▶ Extraction and use of raw materials and other materials</li> <li>▶ Generation and management of waste</li> <li>▶ Circular business models</li> <li>▶ Equal opportunities</li> <li>▶ Rights of community members</li> <li>▶ Risk management system</li> <li>▶ Business ethics</li> <li>▶ Anti-corruption and anti-bribery measures</li> </ul> <p>Normal priority:</p> <p>Air, water and soil pollution, working conditions, other labour rights, Consumer/end-user rights, Internal control processes, Anti-competitive practices, Political involvement and lobbying, Payment practices</p>	<p>Environmental risks and opportunities:</p> <ul style="list-style-type: none"> <li>▶ Energy efficiency</li> <li>▶ Fuel and energy mix</li> <li>▶ Greenhouse gas (GHG) emissions</li> <li>▶ Climate change adaptation</li> </ul> <p>Social risks and opportunities:</p> <ul style="list-style-type: none"> <li>▶ Working conditions</li> <li>▶ Equal opportunities</li> <li>▶ Other labour rights</li> <li>▶ Consumer / end-user rights</li> <li>▶ Rights of community members</li> </ul> <p>Risks and opportunities in the area of corporate governance:</p> <ul style="list-style-type: none"> <li>▶ Risk management system</li> <li>▶ Internal control processes</li> <li>▶ Business ethics</li> </ul>

## Management of material ESG issues

Material issue		Management methods	Related GRI indicator series
Top Priority	Energy efficiency	<p>As a company conducting business activity involving the generation of energy and the provision of prosumer photovoltaic and heat pump installation services, Polenergia Group manages its impact in this area in several ways.</p> <p>As an energy generator, Polenergia is committed to ensuring the highest possible efficiency of fuel combustion processes, including developing innovative projects in the area of hydrogen economy.</p> <p>Polenergia Group supports the energy efficiency of other entities in the value chain by providing the necessary products and services, such as heat pumps.</p> <p><b>For more information on the management of the issue, see: "Climate change and the environment".</b></p>	302
	Fuel and energy mix	<p>As an energy generator, Polenergia Group largely bases its business model on supplying energy from renewable sources, including wind and solar energy. Polenergia is conducting research projects on the commercial use of green hydrogen to further improve the fuel mix.</p> <p>In terms of its own routine fuel and energy consumption, Polenergia Group manages the issue by successively reducing that consumption, for example by replacing fleet vehicles with electric and hybrid cars.</p> <p><b>For more information on the management of the issue, see: "Climate change and the environment".</b></p>	302
	Greenhouse gas (GHG) emissions	<p>By generating energy from renewable sources and consistently developing a network of RES facilities, Polenergia contributes to the emission reduction targets set for the global community. In order to quantify its impact in a more detailed way, Polenergia plans to expand its carbon footprint calculation tools and develop a complete LifeCycle calculation method.</p> <p><b>For more information on the management of the issue, see: "Climate change and the environment".</b></p>	305
	Climate change adaptation	<p>Climate change adaptation measures are one of the top priorities for Polenergia Group's strategic actions both in terms of its Business</p>	302, 305



		<p>Strategy and the Sustainable Development Strategy. By providing energy from RES, Polenergia Group exerts a direct impact in the area of energy transition.</p> <p><b>For more information on the management of the issue, see: "Climate change and the environment".</b></p>	
	Spatial impact issues	<p>The issue of the impact of Polenergia Group's operations on spatial development is an important area for future impact studies. As part of a comprehensive study of the impact of its value chain operations, Polenergia Group plans to measure its impact in the scope of relevant ESG issues. Further progress in this area will be communicated as part of non-financial reporting and future sustainability reporting.</p>	
	Employees' rights in the entire value chain	<p>Polenergia Group conducts due diligence in the areas identified in the OECD Guidelines for Multinational Enterprises.</p> <p><b>For more information on the management of the issue, see: "Due diligence".</b></p>	2, 406
	Structure and functioning of the company authorities	<p>Polenergia Group has in its management resources appropriate functions and units dedicated to sustainability management and conducting operational activities with respect to relevant ESG issues, including human rights due diligence.</p> <p><b>For more information on the management of the issue, see: "Due diligence".</b></p>	2
<b>Medium priority</b>	Biodiversity and ecosystems	<p>Polenergia Group manages its impact on biodiversity by following a range of due diligence practices. <b>For more information on the management of the issue, see: "Climate change and the environment".</b></p>	303, 304
	Extraction and use of raw materials and other materials	<p>Responsible extraction of raw materials and other materials for the purpose of implementing investments are issues addressed as part of responsible supply chain due diligence.</p> <p><b>For more information on the management of the issue, see: "Due diligence".</b></p>	2, 406
	Generation and management of waste	<p>Polenergia Group manages waste in accordance with applicable legal requirements.</p> <p><b>For more information on the management of the issue, see: "Climate change and the environment".</b></p>	306
	Circular business models	<p>Polenergia Group is planning to explore the possibility of implementing circular models into</p>	

		the business carried out by individual entities in the Group.	
	Equal opportunities	<p>Polenergia Group supports the development of its employees and develops an organisational culture based on mutual respect. The Group has adopted a zero-tolerance approach to discrimination, which is rooted in the values and policies that form the basis of the due diligence process.</p> <p>Polenergia Group monitors the effectiveness of its activities. <b>For more information on the management of the issue, see: "Due diligence" and "Employment issues".</b></p>	405-2
	Rights of community members	<p>Local communities are an important stakeholder of Polenergia Group. Polenergia supports the activity of local communities and adopts a policy of open dialogue with stakeholders, under which stakeholders have the opportunity to influence the materiality of the Group's impact through anonymous, structured interviews conducted by an external company.</p> <p><b>For more information on the management of the issue, see: "Due diligence" and "Relations with the community".</b></p>	2, 406, 413, 416
	Risk management system	<p>As part of the materiality study, a risk analysis of ESG issues was performed. Further management of ESG-related risks is part of the planned due diligence processes.</p> <p><b>For more information on the management of the issue, see: "Due diligence".</b></p>	2, 205, 406
	Business ethics	<p>Polenergia Group conducts due diligence in the areas identified in the OECD Guidelines for Multinational Enterprises.</p> <p><b>For more information on the management of the issue, see: "Due diligence".</b></p>	2, 406
	Anti-corruption and anti-bribery measures	<p>Polenergia Group conducts due diligence in the areas identified in the OECD Guidelines for Multinational Enterprises.</p> <p><b>For more information on the management of the issue, see: "Due diligence".</b></p>	205

## **4. Polenergia Group's Sustainable Development Strategy (ESG Strategy)**

The energy sector has a special responsibility for sustainable development. By adopting a business model that provides our customers with energy from renewable sources as also solutions that enable the responsible use of energy resources, we contribute to meeting the demand for green energy. Our ambition is to run a business that positively affects every important aspect of ESG issues.

In 2022, the Polenergia Group carried out comprehensive work on updating the documents and approach in the field of ethical values and due diligence. At the same time, work was carried out on defining significant ESG issues, significant stakeholders and identifying significant ESG risks. Responding to expectations and using the recommendations and experience gained in previous processes, in the second half of 2022 Polenergia formulated ambitious goals. Their implementation will allow the Polenergia Group to actively contribute to the energy transformation and continuous business development with respect for the rights of stakeholders and the environment, while implementing goals of global agendas addressing the challenges of sustainable development.

### **Polenergia Group's Ethical Values**

The Polenergia Group develops within the limits set by the adopted ethical values. By updating the fundamental Ethics policies in 2022, we set the framework for ethical conduct in every aspect of the Group's business:

1. Respecting and supporting human rights and labour standards
2. Respect and openness
3. Environmental protection, dialogue and cooperation with local communities
1. Honesty
2. Responsibility and commitment

### **The context of the Sustainable Development Strategy**

By implementing our goals, we contribute to meeting the assumptions of the UN 2030 Sustainable Development Goals:



The range of topics covered in the materiality study, and thus in the Sustainable Development Strategy, is affected by dynamic changes in the regulatory environment and emerging good practices. From the wide catalogue of regulations, global agreements and guidelines, the Strategy's objectives are significantly influenced by, among others: EU taxonomy, CSRD, and upcoming due diligence regulations.

## EU Taxonomy

The entry into force of the Regulation of June 18, 2020 on establishing a framework to facilitate sustainable investments has brought a new quality to the transparency of business activities.

Polenergia is successively developing its portfolio of green energy generating installations and is also carrying out innovative projects in the field of new technological solutions.

Implementation of the objectives of the Strategy will support the process of better fulfilment of the restrictive requirements of the Technical Qualification Criteria set out in the EU Taxonomy.

**Minimum Safeguards** are part of the EU Taxonomy. Due to the subject of due diligence in the field of human rights in the regulations concerning non-financial companies, there is a need to comprehensively regulate the issue of due diligence processes.

## Corporate Sustainability Reporting Directive

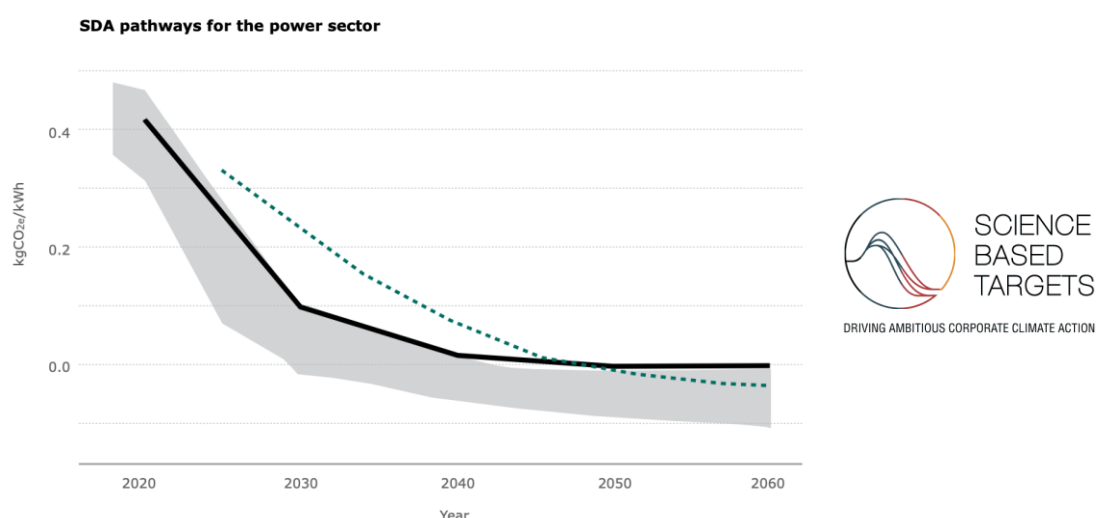
In the reports for 2024, the companies will already report on sustainable development in accordance with the requirements of the CSRD Directive. Uniform European Sustainability Reporting Standards (ESRS) constitute a challenge for business in terms of creating a comprehensive approach to ESG topics, primarily in the field of practical operation.

The implementation ESG Strategy objectives will not only enable the Polenergia Group to prepare for the future reporting obligation. Our ambition is that our stakeholders, find inspiration and interesting information in our reports what will bring them closer to the challenges of sustainable development in the energy sector.

## SBTi: Trajectory of reducing greenhouse gas emissions

The Polenergia Group, operating in the energy sector, strives to reduce greenhouse gas emissions as part of its own operations. Due to the nature of our business model, which includes a significant share of renewable sources in our portfolio, activities under the Sustainable Development Strategy will focus on:

1. Maintaining emissions from the Polenergia Group's operations within the limits set by the reduction trajectory for the energy sector by SBTi (Science Based Targets initiative)
2. Enabling other market participants to achieve the intended reduction targets through the successive development of the renewable energy segment, conducting innovative projects and comprehensive research on the impact of the group's operations



## **COP15 – Biodiversity action**

On December 7-19, the COP15 conference was held in Montreal, where representatives of 196 countries made decisions on joint actions to stop the loss of biodiversity. The key events at the COP 15 conference concerned:

- Adoption of an equitable and comprehensive framework matched by the resources needed for implementation.
- Clear targets to address overexploitation, pollution, fragmentation and unsustainable agricultural practices.
- A plan that safeguards the rights of indigenous peoples and recognizes their contributions as stewards of nature.
- Finance for biodiversity and alignment of financial flows with nature to drive finances toward sustainable investments and away from environmentally harmful ones.

At Polenergia we set ourselves ambitious goals in the field of biodiversity due diligence. We have already organized and address our impacts in the field of biodiversity. We seek to address the topic in line with the global targets' agenda. We strive to prepare our operations to match the future restrictions of the EU regulations in the field of ESG due diligence. Biodiversity is a material topic in a broad range of EU regulations, as Polenergia seeks to conduct sustainable Taxonomy aligned activities, biodiversity is becoming one of most material areas of focus.

## **Equality and diversity**

On November 22, 2022, the European Parliament formally adopted new rules regarding the composition of management staff under Directive 2022/2381. This is another step on the regulatory path to strengthen equality and diversity in business.

This is one of many steps towards the implementation of the **EU Gender Equality Strategy 2020-2025**.

The key objectives of the Strategy are to end gender-based violence; challenging gender stereotypes; bridging gender gaps in the labour market; achieving equal participation in different sectors of the economy; tackling the gender pay and pension gap; closing the gender gap in care and achieving gender balance in decision-making and policy.

The Polenergia Group considers respect and openness to be one of its main ethical values. By implementing the objectives of this Strategy, we will comprehensively address not only equality and diversity at the highest decision-making levels, but we will also ensure that it ensures equal opportunities and respect for diversity across the entire employment structure.

## Goals of the Sustainable Development Strategy

In this subchapter, we present the main objectives as well as measures and activities for our Strategy. In subsequent editions of our reports, covering the scope of non-financial and sustainable development information, we will report on the progress made under specific goals.

### Environmental and climate area:

Main objectives		Metrics and activities
E.1.	<b>Decarbonisation of Polenergia Group's own operations</b>	<ul style="list-style-type: none"> <li>We will reduce the emission intensity index of energy generated in the Group from 150 g CO<sub>2</sub>e / kWh (average for 2020-2022) to 50 g in 2025 and to 10 g in 2030.</li> <li>The annual increase in installed RES capacity in the period 2023-2030 according to the Business Development Strategy.</li> </ul>
E.2.	<b>Supporting the green transformation of customers</b>	<ul style="list-style-type: none"> <li>In the period 2023-2030, we will strive to achieve an average annual increase in the capacity of prosumer photovoltaic installations by an average of 6% per year, to increase a number of installed heat pumps by an average of 13% per year and we will strive for further dynamic car chargers' segment development.</li> </ul>
E.3.	<b>The Polenergia Group as a leader in innovation - green hydrogen and energy storage</b>	<ul style="list-style-type: none"> <li>We will strive for development of our own installations for the production, storage and distribution of green hydrogen with a capacity of 5MW by 2024 and at least 105 MW by 2030, provided that the economic viability is confirmed and financing is obtained.</li> </ul>
E.4.	<b>Implementation of the principles of the circular economy in the activities of the Polenergia Group</b>	<ul style="list-style-type: none"> <li>By 2030, we will implement ready solutions in the field of recycling and repowering of own dismantled wind and photovoltaic installations.</li> </ul>
E.5.	<b>Development of biodiversity due diligence system</b>	<ul style="list-style-type: none"> <li>Until 2030, we will conduct regular monitoring of biodiversity in a full annual cycle based on the developed due diligence system.</li> </ul>
E.6.	<b>Study on Polenergia Group spatial impacts</b>	<ul style="list-style-type: none"> <li>By 2024, we will conduct a study of the impact of the Polenergia Group on issues related to impact on space.</li> </ul>

## Social and employee area:

Main objectives		Metrics and activities
S.1.	<b>Creating a sustainable organizational culture</b>	<ul style="list-style-type: none"> <li>By 2024 we will calculate the adjusted wage gap in the remuneration of women and men performing equivalent work and by 2030 we will eliminate the inequalities shown by that calculation.</li> <li>By 2030, we will achieve gender participation in the structures of the Group with best practices and in accordance with the regulations implemented at the level of the European Union.</li> <li>We will take regular action to keep the accident rate at 0 level year on year.</li> <li>By 2024, we will develop a methodology for examining stress among employees, in the further time horizon we will communicate the level of stress expressed by the developed measure and we will implement specific solutions supporting work-life balance.</li> <li>From the moment the Polenergia Diversity Policy enters into force in 2024, we will implement its principles.</li> </ul>
S.2.	<b>Welfare and cooperation with relevant stakeholders</b>	<ul style="list-style-type: none"> <li>By 2024, we will identify social exclusions in our local communities and take appropriate actions to counteract exclusions</li> <li>We will maintain the level of 1% of the consolidated net profit of the entire Group from the previous year allocated to charity, of which at least 60% of funds are allocated to activities supporting the implementation of projects by local communities.</li> </ul>
S.3.	<b>Responsible management of the value chain</b>	<ul style="list-style-type: none"> <li>By 2024, we will map the impact of our current investments as part of the Human Rights Impact Assessment, and in the following years we will map the risks in all new investments.</li> <li>We expect that by 2025, 100% of Key suppliers will be subject to the provisions of the Business Partners' Code, and by 2030, 100% of high-risk suppliers will be audited.</li> </ul>

## Management and governance area:

Main objectives		Metrics and activities
G.1.	<b>Corporate governance supporting sustainable development</b>	<ul style="list-style-type: none"> <li>By the end of 2024 we will have implemented the evaluation system and from 2025 all planned investments will be evaluated using ESG criteria.</li> </ul>



		<ul style="list-style-type: none"> <li>By 2024, we will implement the Diversity Policy in the Capital Group.</li> </ul>
<b>G.2.</b>	<b>Responsible business conduct</b>	<ul style="list-style-type: none"> <li>From 2023, we will organize anti-corruption training for 100% of our new and current employees.</li> <li>From 2024, we will expect 100% of our key business partners will confirm the use of the Business Partner Principles of Conduct or will apply equivalent practices.</li> </ul>
<b>G.3.</b>	<b>Effective risk management and high internal control standards</b>	<ul style="list-style-type: none"> <li>From 2024, we will map ESG risks in a semi-annual cycle in the Capital Group.</li> </ul>

## **5. Due diligence and human rights**

**[2-23]**

Polenergia Group is committed to respecting and upholding human rights.

In H2 2022, a comprehensive review of Polenergia Group's due diligence processes was carried out in order to align the existing, below listed systems to best market practice:

- ▶ ethics management, whistleblowing;
- ▶ counteracting negative impacts;
- ▶ preparation of procedures in case of violation;

Key developments in terms of the structuring of the due diligence process were the establishment and introduction of the function of Compliance Officer to the Organisation, whose role included supervision of the changes taking place in 2022 in the area of compliance, including: the development of a new Code of Ethics, whistleblowing processes and revision of the Minimum Safeguards to the EU Taxonomy, a key element of which is the verification of the completeness of due diligence processes.

The result of the works in the area of ethics carried out in 2022 were the following changes introduced by a Resolution of the Management Board of Polenergia S.A. of 17 January 2023:

- ▶ introduction of the function of Compliance Officer,
- ▶ adoption of a new (updated) Polenergia Group Code of Ethics,
- ▶ adoption of an Anti-Corruption Policy,
- ▶ adoption of a Whistleblowing Procedure applicable at Polenergia S.A.

As a member of the UN Global Compact, Polenergia Group pays particular attention to the implementation of the provisions of the 10 Principles of the UN Global Compact, as well as the appropriate level of internal due diligence regulation.

### **Ethics management**

**[2-23] [2-24]**

### **Documents and liability**

The key document of Polenergia Group in the area of ethics is the Group's Code of Ethics. The full text of the Code along with other key policies of Polenergia Group is available on the Group's corporate website

at: <https://www.polenergia.pl/dla-inwestorow/lad-korporacyjny/polityki-i-procedury/>

The structure of the issues addressed in the Code follows directly from business guidelines in the area of ethics, including the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

The basis for responsible management in the area of ethics are the values adopted by Polenergia Group, including:

- ▶ Respect and support for human rights
- ▶ Mutual respect and openness
- ▶ Care for the environment and local communities
- ▶ Integrity
- ▶ Responsibility and commitment

The Code sets out the guidelines of conduct, key commitments and responsibilities of the employees and employer in the areas of labour standards and rules. Its provisions address such issues as:

- ▶ Prohibition of all forms of discrimination
- ▶ Culture of communication and conflict prevention
- ▶ Respect for the environment
- ▶ Respect for the rights of local communities
- ▶ Combating corruption
- ▶ Responsible relationships with business partners
- ▶ Employee responsibility and whistleblowing

The person responsible for supervising the area of ethics is the President of Polenergia S.A. - Michał Michalski, PhD. Responsibility for the implementation of activities in this area has been assigned to the function of Compliance Officer.

### **Training in the area of ethics**

In 2022, compliance and anti-corruption awareness training was held for key managers of companies from the Group and a training process was initiated for all employees. Prior to the commencement of each project, training for subcontractors is carried out. During the implementation of investment, local communities have access to information points and are provided with details of contact persons.

## **Due diligence in the value chain**

### **[2-24]**

The approach to ethics management in the value chain adopted by Polenergia Group requires Suppliers' statement on compliance with standards of ethical conduct consistent with the Group's values.

The standards for Suppliers cover issues related to ethical conduct both in the social and labour law areas, as well as responsible management of the impact of the operations carried out on the environment. The binding document in this regard is the Standard of Conduct for Partners. Polenergia Group's principles of conduct and values are described in detail in the Code of Ethics, as well as in Polenergia Group's Environmental and Social Policy available at: <https://www.polenergia.pl/wp-content/uploads/2021/11/PD36PolitykasrodowiskowospolecznaGrupyPolenergia2.pdf>

With regard to agreements concerning ethical standards, Polenergia Group reserves the right to conduct a relevant audit. No audits of Suppliers in terms of ethical standards were conducted in 2022.

## **Whistleblowing system and management of negative impact**

### **[2-25] [2-26] [2-27] [406-1]**

#### **Whistleblowing**

Polenergia Group has established a dedicated system for reporting breaches of ethical conduct, crimes and fraud. Whistleblowers are guaranteed security, confidentiality and the possibility to send a report anonymously. Whistleblowing and the accompanying processes are described in the Whistleblowing Procedure of Polenergia S.A.

The following whistleblowing channels are used by the company:

- ▶ electronic (via email or dedicated website <https://polenergia.zglaszam.to/>)
- ▶ in writing by post

The system is operated by the Compliance Officer and the independent Ethics Committee, which supervises compliance with ethical standards in the entire Group. The Compliance Officer and Ethics Committee is required to exercise due diligence to clarify the matter, follow up and protect the whistleblower. The mode for reporting and responding to cases of misconduct are set out in a detailed procedure.

The *Grievance form* mechanism is submitted to community members during the stage of project development, and aspects such as the needs of minorities are analysed. Local communities can use the telephone and email communication channels to raise their concerns. Reports can be submitted anonymously.

Polenergia Group undertakes to carry out corrective actions whenever a negative impact of the organisation's actions is identified.

In 2022, no reports were made through the whistleblowing existing mechanisms.

### **Analysis of the organisation's impact**

Issues related to the impact of Polenergia Group in terms of relevant ESG issues, such as:

- ▶ Human rights
- ▶ Anti-corruption
- ▶ Labour rights
- ▶ Fair competition

were analysed as part of the Materiality Study conducted in 2022. The materiality study included components of analysis of the risks associated with a given material area, as well as multidimensional impact in terms of the listed areas. The materiality study was accompanied by the process of development of the organisation's value chain, and the impacts and risks analysed were subsequently referenced to the processes carried out in the value chain. A separate description of the results of the study is available in the relevant chapter of this report.

The materiality study is a cyclical and regular process. Its assumptions are presented in the description of the methodology.

### **Management of the conflict of interest**

#### **[2-15]**

In order for the company's Management Board and Supervisory Board to perform their duties with the highest standards and effectiveness, only persons with required competence, skills and experience are appointed to those two bodies.

So far, in order to ensure it, verification has been carried out at the stage of presenting nominations for Supervisory Board members submitted by shareholders (in terms of compliance with the provisions on the independence of the respective member and the rights of the respective shareholder).

Members of the Management Board or the Supervisory Board should avoid engaging in professional or non-professional activities that could lead to the conflict of interest or adversely affect their reputation as a Member of the

Company's body and, in the event such a conflict arises, should disclose it immediately.

## **Combating corruption**

### **[205-1] [205-2] [205-3]**

Combating corruption is an important area of corporate social responsibility. As a member of the UN Global Compact, Polenergia Group pays close attention to the internal regulation of this area in terms of compliance with the law and best practice. Activities in the area of combating corruption are addressed under the 10 Principles of the UN Global Compact.

In 2022, as part of the process of revising the entire ethics system and due diligence approach in Polenergia Group, the Anti-Corruption Policy was also updated.

The new Policy applies within the entire organisation, to all its employees.

The purpose of the Policy is to:

- ▶ implement and complement the provisions of the Code of Ethics regarding preventing all forms of corruption and bribery;
- ▶ define the principles of combating corruption.

The anti-corruption policy provides information for the persons that are bound by it on the definition and types of corruption, as well as the possible ways of identifying, preventing, reporting or responding to it.

As part of the works on the new 2022 Policy, training sessions were held with key persons for the area in the company and online anti-corruption training was conducted for all employees. The Anti-Corruption Policy was adopted by a resolution of the Management Board of Polenergia S.A. on 17 January 2023.

## 6. Compliance with the EU Taxonomy

### Introduction

In this report, Polenergia Group for the first time discloses information on compliance with the so-called EU Taxonomy for sustainable activities. The related obligations were introduced by Regulation (EU) 2020/852 of the Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment. The disclosure made by Polenergia Group is voluntary and it is published prior to the period in which the above-mentioned obligations will become applicable to the Group. The above-mentioned Regulation, referred to as the EU Taxonomy, transposes the European Union's climate and environmental objectives into technical screening criteria for assessing whether an activity can be considered sustainable in relation to the following 6 environmental objectives:

1. Climate change mitigation
2. Climate change adaptation
3. The sustainable use and protection of water and marine resources
4. The transition to a circular economy
5. Pollution prevention and control
6. The protection and restoration of biodiversity and ecosystems

**The Taxonomy is therefore a classification system to examine and disclose the extent to which the Group's activities are environmentally sustainable.**

All activities carried out by the Group can be assigned to one of the following three categories:

- ▶ Taxonomy-eligible activities for which it has been determined that the technical screening criteria and minimum safeguards have been met - these are environmentally sustainable activities;
- ▶ Taxonomy-eligible activities which have not been examined for compliance with the technical screening criteria, or it has been determined that at least one of the criteria has not been met, or the minimum safeguards have not been met - they are Taxonomy-eligible, but environmentally unsustainable activities;
- ▶ Taxonomy non-eligible activities for which no technical screening criteria have been defined (this category includes e.g. activities for which the criteria will be defined in the future and the activities will then become Taxonomy-eligible).

**Technical screening criteria** (TSC) are detailed criteria for determining unequivocally whether an economic activity qualifies as contributing substantially to one of the environmental objectives and for determining whether that economic activity causes no significant harm to any of the other environmental objectives. The TSC are laid down in Commission Delegated Regulation (EU) 2021/2139<sup>1</sup>, as extended by Commission Delegated Regulation (EU) 2022/1214<sup>2</sup>. As of the date of approval of the report for publication, the above-mentioned Regulations contain the criteria for substantial contribution to two environmental objectives (climate change mitigation and climate change adaptation) and the “do no significant harm” criteria with regard to the remaining objectives. The European Commission is planning to issue a delegated regulation laying down the criteria for substantial contribution to the remaining four environmental objectives. The proposal for the criteria has been presented by the Platform on Sustainable Finance (in March and November 2022), but as the criteria are at the drafting stage, this report does not refer to them.

**Minimum safeguards** (MS), set out in Article 18 of Regulation 2020/852, are the procedures implemented to ensure compliance with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

Any company subject to the obligations resulting from Regulation 2020/852 is required under Article 8 of the Regulation to disclose the following three indicators:

- ▶ The proportion of their turnover derived from products or services associated with economic activities that qualify as environmentally sustainable;
- ▶ The proportion of their capital expenditure (CapEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable;
- ▶ The proportion of their operating expenditure (OpEx) related to assets or processes associated with economic activities that qualify as environmentally sustainable.

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<sup>1</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

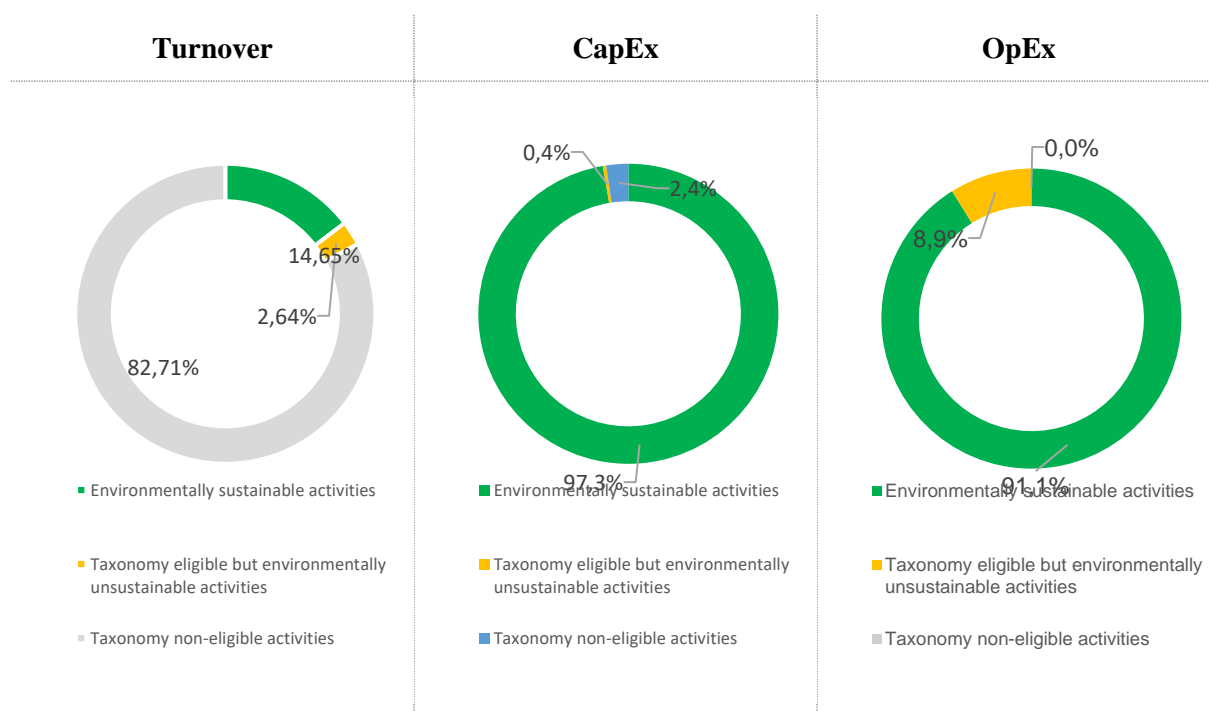
<sup>2</sup> Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities



Detailed requirements for the calculation and disclosure of the above-mentioned indicators have been set out in Commission Delegated Regulation (EU) 2021/2178<sup>3</sup>, the so-called Article 8 Delegated Act.

### Taxonomy alignment of Polenergia Group's activities

As a result of analyses, the following proportions of Taxonomy-aligned turnover, capital expenditure (CapEx) and operating expenditure (OpEx) were determined.

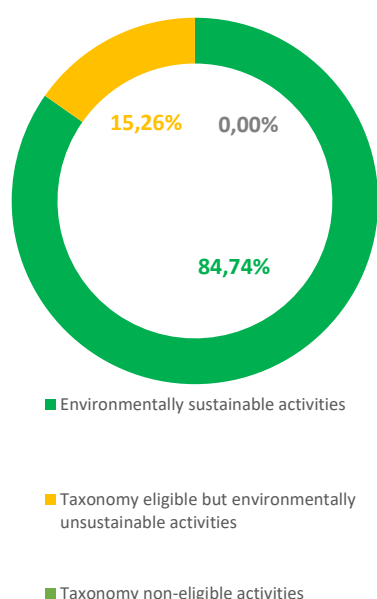


An analysis of alignment of the Group's activities with the Taxonomy showed that:

- ▶ The Group's sustainable activities in 2022 accounted for 14.65% of turnover, 97.27% of capital expenditure and 91.14% of operating expenditure, respectively.
- ▶ Taxonomy-eligible, but not Taxonomy-aligned (environmentally unsustainable) activities in 2022 accounted for 2.64% of the Group's turnover, 0.36% of capital expenditure and 8.86% of operating expenditure, respectively.
- ▶ Taxonomy-non-eligible activities in 2022 accounted for 82.71% of the Group's turnover, 2.38% of capital expenditure and 0.00% of operating expenditure, respectively.

<sup>3</sup> Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation

	Turnover	CapEx	OpEx
Value in 2022 [PLN million]	7 077,0	624,8	58,4
sustainable activities (Taxonomy-aligned)	14,65%	97,27%	91,14%
unsustainable activities (Taxonomy-eligible but not Taxonomy-aligned)	2,64%	0,36%	8,86%
neutral activities (Taxonomy non-eligible)	82,71%	2,38%	0,00%



The following section describes the process of assessing Taxonomy alignment, the applied accounting principles and a detailed description of the three key performance indicators with tables prepared in accordance with the so-called Article 8 Delegated Act, i.e. Commission Delegated Regulation (EU) 2021/2178<sup>4</sup>.

It should be noted that the relatively low proportion of environmentally sustainable turnover is due to the fact that revenue related to electricity trading forms a major part of the Group's total revenue. It is a Taxonomy non-eligible economic activity. If electricity trading was eliminated from the calculation, the proportion of Taxonomy-aligned turnover, i.e. from environmentally sustainable activities, would be 84.74%, and the proportion of Taxonomy-eligible but not Taxonomy-aligned turnover would be 15.26%.

## Assessment of Taxonomy alignment

A four-stage process was carried out in order to assess Taxonomy alignment:

### 1. Identification

This stage consisted in reviewing all the activities carried out by Polenergia S.A. and the Group's subsidiaries and determining whether their economic activities, and if so, which activities, are Taxonomy-eligible. The companies' revenue, capital expenditure and operating expenditure were reviewed. In order to identify the respective activities, their descriptions contained in the annexes to Commission Delegated Regulation (EU) 2021/2139 were used and compared to

<sup>4</sup> Commission Delegated Regulation (EU) 2021/2178 of 6 July 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information to be disclosed by undertakings subject to Articles 19a or 29a of Directive 2013/34/EU concerning environmentally sustainable economic activities, and specifying the methodology to comply with that disclosure obligation

the activities actually carried out. Where the description of the activities was not sufficiently clear, NACE classification was used in a supportive manner.

## 2. Allocation

This stage consisted in allocating turnover, capital expenditure and operating expenditure to the respective activities identified in the first stage. The applied allocation methods have been described in detail in the *Accounting Principles* chapter.

## 3. Verification

This stage consisted in two types of assessment:

- ▶ For all identified economic activities, assessment of the substantial contribution and "do no significant harm" criteria was carried out using the TSC as set out in the annexes to Commission Delegated Regulation (EU) 2021/2139. Details of the assessment have been presented in the *Verification of compliance with the technical screening criteria* section.
- ▶ Assessment of compliance with the minimum safeguards has been carried out. Details of the assessment have been presented in the *Minimum safeguards* section.

## 4. Calculation

This stage consisted in using the resulting information from stages two and three to draw up tables containing the required information and preparing this supplementary information, as required by Annexes I and II of Commission Delegated Regulation (EU) 2021/2178.

The process was carried out by a team comprising representatives of Polenergia S.A. Group companies with the support of a third-party consulting firm and it was supervised by the Director of Controlling and Investor Relations and by the Director of Accounting at Polenergia S.A.

### Minimum safeguards

In accordance with Article 18 of Regulation 2020/852:

*"The minimum safeguards referred to in point (c) of Article 3 shall be procedures implemented by an undertaking that is carrying out an economic activity to ensure the alignment with the **OECD Guidelines for Multinational Enterprises** and the **UN Guiding Principles on Business and Human Rights**, including the principles and rights set out in the **eight fundamental conventions identified in the Declaration of the International Labour Organisation on Fundamental Principles and Rights at Work** and the **International Bill of Human Rights**."*

Compliance with the minimum safeguards was assessed in accordance with the recommendations provided for in the *Final Report on Minimum Safeguards* prepared by Platform on Sustainable Finance. According to the

recommendations, any of the following four criteria is a sign of non-compliance with the minimum safeguards:

1. Inadequate or non-existent corporate due diligence processes on human rights, including labour rights, bribery, taxation, and fair competition.
2. A company has ultimately been held liable or found to be in breach of labour or human rights in certain types of labour or human rights court cases.
3. The lack of collaboration with an OECD National Contact Point (OECD NCP) with regard to a report received by the OECD NCP.
4. Non-response to allegations by the Business and Human Rights Resource Centre (BHRRC) within 3 months.

During the verification process at Polenergia Group S.A., non-compliance based on the above-mentioned criteria was assessed as follows:

- ▶ **Criterion 1:** Verification of the completeness of the due diligence processes was based on internal verification of the existence and operation of the components of the due diligence process resulting from the framework of those processes provided for in the documents listed in the definition of the minimum safeguards. The design of the due diligence processes in terms of the definition proposed in Article 3(c) of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 is mainly influenced by the provisions of the *UN Guiding Principles on Business and Human Rights* and the *OECD Guidelines for Multinational Enterprises*. Compliance was verified with the use of a compliance assessment tool applying the assessment methodology proposed by the Platform on Sustainable Finance: *World Benchmark Alliance Core UNGP indicators*. As a result of the analysis, it was determined that a complete due diligence process is in place and functions within the organisation in accordance with the guidelines.
- ▶ **Criterion 2:** Criterion 2 was verified in the process of completing the answer regarding Criterion 1 by checking that there were no final convictions against the persons listed in the Consideration during the period under review. As a result of the verification, it was determined that there was no information which would make the Group non-compliant under Criterion 2.
- ▶ **Criterion 3:** A verification of the OECD NCP notification database was carried out, which showed that there were no existing notifications in relation to the Group during the period under review. [<http://mneguidelines.oecd.org/database/>].
- ▶ **Criterion 4:** A verification of the Business and Human Rights Resource Centre (BHRRC) notification database was carried out which showed that there were no notifications in relation to the **Company/Group** during the period under review. [<https://www.business-humanrights.org/en/companies>].

As a result of the verification process, it was determined that Polenergia Group's activities were carried out in accordance with the minimum safeguards.

### Verification of compliance with the technical screening criteria

Verification of compliance with the Technical Screening Criteria was carried out for all Taxonomy-eligible economic activities and consisted in an assessment of respective criteria of substantial contribution and no significant harm and a check of the extent to which a given activity complies with the TSC as set out in annexes I and II of Commission Delegated Regulation (EU) 2021/2139<sup>5</sup>, as extended by Commission Delegated Regulation (EU) 2022/1214<sup>6</sup>.

The following table presents the activities carried out under the TSC compliance assessment for activity 4.3. *Electricity generation from wind power*. This activity accounts for 33.0% of Polenergia Group's Taxonomy-eligible turnover and for almost 90% of total capital expenditure. Due to the volume of the report, detailed descriptions of the TSC assessment for each activity have been omitted, and the table below is intended to present the approach and detail of the assessment; it was carried out in a similar manner for each of the Taxonomy-eligible economic activities.

Substantial contribution criteria	
Climate change mitigation	Under this activity, electricity is generated from wind power
Do no significant harm criteria	
Climate change adaptation	Climate risk assessment was carried out for each wind farm under EIA (Environmental Impact Assessment) procedure
The sustainable use and protection of water and marine resources	This criterion only applies to Offshore Wind Farms: in accordance with Annex 1 of Directive 2008/56/EC - at the stage of environmental impact assessment of the project (offshore wind farms - Group I likely to have significant adverse environmental impact according to EIA classification and Regulation) - data are collected (monitoring of the biotic and abiotic environment, modelling, including acoustic, impact on ecosystems and biodiversity), and mitigating measures and monitoring of the construction and operation phase of the projects are proposed.

<sup>5</sup> Commission Delegated Regulation (EU) 2021/2139 of 4 June 2021 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes no significant harm to any of the other environmental objectives

<sup>6</sup> Commission Delegated Regulation (EU) 2022/1214 of 9 March 2022 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities

The transition to a circular economy	During the investment process and during the construction of wind farms, technologies with a life cycle of at least 30 years are selected. Turbine met masts are made of steel (100% recyclable), turbine blades are remanufactured (this is the case for the oldest wind farms, e.g. Puck WF), O&M supervision is carried out, maintenance works are planned and carried out on an ongoing basis, preventing major failures or replacement of large components.
Pollution prevention and control	Not applicable
The protection and restoration of biodiversity and ecosystems	For wind farm project purposes, wildlife surveys are carried out (e.g. year-round bird and bat surveys according to the adopted methodologies), which are attached to the application for the decision on environmental conditions, and the impact on migration corridors, protected areas and Natura 2000 is assessed. Ex-post (three-year) monitoring is proposed and imposed in the content of the decision on environmental conditions. For each wind farm project, Group companies conduct environmental monitoring for the construction phase (monthly reports are available). Ex-post reports (three-year evaluations of the impact of the constructed wind farm are submitted to the authority issuing the decision on environmental conditions and to the Regional Directorate for Environmental Protection (RDOŚ) for approval of the methodology and partial results of the annual monitoring, as well as the overall impact assessment after 3 full years of studies). Documents confirming the Project Information Sheets, EIA Reports, environmental inventories, as-built reports are publicly available information (environmental information).

## Accounting principles

The following principles were applied in order to calculate the proportion of Taxonomy-eligible and Taxonomy-aligned turnover, capital expenditure (CapEx) and operating expenditure (OpEx).

### Turnover

With regard to turnover, the denominator was the consolidated revenue of Polenergia Group in 2022, excluding revenue related to the incidental sale of fixed assets, as disclosed in the consolidated financial statements under item "sales revenue" and described in note 36. Revenue from Taxonomy-eligible and at the same time Taxonomy-aligned activities was assigned to the numerator.

### Capital expenditure (CapEx)

With regard to capital expenditure (CapEx), the denominator was capital expenditure primarily for: expenditures on wind and photovoltaic farms as well as the valuation of leasing and development of the distribution network. CapEx



has been included in the consolidated financial statements under item "fixed assets" and described in note 13. The part of CapEx relating to Taxonomy-eligible and at the same time Taxonomy-aligned activities was assigned to the numerator.

### **Operating expenditure (OpEx)**

With regard to operating expenditure (OpEx), the denominator covered all costs used for the ongoing management of the company's assets and for keeping them in good working order. They included such costs as: costs of technical service, installation, repair, security, rental and lease and other costs related to maintaining the proper operation of buildings, equipment and vehicles used by the Group. The part of OpEx relating to Taxonomy-eligible and at the same time Taxonomy-aligned activities was assigned to the numerator.

The data used for calculations were obtained from the financial and accounting system of Polenergia S.A. and from the financial and accounting systems of respective subsidiaries of Polenergia Group.

The Group avoided double counting when allocating turnover and capital expenditure by making appropriate consolidation exclusions in accordance with the applicable accounting regulations. In the case of operating expenditure, which is defined in the Commission Delegated Regulation (EU) 2021/2178 without reference to international financial reporting standards, all accounts in the Group's accounting system were reviewed and the identified items meeting the definition of OpEx were then attributed in each case to a particular Taxonomy-eligible activity or to a set of other operating expenditure (Taxonomy non-eligible).

In this report, the Group discloses for the first time the proportion of Taxonomy-aligned activities and, for the first time, the proportion of Taxonomy-eligible activities. The disclosure in this report relates to the most recent financial year, i.e. 01.01.2022 - 31.12.2022.

No activities contributing to more than one environmental objective were identified during the assessment. Therefore, there was no need for special procedures to avoid double counting.

Verification of compliance with the technical screening criteria was conducted for all Taxonomy-eligible activities and consisted in an analysis of respective substantial contribution and "do no significant harm" criteria. For other activities not exceeding the materiality threshold, the assessment was not conducted, and this type of activity was recognised as Taxonomy-eligible but not Taxonomy-aligned.

The analysis showed that there was no need for a detailed disaggregation of the key performance indicators between the Group's respective operating units in accordance with paragraph 1.2.2.3. of Annex I of Commission Delegated Regulation (EU) 2021/2178. For more information, see the comments on respective key performance indicators.

## Nuclear and fossil gas related activities

Row	Nuclear energy related activities	
1.	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2.	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3.	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
	Fossil gas related activities	
4.	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	NO
5.	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6.	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

As Polenergia Group only carries out activities related to the two economic activities indicated in the table above, only the rows related to those two activities are included in respective tables accompanying the disclosure of key performance indicators.



## Turnover

Table 1: Taxonomy-aligned turnover proportion

				Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")										
Economic activities	Code(s)	Absolute turnover	Proportion of turnover	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum safeguards	Taxonomy-aligned proportion of turnover, year N	Taxonomy-aligned proportion of turnover, year N-1	Category (enabling activity or)	Category (transitional activity)
		PLN million	%														%	%	E	T

### A. TAXONOMY-ELIGIBLE ACTIVITIES

#### A.1. Environmentally sustainable activities (Taxonomy-aligned)

Electricity generation using solar photovoltaic technology	4.1.	16,1	0,23%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	0,23%	n/a		
Electricity generation from wind power	4.3.	403,9	5,71%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	5,71%	n/a		
Transmission and distribution of electricity	4.9.	160,8	2,27%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	2,27%	n/a		
Installation and operation of electric heat pumps	4.16.	35,6	0,50%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	0,50%	n/a		

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Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31.	30,9	0,44%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	0,44%	n/a		
Infrastructure enabling low-carbon road transport and public transport	6.15.	0,001	0,00002%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	0,00002%	n/a	E	
Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	7.4.	1,1	0,02%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	0,02%	n/a	E	
Installation, maintenance and repair of renewable energy technologies	7.6.	388,7	5,49%	100,00%	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	5,49%	n/a	E	
<b>Turnover from Taxonomy-aligned economic activities (A.1)</b>		<b>1 037,0</b>	<b>14,65%</b>	<b>14,65%</b>	<b>0,00%</b>	<b>0,00%</b>	<b>0,00%</b>	<b>0,00%</b>	<b>0,00%</b>								<b>14,65%</b>	<b>n/a</b>		
<b>Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>																				
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30.	186,9	2,64%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	T	T	T	T	T	T	T				186,9
<b>Turnover of Taxonomy-</b>		<b>186,9</b>	<b>2,64%</b>														<b>2,64%</b>	<b>n/d</b>		<b>186,9</b>

eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)																			
Total (A.1.+A.2.)		1 223,9	17,29%													17,29%	n/d		1 223,9
B. TAXONOMY NON-ELIGIBLE ECONOMIC ACTIVITIES																			
Turnover of Taxonomy-non-eligible activities (B)		5 853,1	82,71%																
Total (A+B)		7 077,0																	

In 2022, Polenergia Group generated revenue amounting to PLN 7,077 million. Most of it (PLN 5 853,1 million) related to energy trading, which is a Taxonomy non-eligible activity. The remaining part of the revenue represented Taxonomy-eligible turnover, including:

- ▶ Turnover related to economic activity 4.3. *Electricity generation from wind power* amounted to PLN 403.9 million (5.71% of total turnover)
- ▶ Turnover related to economic activity 7.6. *Installation, maintenance and repair of renewable energy technologies* amounted to PLN 388.7 million (5.49% of total turnover)
- ▶ Turnover related to economic activity 4.30. *High-efficiency co-generation of heat/cool and power from fossil gaseous fuels* amounted to PLN 186.9 million (2.64% of total turnover)
- ▶ Turnover related to economic activity 4.9. *Transmission and distribution of electricity* amounted to PLN 160,8 million (2.29% of total turnover)
- ▶ Turnover related to economic activity 4.16. *Installation and operation of electric heat pumps* amounted to PLN 35.6 million (0.50% of total turnover)

- ▶ Turnover related to economic activity 4.31. *Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system* amounted to PLN 30.9 million (0.44% of total turnover)
- ▶ Turnover related to economic activity 4.1. *Electricity generation using solar photovoltaic technology* amounted to PLN 16.1 million (0.23% of total turnover)
- ▶ Turnover related to economic activity 7.4. *Installation, maintenance and repair of renewable energy technologies* amounted to PLN 1.1 million (0.02% of total turnover)
- ▶ Turnover related to economic activity 6.15. *Infrastructure enabling low-carbon road transport and public transport* amounted to PLN 1.4 thousand (0.00002% of total turnover)

In the case of economic activity 4.30. *High-efficiency co-generation of heat/cool and power from fossil gaseous fuels*, it was determined that the criteria for a substantial contribution to climate change mitigation were not met, so despite meeting all the "do no significant harm" criteria the related turnover was considered Taxonomy-eligible but not Taxonomy-aligned.

In the case of all other activities, it was confirmed that the relevant criteria of substantial contribution to climate change mitigation and the "do no significant harm" criteria were met, and therefore the related turnover was considered to be Taxonomy-aligned.

In 2022, the share of turnover from Taxonomy-aligned activities in total turnover was 14.65%, and the share of turnover from Taxonomy-eligible but not Taxonomy-aligned activities was 2.46%. In total, the proportion of turnover from Taxonomy-eligible activities was 17.29%. The remaining 82.71% of turnover represented revenue from Taxonomy non-eligible activities, i.e. those for which the regulator did not determine technical screening criteria in the annexes to the delegated act.

**Tables presenting turnover related to the economic activities defined in sections 4.26. to 4.31. of Annexes I and II of Commission Delegated Regulation (EU) 2021/2139**

**Taxonomy-aligned economic activities (denominator)**

	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	30.9	0.44%	30.9	0.44%	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the turnover</b>	<b>1006,1</b>	<b>14,2%</b>	<b>1006,1</b>	<b>14,2%</b>	<b>0,0</b>	<b>0,0%</b>
8.	<b>Total turnover</b>	<b>7077,0</b>	<b>100,0%</b>	<b>7077,0</b>	<b>100,0%</b>	<b>0,0</b>	<b>0,0%</b>

### Taxonomy-aligned economic activities (numerator)

	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the turnover	30.9	3.0%	30.9	3.0%	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the turnover</b>	<b>1006,1</b>	<b>97,0%</b>	<b>1006,1</b>	<b>97,0%</b>	<b>0,0</b>	<b>0,0%</b>
8.	<b>Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the turnover</b>	<b>1037,0</b>	<b>100,0%</b>	<b>1037,0</b>	<b>100,0%</b>	<b>0,0</b>	<b>0,0%</b>

### Taxonomy-eligible but not Taxonomy-aligned economic activities (numerator)

	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to	186.9	2.64%	186.9	2.64%	0.0	0.0%

	Commission Delegated Regulation 2021/2139 in the denominator of the turnover						
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the turnover</b>	<b>0,0</b>	<b>0,0%</b>	<b>0,0</b>	<b>0,0%</b>	<b>0,0</b>	<b>0,0%</b>
8.	<b>Total amount and proportion of Taxonomy eligible but not Taxonomy-aligned economic activities in the denominator of the turnover</b>	<b>186,9</b>	<b>2,64%</b>	<b>186,9</b>	<b>2,64%</b>	<b>0,0</b>	<b>0,0%</b>

### Taxonomy non-eligible economic activities

	Economic activities	Amount	Proportion
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the turnover	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the turnover</b>	<b>5 853,1</b>	<b>82,71%</b>
8.	<b>Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the turnover</b>	<b>5 853,1</b>	<b>82,71%</b>

## Capital expenditure (CapEx)

**Table 2: Proportion of Taxonomy-aligned capital expenditure (CapEx)**

Economic activities	Code(s)	Absolute CapEx	Proportion of CapEx	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards	Taxonomy-aligned proportion of CapEx, year N	Taxonomy-aligned proportion of CapEx, year N-1	Category (enabling activity or)	Category (transition activity)
				Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems					
		PLN million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T

### A. TAXONOMY-ELIGIBLE ACTIVITIES

#### A.1. Environmentally sustainable activities (Taxonomy-aligned)

Electricity generation using solar photovoltaic technology	4.1.	11,7	1,88%	100,00 %	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	1,88%	n/a		
Electricity generation from wind power	4.3.	562,6	90,04%	100,00 %	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	90,04%	n/a		
Transmission and distribution of electricity	4.9.	28,9	4,63%	100,00 %	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	4,63%	n/a		
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31.	2,7	0,43%	100,00 %	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	0,43%	n/a		



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Infrastructure enabling low-carbon road transport and public transport	6.15.	1,0	0,16%	100,00 %	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	0,16%	n/a	E	
Installation, maintenance and repair of renewable energy technologies	7.6.	0,8	0,13%	100,00 %	0,00%	0,00%	0,00%	0,00%	0,00%		T	T	T	T	T	T	0,13%	n/a	E	
<b>CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)</b>		<b>602,1</b>	<b>97,27%</b>	<b>97,27%</b>	<b>0,00%</b>	<b>0,00%</b>	<b>0,00%</b>	<b>0,00%</b>	<b>0,00%</b>								<b>97,27%</b>	<b>n/a</b>		
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30.	2,2	0,36%	0,00%	0,00%	0,00%	0,00%	0,00%	0,00%	T	T	T	T	T	T	T				
<b>CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)</b>		<b>2,2</b>	<b>0,36%</b>														<b>0,36%</b>	<b>n/a</b>		
<b>Total (A.1.+A.2.)</b>		<b>610,0</b>	<b>97,62%</b>														<b>97,62%</b>	<b>n/a</b>		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
<b>CapEx of Taxonomy-non-eligible activities (B)</b>		<b>14,8</b>	<b>2,38%</b>																	
<b>Total (A+B)</b>		<b>624,8</b>																		

In 2022, Polenergia Group realised capital expenditure amounting to PLN 624.8 million. Most of it related to Taxonomy-eligible economic activities, including:

- ▶ CapEx related to economic activity 4.3. *Electricity generation from wind power* amounted to PLN 556.9 million (90.04% of total CapEx)
- ▶ CapEx related to economic activity 4.9. *Transmission and distribution of electricity* amounted to PLN 28.9 million (4.63% of total CapEx)
- ▶ CapEx related to economic activity 4.1. *Electricity generation using solar photovoltaic technology* amounted to PLN 11.7 million (1.88% of total CapEx)
- ▶ CapEx related to economic activity 4.31. *Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system* amounted to PLN 2.7 million (0.43% of total CapEx)
- ▶ CapEx related to economic activity 4.30. *High-efficiency co-generation of heat/cool and power from fossil gaseous fuels* amounted to PLN 2.2 million (0.36% of total CapEx)
- ▶ CapEx related to economic activity 6.15. *Infrastructure enabling low-carbon road transport and public transport* amounted to PLN 1.0 million (0.16% of total CapEx)
- ▶ CapEx related to economic activity 7.6. *Installation, maintenance and repair of renewable energy technologies* amounted to PLN 0.8 million (0.13% of total CapEx)

In the case of economic activity 4.30. *High-efficiency co-generation of heat/cool and power from fossil gaseous fuels*, it was determined that the criteria for a substantial contribution to climate change mitigation were not met, so despite meeting all the "do no significant harm" criteria the related CapEx was considered Taxonomy-eligible but not Taxonomy-aligned.

In the case of all other activities, it was confirmed that the relevant criteria of substantial contribution to climate change mitigation and the "do no significant harm" criteria were met, and therefore the related CapEx was considered to be Taxonomy-aligned.

In addition, the Group realised capital expenditure amounting to PLN 14.8 million (2.38% of total CapEx) related to Taxonomy non-eligible activities. This CapEx mainly related to acquisition and valuation of leasing in the company Polenergia S.A.

In 2022, the share of CapEx related to Taxonomy-aligned activities in total CapEx was 97.27%, and the share of CapEx related to Taxonomy-eligible but not Taxonomy-aligned activities was 0.36%. In total, the proportion of capital expenditure related to Taxonomy-eligible activities was 97.62%. The remaining 2,38% of CapEx represented Taxonomy non-eligible activities, i.e. those for which the regulator did not determine technical screening criteria in the annexes to the delegated act.

**Tables presenting CapEx related to the economic activities defined in sections 4.26. to 4.31. of Annexes I and II of Commission Delegated Regulation (EU) 2021/2139**

**Taxonomy-aligned economic activities (denominator)**

	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	2.7	0.4%	2.7	0.4%	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the CapEx</b>	<b>605,1</b>	<b>99,6%</b>	<b>605,1</b>	<b>99,6%</b>	<b>0,0</b>	<b>0,0%</b>

8.	<b>Total CapEx</b>	<b>624,8</b>	<b>100,0%</b>	<b>624,8</b>	<b>100,0%</b>	<b>0,0</b>	<b>0,0%</b>
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### Taxonomy-aligned economic activities (numerator)

	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the CapEx	2.7	0.4%	2.7	0.4%	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the CapEx</b>	<b>605,1</b>	<b>99,6%</b>	<b>605,1</b>	<b>99,6%</b>	<b>0,0</b>	<b>0,0%</b>
8.	<b>Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the CapEx</b>	<b>607,7</b>	<b>100,0%</b>	<b>607,7</b>	<b>100,0%</b>	<b>0,0</b>	<b>0,0%</b>

### Taxonomy-eligible but not Taxonomy-aligned economic activities (numerator)

	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	2.2	0.36%	2.2	0.36%	0.0	0.0%
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the CapEx</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>
8.	<b>Total amount and proportion of Taxonomy eligible but not Taxonomy-aligned economic activities in the denominator of the CapEx</b>	<b>2.2</b>	<b>0.36%</b>	<b>2.2</b>	<b>0.36%</b>	<b>0.0</b>	<b>0.0%</b>

### Taxonomy non-eligible economic activities

	Economic activities	Amount	Proportion
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5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	0.0	0.0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the CapEx	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the CapEx</b>	<b>14,8</b>	<b>2,37%</b>
8.	<b>Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the CapEx</b>	<b>14,8</b>	<b>2,37%</b>

## Operating expenditure (OpEx)

**Table 3: Proportion of Taxonomy-aligned operating expenditure (OpEx)**

Economic activities	Code(s)	Absolute OpEx	Proportion of OpEx	Substantial contribution criteria						DNSH criteria ("Does Not Significantly Harm")						Minimum safeguards	Taxonomy-aligned proportion of OpEx, year N	Taxonomy-aligned proportion of OpEx, year N-1	Category (enabling activity or)	Category (transition activity)
		PLN million	%	%	%	%	%	%	%	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	Y/N	%	%	E	T

### A. TAXONOMY-ELIGIBLE ACTIVITIES

#### A.1. Environmentally sustainable activities (Taxonomy-aligned)

Electricity generation using solar photovoltaic technology	4.1.	1.3	2.23%	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %		Y	Y	Y	Y	Y	Y	2,23%	n/a		
Electricity generation from wind power	4.3.	47.8	81.79%	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %		Y	Y	Y	Y	Y	Y	81,79%	n/a		
Transmission and distribution of electricity	4.9.	3.7	6.34%	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %		Y	Y	Y	Y	Y	Y	6,34%	n/a		
Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system	4.31.	0.4	0.76%	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %		Y	Y	Y	Y	Y	Y	0,76%	n/a		
Infrastructure enabling low-carbon road transport and public transport	6.15.	0,002	0,003%	100.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %		Y	Y	Y	Y	Y	Y	0,003%	n/a	E	

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OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)		53.2	91.14%	91.14%	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %								91,14%	n/a		
<b>A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)</b>																				
High-efficiency co-generation of heat/cool and power from fossil gaseous fuels	4.30.	5.2	8.86%	0.00%	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	Y	Y	Y	Y	Y	Y	Y				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		5.2	8.86%	91.14%	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %								8.86%	n/a		
Total (A.1.+A.2.)		58.4	100.00%														100.00%	n/a		
<b>B. TAXONOMY-NON-ELIGIBLE ACTIVITIES</b>																				
OpEx of Taxonomy-non-eligible activities (B)		0.0	0.00%																	
Total (A+B)		58.4																		

In 2022, Polenergia Group incurred operating expenditure amounting to PLN 58.4 million, which was exclusively related to Taxonomy-eligible economic activities, including:

- ▶ OpEx related to economic activity 4.3. *Electricity generation from wind power* amounted to PLN 47.8 million (81.79% of total OpEx)
- ▶ OpEx related to economic activity 4.30. *High-efficiency co-generation of heat/cool and power from fossil gaseous fuels* amounted to PLN 5.2 million (8.86% of total OpEx)
- ▶ OpEx related to economic activity 4.9. *Transmission and distribution of electricity* amounted to PLN 3.7 million (6.34% of total OpEx)



- ▶ OpEx related to economic activity 4.1. *Electricity generation using solar photovoltaic technology* amounted to PLN 1.3 million (2.23% of total OpEx)
- ▶ OpEx related to economic activity 4.31. *Production of heat/cool from fossil gaseous fuels in an efficient district heating and cooling system* amounted to PLN 0.4 million (0.76% of total OpEx)
- ▶ OpEx related to economic activity 6.15. *Infrastructure enabling low-carbon road transport and public transport* amounted to PLN 2 thousand (0.003% of total OpEx)

In the case of economic activity 4.30. *High-efficiency co-generation of heat/cool and power from fossil gaseous fuels*, it was determined that the criteria for a substantial contribution to climate change mitigation were not met, so despite meeting all the "do no significant harm" criteria the related OpEx was considered Taxonomy-eligible but not Taxonomy-aligned.

In the case of all other activities, it was confirmed that the relevant criteria of substantial contribution to climate change mitigation and the "do no significant harm" criteria were met, and therefore the related OpEx was considered to be Taxonomy-aligned.

In 2022, the share of OpEx related to Taxonomy-aligned activities in total OpEx was 91.14%, and the share of OpEx related to Taxonomy-eligible but not Taxonomy-aligned activities was 8.86%. In total, the proportion of operating expenditure related to Taxonomy-eligible activities was 100.00%.

**Tables presenting OpEx related to the economic activities defined in sections 4.26. to 4.31. of Annexes I and II of Commission Delegated Regulation (EU) 2021/2139**

**Taxonomy-aligned economic activities (denominator)**

	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.4	0.76%	0.4	0.76%	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the OpEx</b>	<b>52.8</b>	<b>90.4%</b>	<b>52.8</b>	<b>90.4%</b>	<b>0.0</b>	<b>0.0%</b>
8.	<b>Total OpEx</b>	<b>58.4</b>	<b>100.0%</b>	<b>58.4</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.0%</b>

### Taxonomy-aligned economic activities (numerator)

	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
6.	Amount and proportion of Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the numerator of the OpEx	0.4	0.8%	0.4	0.8%	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the OpEx</b>	<b>52.8</b>	<b>99.2%</b>	<b>52.8</b>	<b>99.2%</b>	<b>0.0</b>	<b>0.0%</b>
8.	<b>Total amount and proportion of Taxonomy-aligned economic activities in the numerator of the OpEx</b>	<b>53.2</b>	<b>100.0%</b>	<b>53.2</b>	<b>100.0%</b>	<b>0.0</b>	<b>0.0%</b>

### Taxonomy-eligible but not Taxonomy-aligned economic activities (numerator)

	Economic activities	Amount and proportion					
		CCM+CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
5.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	5.2	8.86%	5.2	8.86%	0.0	0.0%
6.	Amount and proportion of Taxonomy-eligible but not Taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%	0.0	0.0%	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-eligible but not Taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the OpEx</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>
8.	<b>Total amount and proportion of Taxonomy eligible but not Taxonomy-aligned economic activities in the denominator of the OpEx</b>	<b>5.2</b>	<b>8.86%</b>	<b>5.2</b>	<b>8.86%</b>	<b>0.0</b>	<b>0.0%</b>

### Taxonomy non-eligible economic activities

	Economic activities	Amount	Proportion
5.	Amount and proportion of economic activity referred to in row 5 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%
6.	Amount and proportion of economic activity referred to in row 6 of Template 1 that is Taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Commission Delegated Regulation 2021/2139 in the denominator of the OpEx	0.0	0.0%
7.	<b>Amount and proportion of other Taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the OpEx</b>	<b>0.0</b>	<b>0.0%</b>
8.	<b>Total amount and proportion of Taxonomy-non-eligible economic activities in the denominator of the OpEx</b>	<b>0.0</b>	<b>0.0%</b>

## **7. Climate change and the environment**

### **Management of the environment and climate change area**

Polenergia cares for the environment and development of a sustainable society to ensure the well-being of present and future generations. The Group always carries out its projects in accordance with the highest social, environmental and ethical standards.

Polenergia responds to the requirements of its stakeholders, including those of financial institutions (Equator Principles, IFC standards), in terms of the environment, health and safety. By careful selection of environmentally friendly projects, it builds trust with banks and financial institutions. It complies with local and EU environmental law, analyses the environmental impact of its development, construction and operational activities, respects emission limits and ensures reliable reporting.

The impact of Polenergia Group's activities on the environment and climate results mostly from its production activities, including the combustion of natural gas at the CHP Plant in Nowa Sarzyna and the operation of other energy facilities generating energy from renewable sources. Due to the activity profile and business model adopted by Polenergia Group, focused on providing its customers with clean energy generated with respect for the environment, the impact of Polenergia Group in the area of climate change is largely positive. By offering products with the Energy 2051 Certificate, the Group contributes to the implementation of the Paris Agreement and provides effective solutions to support the energy transition process. Polenergia Group's positive contribution results from energy generation from wind and photovoltaic farms. The installation process of our facilities is carried out in line with the highest standards of biodiversity due diligence. We make every effort to minimise our actual and potential impact at every stage of the project.

We are aware of the impact we have on the environment through all parts of our value chain, also beyond our own operations. Polenergia Group actively interacts with a range of key stakeholders, including the UN Global Compact, to promote collaboration in the area of environmental protection and climate change prevention.

The key policies of Polenergia Group in the environmental area include:

- ▶ Environmental and Social Policy
- ▶ Agreement on environmental standards for subcontractors
- ▶ Grievance mechanism procedure

In addition, a certified environmental management system according to the ISO 14001 standard has been implemented at the CHP Plant in Nowa Sarzyna.

The above-mentioned policies constitute guidelines for managing Polenergia Group's material impact on the environment and climate at key stages of the value chain, including, in particular, its own operations and its relationships with subcontractors.

The implementation of initiative in the area of environmental protection and climate is the responsibility of the Environmental Protection and Sustainable Development Department. Direct supervision over the implementation of the activities is exercised by the Head of the Environmental Protection and Sustainable Development Department.

### **Significant changes in the management of the area in 2022**

In 2022, there a number of significant changes were introduced in terms of Polenergia Group's approach to sustainability management. Examples include:

- ▶ Implementation of continuous environmental monitoring for all ongoing investments of Polenergia Group.
- ▶ Successive introduction of a policy of communication with stakeholders and the public with the use of the Grievance Procedure, including the possibility to submit comments or report violations concerning environmental issues with respect to all newly developed projects of the Group.
- ▶ Development of Polenergia Group's Code of Ethics, which imposes responsibility also in the area of environmental and climate protection.
- ▶ Introduction of environmental monitoring and analysis on photovoltaic farms to evaluate measures implemented to improve biodiversity.
- ▶ Additional analyses in the scope of promoting biodiversity at wind farms both during the stage of construction and operation.

### **Climate change and long-term outlook for the Group's business**

According to IPCC reports, the energy sector is a major emitter of greenhouse gases (35% of global emissions in 2010). Despite repeated attempts to curb emissions, including the Kyoto Protocol, the sector's emissivity is gradually increasing, as can be seen from the jump in average annual emissions from 1.7% between 1990 and 2000 to 3.1% between 2000 and 2010.<sup>7</sup>

The international agreements that have been developed adopt 2050 as the target year for achieving net-zero emissions. For example, the NZE (Net-zero emission) 2050 scenario of the IEA (International Energy Agency) is based on the following assumptions:

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<sup>7</sup> [https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc\\_wg3\\_ar5\\_chapter7.pdf](https://www.ipcc.ch/site/assets/uploads/2018/02/ipcc_wg3_ar5_chapter7.pdf)

- ▶ Implementation of all available emission reduction technologies and measures is dictated by their cost, technological maturity, political preferences, as well as market and domestic conditions.
- ▶ All countries work together to achieve net zero emissions globally. This includes all countries participating in efforts to achieve a net zero target, working together in an effective and mutually beneficial manner, recognising the different stages of economic development of countries and regions and the importance of ensuring an equitable transition.
- ▶ An orderly transition across the energy sector. This includes ensuring security and continued supply of fuel and electricity, minimising stranded assets where possible, and seeking to avoid volatility on energy markets.<sup>8</sup>

The net-zero scenarios assume a concerted effort at energy transition that includes taking measures to transform the business model of power generating companies. Polenergia Group's business model is based on generating energy through renewable energy sources and providing low-carbon solutions, such as prosumer installations and heat pumps, thus becoming a link in the energy transformation chain. The implementation of activities aimed at Polenergia Group's adaptation to climate change is supervised by Board Member Ms Iwona Sierżęga, who manages the Environmental Protection and Sustainable Development Department dealing with the implementation of ESG activities.

## **Generation, distribution and sale of energy**

### **[417-1] [417-2] [417-3]**

#### **Generation**

Power generation is at the core of Polenergia Group's business model. Polenergia operates in the RES sector, using modern wind turbine and photovoltaic panel technologies to produce clean energy. Polenergia Group's unique portfolio consists of a number of wind and photovoltaic facilities as well as a gas-fired CHP plant in Nowa Sarzyna.

As at the end of 2022, Polenergia Group's total portfolio of operating RES facilities had a generation capacity of 351 MW.

The following investments were completed during 2022:

- ▶ Kostomłoty Wind Farm with a generation capacity of 27 MW.
- ▶ Sulechów Photovoltaic Farm Complex II and III with a total generation capacity of 11.7 and 9.8 MWp.
- ▶ Buk I Photovoltaic Farm with a total generation capacity of 6.4 MWp.

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<sup>8</sup> <https://www.iea.org/reports/global-energy-and-climate-model/net-zero-emissions-by-2050-scenario-nze#abstract>



- **Dębsk Wind Farm (Polenergia Farma Wiatrowa 3 sp. z o.o.).** In October 2022, the project obtained the Use Permit, and in January 2023, a concession for the production of green energy. Dębsk wind farm is located in Żuromin Commune and Kluczbork Osada Commune in Żuromin Powiat, Mazovian Voivodeship. Dębsk WF configuration comprises 55 turbines with a capacity of 2.2 MW. The wind farm has a total capacity of 121 MW making it one of the largest wind farms in Poland.

After the commissioning of the Dębsk Wind Farm, the total portfolio of operational RES installations of the Polenergia Group increased up to 472MW at the end of January 2023.

Construction works are underway on the following projects:

- **Piekło Wind Farm**

Piekło Wind Farm (Polenergia Farma Wiatrowa 16 Sp. z o.o. and Polenergia Farma Wiatrowa Piekło Sp. z o.o.), is located in Międzychód Commune and Kwilcz Commune, Międzychód Powiat, Greater Poland Voivodeship. 6 turbines are currently under construction on the farm. Total capacity of the wind farm will be 13,2 MW.

- **Grabowo Wind Farm**

Grabowo Wind Farm (Polenergia Farma Wiatrowa Grabowo Sp. z o.o.) is located in Grabowo Commune, Kolno Powiat, Podlasie Voivodeship. 20 turbines are currently under construction on the farm, the total capacity of which will be 44 MW.

- **The Strzelino Photovoltaic Farm**

Strzelino Photovoltaic Farm (Polenergia Obrót 2 Sp. z o.o.) is located within the town of Strzelino in the Słupsk commune, Słupsk powiat, Pomeranian Voivodeship. Construction works began in March 2023. Completion of construction is planned for December 2023. The total capacity of the farm will be 45.15 MWp.

The presented summary shows the total amount of energy generated by Polenergia Group's facilities in 2022. The energy from non-renewable sources indicated in the summary was generated at the CHP Plant in Nowa Sarzyna.

		Polenergia Group
	unit	2022
Electricity generated from renewable energy sources	MWh	1,053,486.53
- including energy consumed on-site	MWh	310.40
Electricity generated from non-renewable energy sources	MWh	80,955.34
Total	MWh	1,134,441.88

In 2022, the CHP Plant in Nowa Sarzyna produced 427,227 GJ of thermal energy, of which 415,723 GJ was sold.

## Trading and sales

**Polenergia Obrót** specialises in the wholesale trading of electricity, gas, property rights, CO2 emission allowances and certificates of origin. It operates on the Polish, German, Czech, Slovak, Hungarian and Ukrainian markets. It also offers a wide range of products and services dedicated to big industrial customers and green energy producers.

Since October 2013, Polenergia Obrót has been a direct member of the Polish Power Exchange and a member of the European Federation of Energy Traders (EFET). Since 2013, it has been a direct member of the EPEX SPOT SE exchange and since 2018 also of the EEX exchange. Since 2016, it has been trading on the ICE exchange in London in CO2 allowances. In addition, Polenergia Obrót operates in the area of trading in property rights related to certificates of origin, both with a view to long-term contracts and spot transactions.

**Polenergia Dystrybucja** constructs and maintains its own power engineering infrastructure throughout Poland, in order to provide electricity distribution and sales services. Polenergia Dystrybucja's customer base includes small, medium and large enterprises as well as housing cooperatives and individual customers.

**Polenergia Sprzedaż** sells energy with the proprietary Energy 2051 sales standard. This is a registered trademark, which guarantees that customers receive clean, renewable and zero-emission green energy compliant with the European Green Deal guidelines.

The main objectives of the Energy 2051 Standard:

- ▶ education on renewable energy sources,
- ▶ promotion of green energy among business and individual consumers,
- ▶ promotion of optimal use of own energy resources,
- ▶ raising awareness of customers on the energy market,
- ▶ development of renewable energy sources (implementation of offshore wind power projects),
- ▶ improvement of energy efficiency.

The Energy 2051 standard guarantees climate-neutral products that meet the energy demand of Polenergia's customers from renewable sources available in Poland, at all times, all around the year. Each customer who concludes an agreement with the Energy 2051 standard receives an Energy 2051 certificate with the TÜV SÜD marking, which confirms the quality of services and energy, as well as compliance with national and international standards.

## Sales indicators

The following table shows important sales indicators for individual companies from Polenergia Group.

	unit	2022
<b>Polenergia Dystrybucja</b>		
Residential Segment	MWh	52,556.47
sales of energy from non-renewable sources	MWh	51,498.71
sales of energy from renewable sources	MWh	1,057.76
Industrial segment	MWh	21,759.02
sales of energy from non-renewable sources	MWh	11,366.40
sales of energy from renewable sources	MWh	10,392.63
Commercial segment	MWh	50,324.82
sales of energy from non-renewable sources	MWh	47,667.65
sales of energy from renewable sources	MWh	2,657.17
<b>Polenergia Sprzedaż</b>		
total sales of energy from non-renewable sources	MWh	392.60
total sales of energy from renewable sources	MWh	41,023.74
total sales of energy	MWh	41,416.34
<b>Polenergia Obrót</b>		
total sales of energy from non-renewable sources	MWh	2,860,030.22
total sales of energy from renewable sources	MWh	764,643.23
total sales of energy	MWh	3,624,673.45
<b>Polenergia Fotowoltaika</b>		
photovoltaic installations	units	8,829.00
total installed capacity of photovoltaic installations	MWp	61.47
heat pumps	units	661.00
total installed capacity of heat pumps	MW	3,284.14
energy storage facilities	units	0.00
total installed capacity of energy storage facilities	MW	0.00

total sales of energy from non-renewable sources	MWh	0.00
total sales of energy from renewable sources	MWh	0.00
number of installed charging stations	units	23
<b>Polenergia eMobility</b>		
number of installed public charging stations	units	13

## Fuel and energy consumption

**[302-1] [302-3] [302-4] [302-5]**

The main location where fossil fuels (in particular high-methane natural gas) are consumed is the CHP Plant in Nowa Sarzyna. In addition, small amounts of fuel are consumed in connection with the operational activities under certain investment projects and in connection with the maintenance of office space.

The table below shows the key indicators in terms of fuel and energy consumption.

## Fuel and energy consumption

		POLENERGIA S.A.			POLENERGIA GROUP		
	Unit	2021	2022	y/y change	2021	2022	y/y change
<b>Fuel consumed by buildings and installations</b>							
Natural gas	MWh	0.0	0.0	-	544,534.7	287,362.3	-47.2%
Heating oil	MWh	0.0	0.0	-	90.3	3.6	-96.0%
<b>Total fuel consumed by buildings and installations</b>	<b>MWh</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>544,625.0</b>	<b>287,365.9</b>	<b>-47.2%</b>
<b>Fuel used for transport (own fleet)</b>							
Petrol	MWh	22.8	458.7	1916.0%	56.0	5,466.4	9655.2%
Diesel	MWh	13.8	271.8	1863.5%	155.6	1,600.9	928.9%
LPG	MWh	0.0	0.0	-	0.2	16.4	7789.3%
<b>Total fuel used for transport (own fleet)</b>	<b>MWh</b>	<b>36.6</b>	<b>730.5</b>	<b>1896.1%</b>	<b>211.8</b>	<b>7,083.6</b>	<b>3243.9%</b>

<b>Generated energy</b>				-			-
Electricity generated from RES consumed in operations	MWh	0.0	0.0	-	no data	310.4	-
<b>Purchased energy</b>							
Electricity	MWh	54.4	240.0	340.9%	5,810.6	13,661.8	135.1%
Thermal energy	MWh	0.0	653.1	-	0.0	653.1	-
<b>Total energy consumption</b>	<b>MWh</b>	<b>91.0</b>	<b>1,623.5</b>	<b>1683.6%</b>	<b>550,647.4</b>	<b>309,074.7</b>	<b>-43.9%</b>

### Consumed energy from renewable and non-renewable energy sources

		POLENERGIA S.A.			POLENERGIA GROUP		
	unit	2021	2022	y/y change	2021	2022	y/y change
Energy consumed from all renewable sources (from fuel and purchased energy)	MWh	9.5	41.7	341.0%	855.6	7,258.6	748.4%
<i>Percentage of energy consumed from renewable sources</i>	%	10.4%	2.6%	-7.8%	0.2%	2.3%	2.2%
Energy consumed from all non-renewable sources (from fuel and purchased energy)	MWh	81.6	1,581.8	1839.4%	549,791.9	301,816.0	-45.1%
<i>Percentage of energy consumed from non-renewable sources</i>	%	89.6%	97.4%	7.8%	99.8%	97.7%	-2.2%
<b>Total energy consumed from all sources</b>	<b>MWh</b>	<b>91.0</b>	<b>1,623.5</b>	<b>1683.7%</b>	<b>550,647.4</b>	<b>309,074.7</b>	<b>-43.9%</b>
Energy consumed from renewable sources per PLN 1 million of revenue	<i>MWh/1mln PLN</i>	<i>0,374</i>	<i>1,172</i>	<i>213,08%</i>	<i>0,276</i>	<i>1,024</i>	<i>270,55%</i>
Energy consumed from non-renewable sources per PLN 1 million of revenue	<i>MWh/1mln PLN</i>	<i>3,228</i>	<i>44,454</i>	<i>1276,96%</i>	<i>177,563</i>	<i>42,574</i>	<i>-76,02%</i>
<b>Energy consumed from all sources per 1 MWh of generated energy</b>	<b><i>MWh/1 MWh</i></b>	<b>-</b>	<b>-</b>	<b>-</b>	<b><i>0,565</i></b>	<b><i>0,272</i></b>	<b><i>-51,78%</i></b>
<b>Energy consumed from all sources per PLN 1 million of revenue</b>	<b><i>MWh/1mln PLN</i></b>	<b><i>3,603</i></b>	<b><i>45,626</i></b>	<b><i>1166,41%</i></b>	<b><i>177,840</i></b>	<b><i>43,598</i></b>	<b><i>-75,48%</i></b>

### **Reduction in fuel and energy consumption**

- ▶ In line with the principles of corporate social responsibility and sustainability, since January 2020 the Company has been buying electric and hybrid (plug-in) vehicles. The purchase of vehicles with an internal combustion engine for business purposes is only permitted in exceptional and justified cases. Each time, such a purchase must be approved by the Management Board of the Company upon prior consultation with the responsible person.

### **Reduction of greenhouse gas emissions**

**[305-1] [305-2] [305-3] [305-4] [305-5]**

Polenergia Group's business model is based on the production of energy from renewable sources. The Group's routine emissions are related to fuel combustion for transport purposes and purchase of heat and electricity. The vast majority of emissions are caused by the generation of energy and heat at the CHP Plant in Nowa Sarzyna. However, it should be emphasised that the gas source produces half the emissions per unit of fuel compared to coal. Gas-fired facilities, including the CHP plant in Nowa Sarzyna, offer flexibility and full control, which makes them an excellent complement to RES sources. In addition, the CHP plant at Nowa Sarzyna, thanks to a contract signed with Polskie Sieci Elektroenergetyczne, plays an extremely important role in the restoration of the power system in the event of power outage.

### **Limits of reported emissions**

- ▶ The calculations for the parent company Polenergia S.A. include fuel and energy consumption without exceptions.
- ▶ The calculations for the Group include all subsidiaries and the parent company, in accordance with operational and financial control. The calculations exclude companies that had no operational activities significantly affecting fuel and energy consumption in 2022.

### **Scope of reported emissions**

Polenergia Group reports Scope 1 and Scope 2 emissions according to the GHG Protocol methodology.

- ▶ Direct emissions (Scope-1) result from the combustion of fuels in stationary or mobile sources owned or supervised by the company, as well as from technological processes and refrigerant leaks.
- ▶ Indirect emissions (Scope-2) result from the consumption of imported electricity, heat, process steam and refrigeration. Scope-2 emissions are calculated using two methods. The location-based calculation method takes

into account the average emissions intensity of grids on which energy consumption occurs. The market-based calculation method, in turn, is designed to show an informed choice of energy supplier - it presents emissions calculated according to supplier-specific intensity.

### **Calculation methodology and assumptions**

- ▶ Emissions were calculated using tools provided by the GHG Protocol (<https://ghgprotocol.org/calculation-tools>). Calculations were made for the six GHGs (CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFCs, PFCs, SF<sub>6</sub>) included in the GHG Protocol. The values are given in tonnes (Mg) of standard carbon dioxide equivalent units (CO<sub>2</sub>e);
- ▶ For the calculation of Scope 2 location-based emissions, average emission intensity factors for electricity and heat generation listed by the National Centre for Emissions Management were used. Emissions from the generation of consumed electricity were calculated according to the market-based method, where the emission factors provided by the seller were used for electricity (in cases when the seller was known), while the factor of 0 kg CO<sub>2</sub>e/kWh was adopted for energy from RES confirmed by Certificates of Origin;
- ▶ For heat, intensity factors of the generated thermal energy were adopted according to data reported by Polish Energy Regulatory Office;
- ▶ The Global Warming Potential (GWP) factors used in the calculations are in accordance with the Fifth Assessment Report of the IPCC (AR5).

### **Commentary on the results**

Due to the fact that the core operating activities take place outside the parent company Polenergia S.A., the statement for Polenergia Group includes representative results for emissions. A significant part of Scope 1 GHG emissions (96.96%) results from the operational activities of the CHP Plant in Nowa Sarzyna, where high-methane natural gas used as a raw material for the production of electricity and heat is combusted. Occasionally, mainly for testing purposes, fuel oil is also used. In 2022, a 48% decrease in Scope 1 was observed compared to the previous year due to a significant reduction in the amount of electricity generated at the CHP plant. The main reason for the CHP unit and heat production in auxiliary boilers being shut down for most of the year was the unprecedented situation on the gas market caused by the war in Ukraine. High gas prices prevented achieving a positive margin on electricity production.

		POLENERGIA GROUP		
	unit	2021	2022	y/y change
<b>Scope 1</b>				
Emissions resulting from fuel consumption by buildings and installations	Mg CO2e	109,899.1	57,704.0	-47.5%
Emissions resulting from fuel consumption for transport purposes	Mg CO2e	55.8	1,829.5	3181.1%
Emissions resulting from refrigerant leakage	Mg CO2e	5.8	47.0	712.8%
Total GHG Scope 1 emissions	Mg CO2e	109,960.7	59,580.5	-45.8%
<i>Scope 2 location-based emissions per MWh of renewable energy generated</i>	<i>kg CO2e/1MWh</i>	<b>no data</b>	56.556	-
<i>Scope 2 location-based emissions per MWh of non-renewable energy generated</i>	<i>Mg CO2e/1MWh</i>	<b>no data</b>	0.736	-
<i>Scope 2 location-based emissions per MWh of energy generated</i>	<i>kg CO2e/1MWh</i>	<b>112.824</b>	52.520	-53.4%
<i>Scope 1 emissions per 1 mln PLN revenue</i>	<i>Mg CO2e/1 mln PLN</i>	<b>35,513</b>	<b>8,320</b>	-76,6%
<b>Scope 2 location-based</b>				-
Emissions resulting from the purchase of electricity	Mg CO2e	4,328.9	9,672.5	123.4%
Emissions resulting from the purchase of thermal energy	Mg CO2e	0.0	239.9	-
Total GHG Scope 2 location-based emissions	Mg CO2e	4,328.9	9,912.4	129.0%
<i>Scope 2 location-based emissions per MWh of renewable energy generated</i>	<i>kg CO2e/1MWh</i>	<b>no data</b>	9.409	-
<i>Scope 2 location-based emissions per MWh of non-renewable energy generated</i>	<i>Mg CO2e/1MWh</i>	<b>no data</b>	0.122	-
<i>Scope 2 location-based emissions per MWh of energy generated</i>	<i>kg CO2e/1MWh</i>	<b>4.442</b>	8.738	96.7%
<i>Scope 2 location-based emissions per 1 mln PLN revenue</i>	<i>Mg CO2e/1 mln PLN</i>	<b>1,398</b>	<b>1,398</b>	0,0%
<b>Scope 2 market-based</b>				-
Total GHG Scope 2 market-based emissions	Mg CO2e	3,779.5	7,496.26	98.3%
<i>Scope 2 location-based emissions per MWh of renewable energy generated</i>	<i>kg CO2e/1MWh</i>	<b>no data</b>	7.116	-
<i>Scope 2 location-based emissions per MWh of non-renewable energy generated</i>	<i>Mg CO2e/1MWh</i>	<b>no data</b>	0.093	-



Scope 2 location-based emissions per MWh of energy generated	kg CO <sub>2</sub> e/1MWh	<b>3.878</b>	6.608	70.4%
Scope 2 market-based emissions per 1 mln PLN revenue	Mg CO <sub>2</sub> e/1 mln PLN	<b>1,221</b>	<b>1,057</b>	-13,4%
<b>Scope 1+2 location-based</b>				-
Total GHG Scope 1+2 location-based emissions	Mg CO <sub>2</sub> e	114,289.6	69,492.9	-39.2%
Scope 2 location-based emissions per MWh of renewable energy generated	kg CO <sub>2</sub> e/1MWh	<b>no data</b>	65.965	-
Scope 2 location-based emissions per MWh of non-renewable energy generated	Mg CO <sub>2</sub> e/1MWh	<b>no data</b>	0.858	-
Scope 2 location-based emissions per MWh of energy generated	kg CO <sub>2</sub> e/1MWh	<b>117.265</b>	61.257	-47.8%
Scope 1+2 location-based emissions per 1 mln PLN revenue	Mg CO <sub>2</sub> e/1 mln PLN	<b>36,911</b>	<b>9,718</b>	-73,7%
<b>Scope 1+2 market-based</b>				-
Total GHG Scope 1+2 market-based emissions	Mg CO <sub>2</sub> e	113,740.2	67,076.8	-41.0%
Scope 2 location-based emissions per MWh of renewable energy generated	kg CO <sub>2</sub> e/1MWh	<b>no data</b>	63.671	-
Scope 2 location-based emissions per MWh of non-renewable energy generated	Mg CO <sub>2</sub> e/1MWh	<b>no data</b>	0.829	-
Scope 2 location-based emissions per MWh of energy generated	kg CO <sub>2</sub> e/1MWh	<b>116.702</b>	59.128	-49.3%
Scope 1+2 market-based emissions per 1 mln PLN revenue	Mg CO <sub>2</sub> e/1 mln PLN	<b>36,734</b>	<b>9,377</b>	-74,5%

		POLENERGIA S.A.		
	unit	2021	2022	y/y change
<b>Scope 1</b>				
Emissions resulting from fuel consumption by buildings and installations	Mg CO <sub>2</sub> e	0.0	0.0	-
Emissions resulting from fuel consumption for transport purposes	Mg CO <sub>2</sub> e	36.6	190.6	420.8%
Emissions resulting from refrigerant leakage	Mg CO <sub>2</sub> e	0.0	47.0	-
Total GHG Scope 1 emissions	Mg CO <sub>2</sub> e	36.6	237.6	549.2%
Scope 2 location-based emissions per MWh of renewable energy generated	kg CO <sub>2</sub> e/1MWh	-	-	-

<i>Scope 2 location-based emissions per MWh of non-renewable energy generated</i>	<i>Mg CO2e/1MWh</i>	-	-	-
<i>Scope 2 location-based emissions per MWh of energy generated</i>	<i>kg CO2e/1MWh</i>	-	-	-
<i>Scope 1 emissions per 1 mln PLN revenue</i>	<i>Mg CO2e/1 mln PLN</i>	<b>1,449</b>	<b>6,677</b>	360,9%
<b>Scope 2 location-based</b>				-
Emissions resulting from the purchase of electricity	Mg CO2e	40.6	169.9	319.0%
Emissions resulting from the purchase of thermal energy	Mg CO2e	0.0	239.9	-
Total GHG Scope 2 location-based emissions	Mg CO2e	40.6	409.8	910.6%
<i>Scope 2 location-based emissions per MWh of renewable energy generated</i>	<i>kg CO2e/1MWh</i>	-	-	-
<i>Scope 2 location-based emissions per MWh of non-renewable energy generated</i>	<i>Mg CO2e/1MWh</i>	-	-	-
<i>Scope 2 location-based emissions per MWh of energy generated</i>	<i>kg CO2e/1MWh</i>	-	-	-
<i>Scope 2 location-based emissions per 1 mln PLN revenue</i>	<i>Mg CO2e/1 mln PLN</i>	<b>1,605</b>	<b>11,516</b>	617,5%
<b>Scope 2 market-based</b>				-
Total GHG Scope 2 market-based emissions	Mg CO2e	23.9	345.82	1347.5%
<i>Scope 2 location-based emissions per MWh of renewable energy generated</i>	<i>kg CO2e/1MWh</i>	-	-	-
<i>Scope 2 location-based emissions per MWh of non-renewable energy generated</i>	<i>Mg CO2e/1MWh</i>	-	-	-
<i>Scope 2 location-based emissions per MWh of energy generated</i>	<i>kg CO2e/1MWh</i>	-	-	-
<i>Scope 2 market-based emissions per 1 mln PLN revenue</i>	<i>Mg CO2e/1 mln PLN</i>	<b>0,946</b>	<b>9,718</b>	927,7%
<b>Scope 1+2 location-based</b>				-
Total GHG Scope 1+2 location-based emissions	Mg CO2e	49.9	647.4	1197.6%
<i>Scope 2 location-based emissions per MWh of renewable energy generated</i>	<i>kg CO2e/1MWh</i>	-	-	-
<i>Scope 2 location-based emissions per MWh of non-renewable energy generated</i>	<i>Mg CO2e/1MWh</i>	-	-	-
<i>Scope 2 location-based emissions per MWh of energy generated</i>	<i>kg CO2e/1MWh</i>	-	-	-

<i>Scope 1+2 location-based emissions per 1 mln PLN revenue</i>	<i>Mg CO2e/1 mln PLN</i>	<b>1,975</b>	<b>18,193</b>	821,3%
<b>Scope 1+2 market-based</b>				-
Total GHG Scope 1+2 market-based emissions	Mg CO2e	33.2	583.4	1655.7%
<i>Scope 2 location-based emissions per MWh of renewable energy generated</i>	<i>kg CO2e/1MWh</i>	-	-	-
<i>Scope 2 location-based emissions per MWh of non-renewable energy generated</i>	<i>Mg CO2e/1MWh</i>	-	-	-
<i>Scope 2 location-based emissions per MWh of energy generated</i>	<i>kg CO2e/1MWh</i>	-	-	-
<i>Scope 1+2 market-based emissions per 1 mln PLN revenue</i>	<i>Mg CO2e/1 mln PLN</i>	<b>1,315</b>	<b>16,396</b>	1146,5%

### Examples of activities undertaken in 2022:

In February 2021, the CHP Plant in Nowa Sarzyna signed a contract for installation of a photovoltaic system on the roof and walls of the engine room building on the roofs of other buildings and on the ground. The construction works were completed in November 2021. Thanks to the use of cutting-edge, double-sided panels with a power of 530 Wp per unit, the total installed capacity of the system is 0.89 MWp.

The photovoltaic installation at the CHP Plant in Nowa Sarzyna will allow for a reduction of CO2 emissions by 370 tonnes per year. With an average annual yield of 920 MWh, taking into account the use for internal purposes, the savings achieved by the use of solar energy are estimated at approximately 0.6 million PLN per year.

### Raw materials

The main raw material used at the CHP Plant in Nowa Sarzyna is high-methane natural gas, the consumption of which, as well as the use of other relevant raw materials, is reported in the Fuels and Energy section.

In its 2020-2024 strategy, Polenergia has also assumed the development of projects based on gas technologies, which could balance Polenergia's portfolio and facilitate transition to hydrogen. Such projects are analysed taking into account EU Taxonomy guidelines, prices of raw materials, the possibility of gas and hydrogen co-firing and the profitability of such investments. No investment decision has been taken as yet. However, it has been assumed that both the existing CHP Plant in Nowa Sarzyna and potential new investments based on gas technologies are to be prepared for green hydrogen combustion, which will contribute to the establishment of a zero-carbon energy group in the future.

## **Natural gas market in 2022**

2022 will be certainly remembered in the history as the year of war. This event caused mass political and military turbulence at the international arena but acted also as a kind of earthquake in the energy resources sector. The existing system of resources flow in the global economy was destructed in an unprecedented way, which caused panic on the markets and dramatic surge of resource prices, including natural gas. Polenergia believes that there will be no return to the previous system and a new one will be established based on a new perspective of the aspects of geopolitical stability and security of supplies. This process will, however, require several years, during which relatively high prices of natural gas can be expected. Polenergia Group observes and tries to calmly assess the macroeconomic situation, in particular from the perspective of investment projects whose preparation, implementation and subsequent operation has to be viewed as a long-term endeavour (~20 years). The Group considers that the natural gas segment should be treated as a transitional element until the full use of green hydrogen is achieved in the future. For this reason, any potential projects will be developed based on the 'Hydrogen ready' technology so that they can be quickly and easily converted for hydrogen combustion in the future.

## **Green hydrogen innovations**

In the spring of 2022, the National Centre for Research and Development awarded funding for innovative energy projects under the first New Technologies in the Field of Energy competition. The aim of the project H2 HUB Nowa Sarzyna: Green Hydrogen Storage is to use green hydrogen, produced by electrolysis of water powered by renewable energy, for the production of sustainable aviation fuel, which will allow to reduce greenhouse gas emissions in the aviation industry without the need to construct new infrastructure and fuel depots or to develop new aircraft designs. The project is implemented by a consortium, with Polenergia as its leader, the CHP Plant in Nowa Sarzyna and the Wrocław University of Technology as its partners.

## **Waste**

### **[306-1] [306-2] [306-3] [306-4] [306-5]**

The generation of significant amounts of waste is related to the investment projects carried out by subcontractors and construction partners of wind and photovoltaic farms. Subcontractors are bound by contractual provisions to comply with regulations, exercise the utmost care in waste management and minimise the amount of waste generated. Subcontractors are contractually obliged to comply with OHS regulations, environmental protection and waste handling procedures. Subcontractors are also obliged to keep detailed records of generated waste and report them to Polenergia.

Polenergia Group has introduced a waste handling procedure, which makes the site manager responsible for waste management on site. The site manager reports information on waste management to the Head of Polenergia Group's Environmental Protection Department. The waste procedure also regulates the management of the waste generated, as well as documentation of all activities in this respect.

Employees responsible for ongoing environmental supervision at the site of the implemented projects are obliged to pay attention to any pollution and waste associated with the conducted construction works. The supervisors monitor the pollution level and notify the site manager of any waste left behind.

As part of the OHS procedures, waste storage areas are properly secured and marked in accordance with relevant regulations, and waste disposal is monitored.

What is important to ensure correctness of the investment process and maintenance of the investment in the operation are regular inspections, maintenance and servicing of the installations. These actions are essential to minimise the risk of environmental pollution.

Hazardous waste may be generated during the operation of wind farms in connection with the servicing of wind turbines.

In 2022, waste classified as hazardous (engine oils and lubricants) was generated at Puck Wind Farm due to wind turbine servicing.

The CHP Plant in Nowa Sarzyna also keeps records of the waste generated. Hazardous waste, i.e. turbine oils and transformer oils, are stored at the place of generation in dedicated tanks and collected when replaced, while other oils are stored in leak-proof labelled drums placed under a roof on a sump tray.

Non-hazardous waste is selectively collected and stored in leak-proof labelled containers which are placed under cover or at the place of generation.

	unit	POLENERGIA S.A.		
		2022		
		processed on site	processed off-site	total
<b>Waste collected and sent for recovery</b>				
<b>Hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Preparation for re-use	Mg	0.00	0.00	0.00
Recycling	Mg	0.00	0.00	0.00
Other forms of recovery	Mg	0.00	0.00	0.00
<b>Non-hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Preparation for re-use	Mg	0.00	0.00	0.00

Recycling	Mg	0.00	0.00	0.00
Other forms of recovery	Mg	0.00	0.00	0.00
<b>Total waste collected and sent for recovery</b>	<b>Mg</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Waste collected and sent for disposal</b>				
<b>Hazardous waste</b>	Mg	0.00	0.00	0.00
Incineration (with energy recovery)	Mg	0.00	0.00	0.00
Incineration (without energy recovery)	Mg	0.00	0.00	0.00
Disposal in landfills	Mg	0.00	0.00	0.00
Other waste management methods	Mg	0.00	0.00	0.00
<b>Non-hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Incineration (with energy recovery)	Mg	0.00	0.00	0.00
Incineration (without energy recovery)	Mg	0.00	0.00	0.00
Disposal in landfills	Mg	0.00	0.00	0.00
Other waste management methods	Mg	0.00	0.00	0.00
<b>Total waste collected and sent for disposal</b>	<b>Mg</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total non-hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total waste</b>	<b>Mg</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

	unit	POLENERGIA GROUP		
		2022		
		processed on site	processed off-site	total
<b>Waste collected and sent for recovery</b>				
<b>Hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
Preparation for re-use	Mg	0.00	0.00	0.00
Recycling	Mg	0.00	0.00	0.00
Other forms of recovery	Mg	0.00	0.00	0.00
<b>Non-hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>346.45</b>	<b>346.45</b>

Preparation for re-use	Mg	0.00	0.00	0.00
Recycling	Mg	0.00	346.45	346.45
Other forms of recovery	Mg	0.00	0.00	0.00
<b>Total waste collected and sent for recovery</b>	<b>Mg</b>	<b>0.00</b>	<b>346.45</b>	<b>346.45</b>
<b>Waste collected and sent for disposal</b>				
<b>Hazardous waste</b>	Mg	<b>0.00</b>	<b>4.42</b>	<b>4.42</b>
Incineration (with energy recovery)	Mg	0.00	0.00	0.00
Incineration (without energy recovery)	Mg	0.00	0.54	0.54
Disposal in landfills	Mg	0.00	2.00	2.00
Other waste management methods	Mg	0.00	1.88	1.88
<b>Non-hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>153.31</b>	<b>153.31</b>
Incineration (with energy recovery)	Mg	0.00	0.00	0.00
Incineration (without energy recovery)	Mg	0.00	3.31	3.31
Disposal in landfills	Mg	0.00	0.00	0.00
Other waste management methods	Mg	0.00	150.00	150.00
<b>Total waste collected and sent for disposal</b>	<b>Mg</b>	<b>0.00</b>	<b>157.73</b>	<b>157.73</b>
<b>Total hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>4.42</b>	<b>4.42</b>
<b>Total non-hazardous waste</b>	<b>Mg</b>	<b>0.00</b>	<b>499.76</b>	<b>499.76</b>
<b>Total waste</b>	<b>Mg</b>	<b>0.00</b>	<b>504.18</b>	<b>504.18</b>

## Protection of water resources

### [303-1] [303-2] [303-3] [303-4] [303-5]

In 2022, Polenergia Group did not carry out any activities or investments with a significant negative impact on water resources. Due to the segmentation of the business and the diversity of locations where Polenergia Group facilities are located, the Group does not have a single, comprehensive policy in the area of managing interactions with water as a shared resource or managing wastewater emissions. Handling interactions with water resources with due diligence is ensured by Polenergia Group's values and ethical principles.

## **Interactions with water as a shared resource**

Due to the nature of its operations, the **CHP Plant in Nowa Sarzyna** is a major water consumer. Water for technological purposes (industrial water) is supplied based on a long-term agreement on local services concluded with Ciech Sarzyna S.A. Ciech Sarzyna has two independent water intakes: the basic one on the Trzebośnica River and a reserve one on the San River.

Water management is covered by the integrated permit, which defines the quantity of water used for technological purposes (surface water), i.e. 220 m<sup>3</sup>/h.

**Mycielin Wind Farm** has its water supplied from a deep well based on the provisions of the water permit (document ref. No. ROŚiB.6341.20.2015). These are small amounts of water for utility purposes, but in accordance with the requirements of the law and the permit, the extracted water quantity is measured and recorded, and a report is sent to Państwowe Gospodarstwo Wodne Wody Polskie every quarter. The permit imposes an obligation to carry out interim measurements of the water table and well performance. In addition, a water meter was installed in October 2020. The remaining facilities in operation consume small quantities of water for office purposes from the water and sewage system or from tanks installed for utility purposes.

## **Wastewater emissions**

Where water is taken from intakes at wind or photovoltaic farms, appropriate permits required by the Water Law Act or contracts with suppliers are ensured.

Sanitary wastewater generated on the site of the investment is discharged into the sewage system based on agreements with entities responsible for wastewater collection or into septic tanks from which wastewater is disposed of by subcontractors as required.

On the premises of ENS, wastewater management is covered by the integrated permit, which defines the volume of industrial wastewater discharged to the sewage systems of Ciech Sarzyna S.A., i.e. 438,000 m<sup>3</sup>/year. Wastewater management is also covered by the water permit (document ref. No. RZ.ZUZ.4.421.42.2019.EB) for the directing of industrial wastewater produced in the plant, containing substances particularly harmful to the aquatic environment, into the sewage systems owned by CIECH Sarzyna S.A.

Oil separators are provided at some of the wind farms. They are subject to periodic inspection and cleaning by subcontractors.

In accordance with the law, equipment which contains more than 6 kg of refrigerant and does not have a leak detection system must be entered in a central register of operators (CRO), where all inspections and leakage tests are recorded. Selected companies of Polenergia Group, which use the above-mentioned equipment at substations, are registered in the CRO.



The table below shows a consolidated summary of indicators in the area of water and wastewater management.

		POLENERGIA S.A.	POLENERGIA GROUP
	unit	2022	2022
Water consumption			
Purchased water	m3	0.0	240,814.0
Water from own intakes	m3	0.0	156.0
<b>Total water consumption</b>	<b>m3</b>	<b>0.0</b>	<b>240,970.0</b>
<i>Water consumption per MWh of renewable energy generated</i>	<i>l/MWh</i>	-	<i>228.7</i>
<i>Water consumption per MWh of non-renewable energy generated</i>	<i>l/MWh</i>	-	<i>2,976.6</i>
<i>Water consumption per MWh of energy generated</i>	<i>l/MWh</i>	-	<i>212.4</i>
<i>Water consumption per 1 mln PLN revenue</i>	<i>m3/1mln PLN</i>	<b>0,0</b>	<b>34,0</b>
Wastewater			
Wastewater discharged into the municipal network	m3	0.0	545.0
Wastewater discharged into other networks	m3	0.0	73,483.0
<b>Total wastewater discharged</b>	<b>m3</b>	<b>0.0</b>	<b>74,028.0</b>
<i>Water consumption per MWh of renewable energy generated</i>	<i>l/MWh</i>	-	<i>70.3</i>
<i>Water consumption per MWh of non-renewable energy generated</i>	<i>l/MWh</i>	-	<i>914.4</i>
<i>Water consumption per MWh of energy generated</i>	<i>l/MWh</i>	-	<i>65.3</i>
<i>Wastewater discharged per 1 mln PLN revenue</i>	<i>m3/1mln PLN</i>	<b>0,0</b>	<b>10,4</b>

## Impact on local environment and biodiversity

**[304-1] [304-2] [304-3] [304-4]**

Polenergia Group follows comprehensive due diligence processes with respect to the impact of its investments on biodiversity.

## **Responsible investment**

The implementation of wind farm investments by Polenergia Group is preceded by comprehensive measures to minimise their negative environmental impact. The investment process is preceded by a detailed screening of the area identified as a potential investment site. During the analyses, ornithological and chiropterological monitoring is carried out, protected areas in the nearest vicinity are analysed and planning documentation is verified (including the local spatial development plan and its provisions relating to land development and environmental issues). At this stage, initial decisions are taken concerning the feasibility of the investment and minimisation of the negative impact of the planned investment on the environment.

Each investment is preceded by extensive consultations and agreements with the local community and representatives of the local government. This ensures that the opinions of stakeholders and partners (expressed, for example, at public consultations) are taken into account.

The owners of the land on which infrastructure elements, including wind turbines, service buildings, access roads and power lines, are to be located play an important role during such consultations. Pre-implementation negotiations are held with the owners and lease agreements are signed.

Implementation of the investment is preceded by a comprehensive procedure required for obtaining an environmental decision, which includes preparation of an environmental impact report and public consultations. The environmental impact report and the environmental decision contain further guidelines for limiting the impact of the investment on the environment, including with respect to the protection of birds and bats, the protection of wildlife corridors and animal migration routes, the protection of valuable habitats (in particular the habitats listed in Annex I of the Natura 2000 Habitats Directive), the reduction of noise or other adverse environmental impact.

At the stage of implementation, the project is under constant environmental supervision in order to ensure that the negative impact of the ongoing construction works on the environment is minimised. The supervisors verify such aspects as whether the investment process may have a negative impact on protected animal species, whether the investments threaten or may have a negative impact on trees or whether the construction site is properly secured in terms of safety for amphibians, reptiles, insects or other animals.

After obtaining a permit for the operation of the facility, the investments are subject to post-implementation analyses as required by law (to measure electromagnetic fields and noise) or the environmental decision issued for the project (post-completion surveys of the impact of the investment on birds and bats, for example). Reports on environmental measurements and surveys are each time submitted to the competent body responsible for issuing the environmental decision, the competent Regional Directorate for Environmental Protection and to the body responsible for environmental and sanitary measurements (Provincial Environmental Protection Inspector and Provincial

Sanitary Inspector or District Sanitary Inspector). The results of the surveys are also communicated to the local public and displayed at the local consultation point, where forms and contact details of the Site Manager and the Head of Polenergia's Environmental Protection and Sustainable Development Department are available during the operation stage. **Interference with areas of high biodiversity value and actions taken in 2022**

One potential instance of interference with an area of high biodiversity value was identified in 2022. The case in question involved the construction of a medium voltage cable connecting the Piekło Wind Farm under construction to the main electrical substation. The cable was routed through the Sieraków Landscape Park. Comprehensive due diligence procedure referred to in the previous subsection is followed with respect to the investment project.

### **Joint activities with stakeholders**

Polenergia Group cares for local biodiversity by undertaking such initiatives as planting trees and shrubs in parks and squares in consultation with local authorities with which the Group cooperates in connection with its investments.

Examples of the activities carried out include:

- ▶ In connection with the construction works of Dębsk Wind Farm, in 2021 and 2022 a total of 466 shrubs and trees were planted in Żuromin Commune, in the park on Lidzbarska Street. The location of the plants was agreed with representatives of the Town and Commune of Żuromin while the trees and shrubs were selected by a natural scientist.
- ▶ In connection with the construction works of Kostomłoty Wind Farm project, in 2021 and 2022 a total of 123 trees and shrubs were planted in Kostomłoty Commune, in the area of the public nursery and primary school.

### **Responsible supply chain**

All partners and subcontractors of Polenergia Group are obliged, based on the concluded contracts and procedures, to comply with environmental regulations. Waste management procedures and OHS regulations define the measures to be taken to minimise the risk of incidents that may have a negative impact on the environment.

During construction works, ongoing environmental supervision is ensured to verify the compliance of the project with environmental protection regulations.

In 2022, no incidents that could have a significant adverse impact on the environment were identified in the area of the implemented investments.

## **8. Labour issues**

### **Management of labour issues**

#### **[402-1]**

In 2022, the HR policy was revised. An HR Director was hired, who initiated the process of centralisation and structuring of the activities in the HR area. One of the tasks of this function includes supervision and operational management of the HR area.

In addition, selected social and labour-related issues fall within the competence of other functions in the organisation:

- ▶ Environmental Protection and Sustainable Development Department - Grievance Form analysis, liaison with local communities with respect to donations, sponsorship and settlements in this regard;
- ▶ Communications Director - Group marketing communications;
- ▶ Management of individual companies from the Group is responsible for maintaining relationships with key stakeholders under given projects.
- ▶ As of March 2022, two employees joined the Sustainable Development Department. Thus, important issues related to the social and labour-related area were addressed at the operational level: contact with local communities with regard to issues related to the implementation of the company's charity policy and environmental education, as well as management of biodiversity. The delegation of operational responsibilities for relevant ESG issues is one of the key elements of Polenergia Group's due diligence processes.

In 2022, modifications were made to Polenergia Group's non-financial data collection process in order to prepare the Group for non-financial reporting requirements starting with the submission of the 2022 report, containing key non-financial indicators relevant to the organisation and its stakeholders. The modification was introduced to meet the requirements of the GRI Standards indicators in the 2021 version and to commence the preparation process for reporting in accordance with the ESRS (European Sustainability Reporting Standard). The modification covered the consolidation categories of employment and payroll data, including training and OHS-related indicators.

### **Communication of significant organisational changes**

Employees, as an important stakeholder of Polenergia Group, are informed about the company's approach to personnel management through internal communication. Employees are informed of significant organisational changes with at least 14 days' notice. Communication is conducted via e-mails sent from the President of the Management Board of the Group, Members of the

Management Board and the Director of the Management and Administration Office, Compliance Officer and HR Director.

Employee matters are also communicated through group newsletters sent regularly and during meetings. Information is also placed in the office space (e.g. information boards installed in offices).

## Employment structure

**[2-7] [2-8] [2-30] [401-1]**

Employees are provided with a transparent remuneration and benefits policy, which takes into account the individual contribution of each person as well as the performance of the entire team. These policies are contained in the internal Work Regulations, the Remuneration Regulations and the Annual Performance Evaluation System. Employees of the Group are subjected to an annual evaluation by their superiors, the aim of which is to review the objectives set for them in the previous year. The results are the basis for granting annual bonuses. At least two interviews are carried out with employees on a regular basis: one summarising the annual objectives achieved, during which employees prepare objectives for the following year together with their superiors, and one during which they jointly discuss the employee's needs in terms of development and objectives for the entire team, as well as plan appropriate measures in this regard.

In 2022, there were no collective labour agreements in force in Polenergia Group.

The table below shows the aggregate employment data for the Group and the parent company Polenergia S.A. Detailed information on the employment structure is provided in the appendix.

### Employees hired for a fixed and indefinite period

number of persons	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
<b>Management Board, including:</b>	1	4	5	2	18	20
Aged ≥ 51	0	0	0	0	4	4
Aged 31-50	1	4	5	2	13	15
Aged ≤ 30	0	0	0	0	1	1
<b>Directors, including:</b>	4	5	9	10	12	22

Aged ≥ 51	0	1	1	0	4	4
Aged 31-50	4	4	8	7	8	15
Aged ≤ 30	0	0	0	3	0	3
<b>Managers, including:</b>	<b>11</b>	<b>14</b>	<b>25</b>	<b>38</b>	<b>40</b>	<b>78</b>
Aged ≥ 51	1	1	2	3	7	10
Aged 31-50	9	8	17	27	22	49
Aged ≤ 30	1	5	6	8	11	19
<b>Specialists, including:</b>	<b>39</b>	<b>20</b>	<b>59</b>	<b>112</b>	<b>139</b>	<b>251</b>
Aged ≥ 51	1	2	3	3	7	10
Aged 31-50	27	14	41	65	76	141
Aged ≤ 30	11	4	15	44	56	100
<b>Assistants, including:</b>	<b>13</b>	<b>7</b>	<b>20</b>	<b>17</b>	<b>36</b>	<b>53</b>
Aged ≥ 51	0	1	1	0	10	10
Aged 31-50	5	0	5	8	13	21
Aged ≤ 30	8	6	14	9	13	22
<b>Total of all levels, including:</b>	<b>68</b>	<b>50</b>	<b>118</b>	<b>179</b>	<b>245</b>	<b>424</b>
Aged ≥ 51	2	5	7	6	32	38
Aged 31-50	46	30	76	109	132	241
Aged ≤ 30	20	15	35	64	81	145
<b>Total of all levels</b>	<b>68</b>	<b>50</b>	<b>118</b>	<b>179</b>	<b>245</b>	<b>424</b>

### Employees newly hired during the year for a fixed and indefinite period

number of people	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
<b>Management Board, including:</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>9</b>
Aged ≥ 51	0	0	0	0	3	3
Aged 31-50	0	1	1	1	4	5

Aged ≤ 30	0	0	0	0	1	1
<b>Directors, including:</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>4</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	1	0	1	2	2	4
Aged ≤ 30	0	0	0	0	0	0
<b>Managers, including:</b>	<b>1</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>14</b>	<b>22</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	1	4	5	7	10	17
Aged ≤ 30	0	2	2	1	4	5
<b>Specialists, including:</b>	<b>16</b>	<b>4</b>	<b>20</b>	<b>55</b>	<b>64</b>	<b>119</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	9	2	11	28	31	59
Aged ≤ 30	7	2	9	27	33	60
<b>Assistants, including:</b>	<b>5</b>	<b>1</b>	<b>6</b>	<b>8</b>	<b>13</b>	<b>21</b>
Aged ≥ 51	0	0	0	0	1	1
Aged 31-50	0	0	0	1	5	6
Aged ≤ 30	5	1	6	7	7	14
<b>Total of all levels, including:</b>	<b>23</b>	<b>12</b>	<b>35</b>	<b>74</b>	<b>100</b>	<b>174</b>
Aged ≥ 51	0	0	0	0	4	4
Aged 31-50	11	7	18	39	51	90
Aged ≤ 30	12	5	17	35	45	80
<b>Total of all levels</b>	<b>23</b>	<b>12</b>	<b>35</b>	<b>74</b>	<b>100</b>	<b>174</b>

**Employees hired for a fixed and indefinite period who left their job during the year**

number of people	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
<b>Management Board, including:</b>	0	0	0	1	4	5

Aged ≥ 51	0	0	0	0	1	1
Aged 31-50	0	0	0	1	3	4
Aged ≤ 30	0	0	0	0	0	0
<b>Directors, including:</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>6</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	1	1	2	4	6
Aged ≤ 30	0	0	0	0	0	0
<b>Managers, including:</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>7</b>	<b>7</b>	<b>14</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	1	1	2	5	5	10
Aged ≤ 30	1	0	1	2	2	4
<b>Specialists, including:</b>	<b>6</b>	<b>4</b>	<b>10</b>	<b>37</b>	<b>59</b>	<b>96</b>
Aged ≥ 51	0	1	1	4	1	5
Aged 31-50	3	0	3	17	34	51
Aged ≤ 30	3	3	6	16	24	40
<b>Assistants, including:</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>15</b>	<b>17</b>
Aged ≥ 51	0	0	0	0	7	7
Aged 31-50	0	0	0	0	6	6
Aged ≤ 30	2	1	3	2	2	4
<b>Total of all levels, including:</b>	<b>10</b>	<b>7</b>	<b>17</b>	<b>49</b>	<b>89</b>	<b>138</b>
Aged ≥ 51	0	1	1	4	9	13
Aged 31-50	4	2	6	25	52	77
Aged ≤ 30	6	4	10	20	28	48
<b>Total of all levels</b>	<b>10</b>	<b>7</b>	<b>17</b>	<b>49</b>	<b>89</b>	<b>138</b>



## Employee turnover

POLENERGIA S.A.			POLENERGIA GROUP		
2022			2022		
W	M	W+M	W	M	W+M
19.1%	10.0%	15.3%	14.0%	4.5%	8.5%

## Other data on persons providing work

	POLENERGIA S.A.			POLENERGIA GROUP		
number of people	2022			2022		
	W	M	W+M	W	M	W+M
Number of persons cooperating with the company on the basis of civil law contracts (for a specific work and provision of services)	0	0	0	82	112	194
Number of persons cooperating on a B2B basis	5	17	22	38	202	240
Number of persons cooperating under appointment contracts	0	0	0	0	4	4
Number of persons cooperating under outsourcing schemes	0	0	0	0	0	0

## Remuneration at Polenergia Group

[201-1] [202-1] [405-2]

The average monthly salary ratios for Polenergia Group and the parent company Polenergia S.A. are presented below.

## Average gross monthly salary

PLN	2022					
	POLENERGIA S.A.			POLENERGIA GROUP		
	W	M	average	W	M	average
Management Board	133,000	144,519	142,215	94,793	77,817	79,514
Directors	37,728	39,216	38,555	24,086	38,551	31,976
Managers	18,303	17,051	17,602	12,432	15,076	13,788
Specialists	9,301	12,206	10,286	7,630	8,020	7,846

Assistants	6,143	7,883	6,752	6,022	10,891	9,329
<b>All employees</b>	13,645	24,295	18,157	10,296	15,488	13,296
Ratio of average salary of assistants to the minimum gross salary in Poland in 2022 (% of minimum salary)	204.08%	261.91%	224.32%	200.06%	361.84%	309.95%

### Commentary to the table Average gross monthly salaries

The remuneration of the members of the Management Board includes the basic remuneration for employment and appointment, bonuses and additional cash or non-cash benefits, such as a private health care package, traffic accident insurance coverage, company car, rental of a flat and commuting expenses.

The specified members of the Management Board are party to a reciprocal termination agreement for the period of the following 6-12 months. If a specified member of the Management Board resigns from his or her position, the Company is obliged to pay a severance payment equal to 30%-100% of the remuneration received by the member in question in the previous 12 months.

The remuneration of the persons listed in the table "Average gross monthly salary", classified in categories other than the Management Board, includes: basic remuneration under employment contracts and gross amounts of variable remuneration components, including: bonuses, night duty and overtime allowance and other components, at the discretion of the employer, not resulting from labour law.

### Work atmosphere and employee development

#### [401-2] [403-6] [404-1] [404-2] [404-3]

Polenergia Group wants to ensure an employee-friendly workplace, where the adopted principles and values protect diversity, ensure open communication and support self-fulfilment and development of individual competences. Employees are offered stable employment, opportunities for development through various trainings, solutions to facilitate work and life balance, as well as benefits tailored to particular needs and changing circumstances.

Regardless of whether the employee is hired full-time or part-time, he or she is entitled to Lux Med health care, gym membership, insurance with PZU and insurance for their children of school age (InterRisk).

Employees of Polenergia Group have the opportunity to obtain co-financing for their studies or specialised training. Work is currently underway to develop a coherent approach to leadership development, which is consistent with the organisation's values and supports the implementation of the business strategy.

Annual evaluations and development interviews of Polenergia Group employees are conducted at the end of March and the beginning of April among all employees who have been hired for more than six months (excluding employees of the CHP Plant in Nowa Sarzyna, in the case of which evaluations are conducted in January).

A summary of key performance indicators in the area of training is presented below.

#### Average number of training hours

	POLENERGIA S.A.			POLENERGIA GROUP		
number of hours per employee in a given period	2022			2022		
	W	M	W+M	W	M	W+M
Management Board	19.0	4.5	7.4	31.5	9.0	11.2
Directors	12.8	40.9	29.1	6.4	41.4	26.8
Managers	25.9	22.3	24.0	9.8	16.9	13.5
Specialists	34.7	22.7	30.2	17.2	8.8	12.6
Assistants	12.8	44.2	23.6	17.4	50.2	40.8
<b>All employees</b>	27.3	<b>25.8</b>	<b>26.7</b>	15.1	<b>19.2</b>	<b>17.5</b>
Expenditure on training during the period (in PLN '000)	115.6	96.4	212.0	183.3	274.1	457.4

### Number of employees improving their professional qualifications

	POLENERGIA S.A.			POLENERGIA GROUP		
number of people	2022			2022		
	W	M	W+M	W	M	W+M
Management Board	1	2	3	2	5	7
Directors	1	1	2	2	6	8
Managers	5	9	14	9	19	28
Specialists	13	12	25	31	32	63
Assistants	5	4	9	8	39	47
<b>All employees</b>	<b>25</b>	<b>28</b>	<b>53</b>	<b>52</b>	<b>101</b>	<b>153</b>

### Number of employees trained in selected areas

	POLENERGIA S.A.			POLENERGIA GROUP		
number of people	2022			2022		
	W	M	W+M	W	M	W+M
Induction (including OHS) training	38	30	68	186	691	877
Other training, including upskilling and development training	61	33	94	199	484	683

Polenergia Group employees are subject to regular evaluation or receive feedback through development-related interviews. Annual evaluations and interviews are conducted in March/April among all employees hired for more than six months.

### Employees subject to regular employee evaluation

	POLENERGIA S.A.			POLENERGIA GROUP		
number of people	2022			2022		
	W	M	W+M	W	M	W+M
Management Board	1	4	5	2	12	14
Directors	4	6	10	5	9	14
Managers	12	14	26	19	18	37

Specialists	37	22	59	61	63	124
Assistants	13	8	21	16	11	27
<b>All employees</b>	<b>67</b>	<b>54</b>	<b>121</b>	<b>102</b>	<b>113</b>	<b>215</b>

## Diversity management

### [405-2]

Due diligence in the area of active diversity management and discrimination prevention are important topics addressed by key organisational policies, including the Code of Ethics. Polenergia Group ensures equal opportunities in terms of access to senior positions, as well as monitors the percentage of women occupying key positions at the head office. Other aspects, such as equal remuneration for men and women, the use of parental leave and the percentage of women who return to work after childbirth, are also monitored.

Polenergia Group has included diversity and inclusion in its CSR strategy and prioritises activities in this respect. Since 2019, Polenergia Group has been a signatory of the Diversity Charter. It systematically implements solutions and projects related to this area. In 2022, works commenced on the development of a Diversity Policy, which is to be adopted in 2023.

Polenergia Group actively supports the "Career Cycle" initiative launched by the Kulczyk Foundation, which is a nationwide programme for employers helping them to create employee-friendly workplaces.

Polenergia was also a Strategic Partner of the 5th Edition of the Academy of Businesswomen Leaders launched by Lesław A. Paga Foundation, which provides support for young women in terms of developing communication skills, working on own image and expanding networking opportunities.

Polenergia provides employees with equal opportunities in terms of access to opportunities for development and promotion. It strives to eliminate all pay inequalities. In the near future, Polenergia plans to focus on indicators for monitoring the effectiveness of measures in this area. Polenergia commits to calculating an adjusted Gender Pay Gap Ratio and Glass Ceiling Ratio.

## Safety in the workplace

### OHS management

#### [403-1] [403-2] [403-3] [403-4] [403-7] [403-8]

For Polenergia Group, ensuring the highest possible level of safety in the workplace is not only a legal requirement, but a priority due to its adopted values and principles of conduct. Environmental and health and safety procedures were developed based on the health, safety and environment management systems: ISO 14000 and OHSAS 18000. The implemented systems were not certified in 2022.

Polenergia Group complies with legal requirements, focusing on the detail regulations governing industry-specific requirements.

- ▶ Act of 26 June 1974 Labour Code (Journal of Laws of 2020, item 1320, as amended),
- ▶ Ordinance of the Minister of Labour and Social Policy of 26 September 1997 on general health and safety regulations (uniform text in: Journal of Laws of 2003, no. 169, item 1650, as amended),
- ▶ Ordinance of the Minister of Energy of 28 August 2019 on health and safety at work with energy equipment
- ▶ Act of 7 July 1994 Construction Law (Journal of Laws of 2020, item 1333).

One of the strategic objectives of Polenergia Group is the reliability of its installations and the safety of its employees, business partners, local communities and the environment. This also includes a commitment to comply with all requirements of the law and financing institutions, implement good industry practices, as well as continuously improve the OHS management system.

The system covers all employees, focusing on those performing particularly hazardous works.

Polenergia Group has signed an agreement with an occupational medicine physician who supports employees in terms of identification and elimination of hazards and minimising risks (e.g. consultations in connection with referrals for working at height medicals).

Employees are referred for initial, periodic and follow-up examinations in accordance with applicable regulations.

## **Identification of risks and prevention of accidents in the area of OHS**

### **[403-2] [403-7] [403-9] [403-10]**

Checklists are most commonly used for identifying hazards. In terms of risk identification, the assessment is based on the analysis of the working conditions and the identification of hazards by the risk assessment team according to the RISCK SCORE method.

The risk assessment team consists of OHS specialists and designated employees with practical knowledge and work experience in a given field.

The results of the risk identification processes help to find elements that need improvement.

The most significant risks associated with the works performed at Polenergia Group can be classified according to the following categories:

- ▶ electrical safety
- ▶ working at height
- ▶ fire safety
- ▶ physical, static loads
- ▶ traffic accidents

None of the listed hazards caused or contributed to serious injuries during the reporting period. There were no cases of occupational diseases during that period, either.

In order to eliminate these hazards and minimise the risks, specialised training is provided once a year on such aspects as working at height, first aid and fire safety.

During practical classes, employees test their skills in the event of evacuation from a nacelle or sudden cardiac arrest (cardiopulmonary resuscitation on a manikin).

Polenergia Group has a system of regulations and guidelines in place that employees are familiarised with prior to commencing given activities. Each employee undergoes training and is required to follow the rules of work in a given area in order to ensure health and safety.

## OHS statistics

### [403-9]

The table below shows the accident ratios for 2022:

#### Accident ratios

	POLENERGIA S.A.	POLENERGIA GROUP
	2022	2022

#### Employee accidents

Number of accidents, including:	1	2
Minor accidents	1	2
Serious accidents	0	0
Fatal accidents	0	0

Mass accidents	0	0
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#### Accident ratios

Accident frequency ratio (number of accidents at work per 1,000 employees)	8.8	5.1
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#### Other OHS indicators

	POLENERGIA S.A.	POLENERGIA GROUP
	2022	2022
Number of employees working in a given year in conditions exceeding the threshold limit values (TLV) or permissible exposure limits (PEL)	0	0
Number of days of incapacity for work due to work-related accidents	16	109
Accident severity rate (number of days of incapacity per accident)	16.0	54.5
Number of cases of occupational diseases diagnosed in the year	0	0
Lost Time Injury Frequency Rate (LTIFR, the number of lost time injuries occurring in a workplace per 1 million hours worked within a given period by employees)	1,108.6	461.8
Lost Time Injury Frequency Rate (LTIFR, the number of lost time injuries occurring in a workplace per 1 million hours worked within a given period by employees and subcontractors)	0.0	0.0



## **9. Relations with the society**

### **Polenergia Group's social impact**

Responsible communication with the environment is one of the pillars of Polenergia Group's sustainable development. Polenergia Group's business model is based on the provision of green energy and technological solutions to support energy transition of the society. When conducting its business, Polenergia strives to exert a positive impact on both the society and the environment. This approach is reflected in comprehensive due diligence processes to ensure that by making a positive impact in one ESG area, Polenergia Group does not do harm in the others.

Local communities and the society as a whole are an important heterogeneous group of stakeholders for the organisation. Relations with the social environment are a priority for the management both from the point of view of the adopted business strategy and sustainability measures. Polenergia Group's activities in this area focus on:

- ▶ examination of the impact of the company's investments on the local environment and ongoing communication with representatives of the community on relevant issues,
- ▶ educational activities,
- ▶ charitable activities and sponsorship.

### **Impact of investments on the social environment**

#### **[413-1] [413-2]**

Consultations with the local community:

In line with the adopted practice, meetings take place with the residents of the areas where Polenergia projects are to be located before the commencement of construction works. The purpose of the meetings is to present the project, explain what it is about and answer any doubts or questions of the members of the local community.

There are plans to modify this type of meetings and conduct them on a cyclical basis (e.g. once a year). The purpose of the cyclical meetings will be to remind people that Polenergia Group is present in the area, explain how it works, why it conducts its operations there, and to ensure that the local community can count on Polenergia Group's support in line with the company's Charity Policy.

In case of problems, a grievance mechanism has been implemented at each active site - contact details of the responsible persons can be obtained both at

the site and the local municipal office. These include the site manager who is present on site, and the Head of the Environmental Protection Department who keeps a record of complaints. The communication procedure with the local communities helps to minimise any potential risks associated with the operation of the facility and allows to respond to unforeseen circumstances.

**Projects under construction:**

A potential risk of a negative impact on the local community (limited to the construction stage only) is associated with the transport of materials, equipment and components needed for the construction of wind and photovoltaic farms. As the farms are located close to rural settlements, increased traffic of delivery and construction vehicles may cause inconvenience to local residents, e.g. night transports, noise and vibration, sometimes also dust.

All companies involved in the construction works are present at the kick-off meeting. During the meeting, the following topics are discussed: safety of construction works and OHS issues, organisation of the construction site and works - also in terms of Polenergia Group's good practice (in addition to the conditions contained in the Environmental Decision) - ongoing environmental supervision and cooperation with the supervisors, initial training on minimising environmental risks at the construction site, securing excavation works, proper waste and substance management. "Transport Schedule" for oversized components is also prepared and consulted with local authorities. Information on the transport related to the construction works provided at the local information point, on site at the construction office and in the individual villages (e.g. on information boards) where such transport is carried out.

In accordance with the Grievance Procedure, as well as the Stakeholder Engagement Plan and the Environmental and Social Action Plan - information and contact details of the persons responsible for the construction works (the Site Manager, the Project Manager on the part of Polenergia, and the Head of the Environmental Protection and Sustainable Development Department) are provided at the local information point in the commune. All comments are processes, recorded and mitigation measures are undertaken.

**Projects in operation:**

The operation stage does not carry any risks for local communities.

The turbines and the main electrical substation (if it is part of the project in question) are under constant surveillance (alarms/cameras) implemented by a specialised company. Access to the turbine or the closed area of the main electrical substation is prevented. Hence, in this respect, once put into operation, the facility no longer carries the risk of an accident (e.g. electrocution). Access roads to the turbines are also appropriately marked with information boards.

After commissioning of the facility, post-construction tests are carried out by specialised companies who conduct acoustic measurements and measurements of electromagnetic fields. The results of the measurements are submitted to the relevant administrative authorities for verification. None of the facilities in the operation stage were found to exceed the emission levels.

No substances that may cause groundwater or soil contamination or the storage/use of which carries a risk of explosion are stored at the wind farms in the operating stage.

The facilities are continuously inspected (permanent access to Scada) and serviced to prevent potential failures.

## **Polenergia for the society**

### **[413-1]**

Polenergia is actively mapping groups in need of support. Group representatives contact local authorities to collect information on various organisations that are active in the area of Polenergia's projects. Polenergia contacts the identified organisations to offer them cooperation.

Polenergia Group works closely with local municipal or district authorities. It cooperates with cultural and educational organisations and institutions, as well as those promoting active participation of women (country housewives' clubs) and the elderly (senior citizens' clubs) in the social life, supporting various educational activities. The group also works closely with municipal cultural centres, primary schools and kindergartens.

#### **► Cooperation with local schools and kindergartens (70 facilities in total):**

Implementation of Polenergia's educational project "Graj z nami w zielone!®" (Play green with us!), involving lessons on ecology by teachers employed at schools located where Polenergia's facilities are located. Eco-lessons address issues related to waste segregation and circular economy, water management and renewable energy sources. Each school documents the activities implemented in the form of a report with photos of the lessons. Some facilities organise ecology-related competitions on the basis of the Play Green with us!® scenarios. For example, the primary school in Kończewice (Miłoradz commune) organised an art competition - "Gramy w zielone w gminie Miłoradz - Polenergia".

As part of this project, teachers had the opportunity to benefit from specialised webinars conducted by UNEP/GRID-Warszawa specialists. 6 online meetings were conducted between September and November with the total of 213 participants.

- ▶ Cooperation with communities and villages to assist war refugees from Ukraine
  - Organising relief measures in the communes of: Kostomłoty, Radzyń Chełmiński, Sulechów, Krzęcin, Brojce, Rumia, Puck, Pelplin, Kwilcz, Zagrodno, Nowa Sarzyna. The measures consisted in providing financial support for organisations offering accommodation, food, clothing and medications as well as integration activities, Polish language classes and support in finding employment.
  - Long-term assistance in the commune of Nowa Sarzyna: adaptation of facilities to accommodate Ukrainian mothers with children, financing food and subsistence for more than 80 people from March 2022 till present.
  - Cooperation with communes in organising various activities: funding of family picnics, harvest festivals and integration events for the community.
- ▶ Cooperation with country housewives' clubs, women's organisations, senior citizens' clubs, as well as assistance for people with disabilities and dysfunctions:
  - Polenergia Group places great emphasis on measures to counteract social exclusion and to provide equal opportunities, in particular regarding promoting the participation of women, people with disabilities, children from poor or dysfunctional families and people over 55 years old in social life. It started to search for and contact women's organizations, such as country housewives' clubs and women's and girls' sports clubs, which are located in places where Polenergia Group facilities have been already operating or where development of further projects is planned. By the end of December 2022, contacts were established with 14 new organisations associating women. Part of them received support in 2022. Cooperation with the remaining ones will commence in 2023.
  - Cooperation was established with the Commune Senior Council of Kostomłoty and "Aktywny Senior" (Active Senior) Association near Krzęcin.
  - Support is also provided for the association of brave mums of children with disabilities ("Siła Mam" (Mums' Strength) who are active in Żuromin Commune.
  - From the analysis of the needs of neurodivergent persons, including in particular children, we know that the needs of the schools at the areas, in which the Polenergia projects are located, are very large. Polenergia Group wants to support the activities of these facilities and provide them with appropriate equipment to facilitate working with the students with various dysfunctions. By such actions we contribute both to the inclusion of neurodivergent persons to our society and to the improvement of education in this area. We support the Primary School in Przecław in this area and plan to support the schools in Radzyń Chełmiński and Żuromin.

► **Cooperation with the Mazovian Neuropsychiatry Centre:**

Since the beginning of the armed conflict in Ukraine, Polenergia Group has been providing support for psychologists, receptionists and activity organisers from Ukraine (7 persons in total) as part of its relief measures to help war refugees, who work with Ukrainian children at the mental health day care centre for children at the Mazovian Neuropsychiatry Centre.

### **Consumer safety and customer service standards**

**[416-1] [416-2] [417-1] [417-2] [417-3] [418-1] [419-1]**

Polenergia Group's important stakeholders include customers and consumers, in particular end users of the energy supplied by the Group and prosumers. The individual companies from Polenergia Group adopt safety and product quality standards to ensure customer and consumer satisfaction, as well as an appropriate level of quality and safety standard for the products and services offered.

### **Polenergia Dystrybucja**

The procedures that are in place at Polenergia Dystrybucja for labelling and providing information on products and services standardise the process of preparation of technical documentation, labelling confirming certification and traceability and, where applicable, instructions and safety information. Logos, certification marks and an identification number are placed on products according to the procedures. In specific cases, information is placed in the accompanying documentation.

In 2022, there were no cases of non-compliance with the regulations and voluntary codes concerning labelling and information on products and services at Polenergia Dystrybucja.

In 2022, Polenergia Dystrybucja's individual product and service categories were not assessed for compliance with applicable procedures.

Polenergia Dystrybucja continuously strives to ensure customer safety and the uninterrupted provision of energy distribution and sales services. However, in the reporting period of 2022, no assessments of the impact of services and products on customer and consumer health by category were conducted.

### **Polenergia Fotowoltaika**

Every customer has the opportunity to read information on the safe use of Polenergia Fotowoltaika products in electronic form or available directly from the sales representatives. Polenergia Fotowoltaika complies with the obligation to make product information available in accordance with the legal guidelines.

Product data sheets have been developed for all products offered by Polenergia Fotowoltaika, on the basis of applicable international requirements. The company makes every effort to ensure that both the company's operations and the products offered are safe at every stage of the value chain.

During the validity period of the price list, Polenergia guarantees to its customers fixed electricity prices [PLN/KWh] and fixed charges [PLN/month] in the sales part. Prices and rates of the distribution part are always settled according to the tariff of the local electricity distributor approved by the Energy Regulatory Office.

In the former case, Polenergia guarantees fixed prices and rates for the validity period of the price list, while the customer has the right to change them at any time without incurring any charges. In the latter case, the customer undertakes not to change the seller during the contract period. For this reason, this option is cheaper.

In 2022, there were no cases of non-compliance with the regulations and voluntary codes concerning labelling and information on products and services at Polenergia Fotowoltaika.

In 2022, Polenergia Fotowoltaika 's individual product and service categories were not assessed for compliance with applicable procedures.

### **Polenergia eMobility**

Customers of Polenergia eMobility, both individuals and companies - users of the electric vehicle charging services, may, according to the law, at any time familiarize themselves with the electronic content of documents related to the provision of the service, including e.g. terms of service and information clause. Moreover, Polenergia eMobility fulfils legal obligations to inform consumers about the price of the provided services and the tariff components on the provided website as also immediately before using the service. For all public charging stations, Polenergia eMobility uses accepted labelling standard that informs customers about the service provider, enables them to read the station manual and the fire protection manual. Additionally, it allows the identification of charging points. In order to ensure the high quality of service, Polenergia eMobility uses dedicated call centre service, thanks to which customers receive all information and necessary technical support.

Prior to the development of the charging infrastructure, all design solutions are thoroughly analysed in terms of safety, technical correctness and ergonomics. In each location the vertical and horizontal marking of places at charging stations is required by law. At the stage of work acceptance, the Company collects complete quality documentation of the built-in devices and installations according to the accepted standards.

The direct communication with customers is organized through diverse contact channels. In all areas of activity, Polenergia eMobility uses approved branding and maintains a consistent message of its own activity and that of the entire Polenergia Group. In the sale of products and services to corporate clients,

Polenergia eMobility uses standardized offers and adjusts them to the individual needs of each client in conjunction with management services of entrusted charging stations based on a software system.

In 2022, there wasn't found any cases of non-compliance with the regulations and voluntary codes on marking neither information on products, services and labelling at Polenergia eMobility. Individual categories of Polenergia eMobility products and services were not assessed for compliance with applicable procedures.

### **Energy 2051 Standard**

In order to slow down the processes causing global warming, the level of greenhouse gas emissions from electricity generation will have to achieve net zero from 2050 onwards, which means that all currently operating emission-intensive energy sources using coal, natural gas or oil must disappear from the market. Instead of waiting for 2050, Polenergia Sprzedaż Sp. z o.o. has already introduced a proprietary energy sales standard "Energy 2051".

This is a registered trademark, which guarantees that our customers receive clean, renewable and zero-emission green energy compliant with the European Green Deal guidelines.

The Energy 2051 standard guarantees climate-neutral products that meet the energy demand of customers from renewable sources available in Poland, at all times, all around the year. The company does not call conventional energy green only in theory. Certificates of origin are not the only determinant of greenness. Our energy is green not only by definition, but by nature. Polenergia Sprzedaż only offers green energy in its portfolio, produced from Polenergia Group's generation sources (wind and photovoltaic farms). As a result, it offers its customers the possibility to use 100% energy with a zero-carbon footprint.



## 10. Information about the report

### Information about reporting

#### [2-3] [2-4] [2-5]

This non-financial report of Polenergia S.A. and the Polenergia Group for 2022 is the first report of its kind for the Group and the parent company. It was prepared based on the GRI Standards indicators as updated in November 2021.

The non-financial report of the parent company Polenergia S.A. and Polenergia Group for 2022 presents information and consolidated non-financial data for the companies in accordance with their organisation structure as at 2022. Pursuant to the Accounting Act of 29 September 1994, in 2022 Polenergia Group was not subject to the non-financial reporting obligation. Nevertheless, in order to meet the expectations of stakeholders and due to good internal practices of transparent reporting of the Group's sustainability, it was decided to prepare this report. The report meets the requirements for companies set out in Article 49b(2) of the Accounting Act and has been prepared on the basis of the GRI Reporting Standard, as well as good practices for managing and reporting on climate-related issues recommended by the Taskforce on Climate-related Disclosure (TCFD).

The material topics addressed throughout this report were identified as part of the 2022 materiality survey, the results of which are described in Chapter 3 of this report.

The non-financial report of Polenergia S.A. and Polenergia Group for 2022 has not been externally verified. The figures presented in the report are derived from the internal systems of Polenergia S.A. and other companies in Polenergia Group. The figures have been validated with internal experts.

### Report specification

#### *GRI reference table*

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## TCFD reference table

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<b>GOVERNANCE</b>	

Describe the board's oversight of climate-related risk and opportunities	It is planned to perform a full analysis of risks and opportunities related to climate change in 2023
Describe management's role in assessing and managing climate-related risks and opportunities	4, 24
<b>STRATEGY</b>	
Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	87
Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	43
Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	-
<b>RISK MANAGEMENT</b>	
Describe the organization's processes for identifying and assessing climate-related risks.	-
Describe the organization's processes for managing climate-related risks.	-
Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	-
<b>METRICS AND TARGETS</b>	
Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	94
Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 green house gas (GHG) emissions, and the related risks.	94
Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	43

## 11. Appendices

### Appendix 1. List of OHS trainings in 2022

[403-5]

No.	Type of training	Title	Scope	Date
1	Webinar	"How to survive the winter"	First aid in frostbite and hypothermia, how to behave when the ice breaks underneath you, what to do and what not to do when a rescue helicopter lands on a ski slope. We also talked about what to pack in the first aid kit and whether to bandage broken ribs.	27.01
2	Training	Full first aid training	Full first aid training.	14.02
3	Training	Full first aid training	Full first aid training	15.02
4	Training	Full first aid training	Full first aid training	16.02
5	Webinar	First Aid for children and babies	Everything is needed to know about choking, apnea, drowning, allergic reaction and AED use in children. Whether adrenaline can be administered to a child.	22.03
6	Training	Full first aid training	Full first aid training	24.03
7	Webinar	First Aid on the road	Electric cars, scooters, bicycles and motorcycles. Whether to take off the helmet, what about the orthopaedic collar and who to move after an accident and who not.	27.04
8	Webinar	What and how to talk at the scene of an accident	Psychological support and questions worth asking in a life-threatening situation. What to say, how to speak, and when is it better to bite your tongue.	27.05
9	Webinar	How to survive your vacation - sea currents, help for drowning people, a storm in the mountains	All the necessary information on how to prepare for the upcoming vacation. How to react in contact with wild animals, how to save a drowning person and call for first aid in the mountains.	14.06

10	Training	OHS, first aid, fire protection, work at heights	Updating knowledge resulting from the implementation of legal requirements	July 2022
11	Webinar	"Heart attack and brain stroke - how to survive?"	Myths and answer the questions - among others - what happens in both conditions and when to start worrying and what are untypical symptoms and how to not get deceived. Whether we can defibrillate a person with a pacemaker, or whether a person with brain stroke should be persuaded to smile and what questions to ask when someone has stomachache. All this is associated with first aid in the emergency circulatory conditions.	07.10

## Appendix 2 Detailed employment data

### Information on employment structure

#### [2-7] [2-8] [401-1]

#### Employees hired for an indefinite period

number of people	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
<b>Management Board, including:</b>	<b>1</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>18</b>	<b>20</b>
Aged ≥ 51	0	0	0	0	4	4
Aged 31-50	1	4	5	2	13	15
Aged ≤ 30	0	0	0	0	1	1
<b>Directors, including:</b>	<b>4</b>	<b>5</b>	<b>9</b>	<b>9</b>	<b>11</b>	<b>20</b>
Aged ≥ 51	0	1	1	0	4	4
Aged 31-50	4	4	8	6	7	13
Aged ≤ 30	0	0	0	3	0	3
<b>Managers, including:</b>	<b>11</b>	<b>13</b>	<b>24</b>	<b>35</b>	<b>37</b>	<b>72</b>
Aged ≥ 51	1	1	2	3	7	10
Aged 31-50	9	7	16	25	20	45
Aged ≤ 30	1	5	6	7	10	17
<b>Specialists, including:</b>	<b>32</b>	<b>17</b>	<b>49</b>	<b>81</b>	<b>95</b>	<b>176</b>
Aged ≥ 51	1	2	3	3	7	10
Aged 31-50	24	13	37	52	55	107
Aged ≤ 30	7	2	9	26	33	59
<b>Assistants, including:</b>	<b>12</b>	<b>7</b>	<b>19</b>	<b>16</b>	<b>36</b>	<b>52</b>
Aged ≥ 51	0	1	1	0	10	10
Aged 31-50	4	0	4	7	13	20
Aged ≤ 30	8	6	14	9	13	22

<b>Total of all levels, including:</b>	<b>60</b>	<b>46</b>	<b>106</b>	<b>143</b>	<b>197</b>	<b>340</b>
Aged ≥ 51	2	5	7	6	32	38
Aged 31-50	42	28	70	92	108	200
Aged ≤ 30	16	13.	29	45	57	102
<b>Total of all levels</b>	<b>60</b>	<b>46</b>	<b>106</b>	<b>143</b>	<b>197</b>	<b>340</b>

#### Employees hired for a fixed period

number of people	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
<b>Management Board, including:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	0	0	0	0	0
Aged ≤ 30	0	0	0	0	0	0
<b>Directors, including:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	0	0	1	1	2
Aged ≤ 30	0	0	0	0	0	0
<b>Managers, including:</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>6</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	1	1	2	2	4
Aged ≤ 30	0	0	0	1	1	2
<b>Specialists, including:</b>	<b>7</b>	<b>3</b>	<b>10</b>	<b>31</b>	<b>44</b>	<b>75</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	3	1	4	13	21	34
Aged ≤ 30	4	2	6	18	23	41
<b>Assistants, including:</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>1</b>
Aged ≥ 51	0	0	0	0	0	0

Aged 31-50	1	0	1	1	0	1
Aged ≤ 30	0	0	0	0	0	0
<b>Total of all levels, including:</b>	<b>8</b>	<b>4</b>	<b>12</b>	<b>36</b>	<b>48</b>	<b>84</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	4	2	6	17	24	41
Aged ≤ 30	4	2	6	19	24	43
<b>Total of all levels</b>	<b>8</b>	<b>4</b>	<b>12</b>	<b>36</b>	<b>48</b>	<b>84</b>

**Employees newly hired during the year for an indefinite period**

number of people	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
<b>Management Board, including:</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>7</b>	<b>7</b>
Aged ≥ 51	0	0	0	0	2	2
Aged 31-50	0	1	1	0	4	4
Aged ≤ 30	0	0	0	0	1	1
<b>Directors, including:</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>3</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	1	0	1	2	1	3
Aged ≤ 30	0	0	0	0	0	0
<b>Managers, including:</b>	<b>1</b>	<b>6</b>	<b>7</b>	<b>6</b>	<b>13</b>	<b>19</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	1	4	5	5	9	14
Aged ≤ 30	0	2	2	1	4	5
<b>Specialists, including:</b>	<b>13</b>	<b>4</b>	<b>17</b>	<b>25</b>	<b>24</b>	<b>49</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	6	2	8	15	12	27
Aged ≤ 30	7	2	9	10	12	22

<b>Assistants, including:</b>	5	1	6	7	12	19
Aged ≥ 51	0	0	0	0	1	1
Aged 31-50	0	0	0	1	4	5
Aged ≤ 30	5	1	6	6	7	13
<b>Total of all levels, including:</b>	<b>20</b>	<b>12</b>	<b>32</b>	<b>40</b>	<b>56</b>	<b>96</b>
Aged ≥ 51	0	0	0	0	3	3
Aged 31-50	8	7	15	23	29	52
Aged ≤ 30	12	5	17	17	24	41
<b>Total of all levels</b>	<b>20</b>	<b>12</b>	<b>32</b>	<b>40</b>	<b>56</b>	<b>96</b>

**Employees newly hired during the year for a fixed period**

number of people	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
<b>Management Board, including:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>
Aged ≥ 51	0	0	0	0	1	1
Aged 31-50	0	0	0	1	0	1
Aged ≤ 30	0	0	0	0	0	0
<b>Directors, including:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	0	0	0	1	1
Aged ≤ 30	0	0	0	0	0	0
<b>Managers, including:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>3</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	0	0	2	1	3
Aged ≤ 30	0	0	0	0	0	0
<b>Specialists, including:</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>30</b>	<b>40</b>	<b>70</b>
Aged ≥ 51	0	0	0	0	0	0



Aged 31-50	3	0	3	13	19	32
Aged ≤ 30	0	0	0	17	21	38
<b>Assistants, including:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	0	0	0	1	1
Aged ≤ 30	0	0	0	1	0	1
<b>Total of all levels, including:</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>34</b>	<b>44</b>	<b>78</b>
Aged ≥ 51	0	0	0	0	1	1
Aged 31-50	3	0	3	16	22	38
Aged ≤ 30	0	0	0	18	21	39
<b>Total of all levels</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>34</b>	<b>44</b>	<b>78</b>

**Employees newly hired during the year for a fixed and indefinite period**

number of people	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
<b>Management Board, including:</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>8</b>	<b>9</b>
Aged ≥ 51	0	0	0	0	3	3
Aged 31-50	0	1	1	1	4	5
Aged ≤ 30	0	0	0	0	1	1
<b>Directors, including:</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>4</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	1	0	1	2	2	4
Aged ≤ 30	0	0	0	0	0	0
<b>Managers, including:</b>	<b>1</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>14</b>	<b>22</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	1	4	5	7	10	17
Aged ≤ 30	0	2	2	1	4	5

<b>Specialists, including:</b>	16	4	20	55	64	119
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	9	2	11	28	31	59
Aged ≤ 30	7	2	9	27	33	60
<b>Assistants, including:</b>	5	1	6	8	13	21
Aged ≥ 51	0	0	0	0	1	1
Aged 31-50	0	0	0	1	5	6
Aged ≤ 30	5	1	6	7	7	14
<b>Total of all levels, including:</b>	<b>23</b>	<b>12</b>	<b>35</b>	<b>74</b>	<b>100</b>	<b>174</b>
Aged ≥ 51	0	0	0	0	4	4
Aged 31-50	11	7	18	39	51	90
Aged ≤ 30	12	5	17	35	45	80
<b>Total of all levels</b>	<b>23</b>	<b>12</b>	<b>35</b>	<b>74</b>	<b>100</b>	<b>174</b>

**Employees hired for an indefinite period who left their job during the year**

number of people	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
<b>Management Board, including:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>5</b>
Aged ≥ 51	0	0	0	0	1	1
Aged 31-50	0	0	0	1	3	4
Aged ≤ 30	0	0	0	0	0	0
<b>Directors, including:</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>2</b>	<b>2</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	1	1	0	2	2
Aged ≤ 30	0	0	0	0	0	0
<b>Managers, including:</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>6</b>	<b>6</b>	<b>12</b>
Aged ≥ 51	0	0	0	0	0	0

Aged 31-50	1	1	2	4	4	8
Aged ≤ 30	1	0	1	2	2	4
<b>Specialists, including:</b>	2	4	6	13	19	32
Aged ≥ 51	0	1	1	1	1	2
Aged 31-50	0	0	0	9	12	21
Aged ≤ 30	2	3	5	3	6	9
<b>Assistants, including:</b>	1	1	2	1	15	16
Aged ≥ 51	0	0	0	0	7	7
Aged 31-50	0	0	0	0	6	6
Aged ≤ 30	1	1	2	1	2	3
<b>Total of all levels, including:</b>	<b>5</b>	<b>7</b>	<b>12</b>	<b>21</b>	<b>46</b>	<b>67</b>
Aged ≥ 51	0	1	1	1	9	10
Aged 31-50	1	2	3	14	27	41
Aged ≤ 30	4	4	8	6	10	16
<b>Total of all levels</b>	<b>5</b>	<b>7</b>	<b>12</b>	<b>21</b>	<b>46</b>	<b>67</b>

**Employees hired for a fixed period who left their job during the year**

number of people	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
<b>Management Board, including:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	0	0	0	0	0
Aged ≤ 30	0	0	0	0	0	0
<b>Directors, including:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>4</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	0	0	2	2	4
Aged ≤ 30	0	0	0	0	0	0

<b>Managers, including:</b>	0	0	0	1	1	2
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	0	0	1	1	2
Aged ≤ 30	0	0	0	0	0	0
<b>Specialists, including:</b>	4	0	4	24	40	64
Aged ≥ 51	0	0	0	3	0	3
Aged 31-50	3	0	3	8	22	30
Aged ≤ 30	1	0	1	13	18	31
<b>Assistants, including:</b>	1	0	1	1	0	1
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	0	0	0	0	0	0
Aged ≤ 30	1	0	1	1	0	1
<b>Total of all levels, including:</b>	5	0	5	28	43	71
Aged ≥ 51	0	0	0	3	0	3
Aged 31-50	3	0	3	11	25	36
Aged ≤ 30	2	0	2	14	18	32
<b>Total of all levels</b>	5	0	5	28	43	71

**Employees hired for a fixed and indefinite period who left their job during the year**

number of people	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
<b>Management Board, including:</b>	0	0	0	1	4	5
Aged ≥ 51	0	0	0	0	1	1
Aged 31-50	0	0	0	1	3	4
Aged ≤ 30	0	0	0	0	0	0
<b>Directors, including:</b>	0	1	1	2	4	6
Aged ≥ 51	0	0	0	0	0	0

Aged 31-50	0	1	1	2	4	6
Aged ≤ 30	0	0	0	0	0	0
<b>Managers, including:</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>7</b>	<b>7</b>	<b>14</b>
Aged ≥ 51	0	0	0	0	0	0
Aged 31-50	1	1	2	5	5	10
Aged ≤ 30	1	0	1	2	2	4
<b>Specialists, including:</b>	<b>6</b>	<b>4</b>	<b>10</b>	<b>37</b>	<b>59</b>	<b>96</b>
Aged ≥ 51	0	1	1	4	1	5
Aged 31-50	3	0	3	17	34	51
Aged ≤ 30	3	3	6	16	24	40
<b>Assistants, including:</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>15</b>	<b>17</b>
Aged ≥ 51	0	0	0	0	7	7
Aged 31-50	0	0	0	0	6	6
Aged ≤ 30	2	1	3	2	2	4
<b>Total of all levels, including:</b>	<b>10</b>	<b>7</b>	<b>17</b>	<b>49</b>	<b>89</b>	<b>138</b>
Aged ≥ 51	0	1	1	4	9	13
Aged 31-50	4	2	6	25	52	77
Aged ≤ 30	6	4	10	20	28	48
<b>Total of all levels</b>	<b>10</b>	<b>7</b>	<b>17</b>	<b>49</b>	<b>89</b>	<b>138</b>

**Other data on persons providing work**

	POLENERGIA S.A.			POLENERGIA GROUP		
number of people	2022			2022		
	W	M	W+M	W	M	W+M
Number of persons cooperating with the company on the basis of civil law contracts (for a specific work and provision of services)	0	0	0	82	112	194
Number of persons cooperating on a B2B basis	5	17	22	38	202	240
Number of persons cooperating under appointment contracts	0	0	0	0	4	4

Number of persons cooperating under outsourcing schemes	0	0	0	0	0	0
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### Information on employees with disabilities

	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
Number of employees with disabilities as at the end of the financial year	1	0	1	1	5	6
Number of contributions paid to the State Fund of Rehabilitation of Handicapped People (PLN)	144,594.0			406,097.0		

### Information on parental leave

[401-3]

	POLENERGIA S.A.			POLENERGIA GROUP		
	2022			2022		
	W	M	W+M	W	M	W+M
Percentage of employees who, in a given year, left employment less than 12 months after the end of parental leave	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Number of persons who in a given year ended parental leave	3	0	3	10	4	17
Number of persons who in a given year started parental leave	0	0	0	2	4	6