ERBUD GROUP

ESG REPORT

| 2022





In 2022, we organized the first series of construction workshops for girls "Young MastERs" at the Copernicus Science Center in Warsaw.

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How to read our report? We divided the Report into 6 parts – A letter to the Management Board, **About Erbud**, there are three consecutive sections: **E (environment including taxonomy)**, **S (people)** i **G (Corporate Governance)** and **About Report**.

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A LETTER OF THE MANAGEMENT BOARD MEMBERS

[2-22]

Dear Sirs,

the previous year was very tough for the construction sector due to the Covid-19 pandemic and the war in Ukraine. Both of these factors affected the entire economy. Despite these difficulties, Erbud has managed to maintain its market position and generate handsome performance. Our projects would be executed as scheduled, and our company continued its business growth.

It should be noted that the Covid-19 pandemic was a challenge for us, but also an opportunity to accelerate corporate digital processes. We implemented a lot of new solutions that enabled us to continue our operations in the environment full of restrictions and health risks.

The war in Ukraine has been a tough challenge for the entire construction sector. Our projects in Ukraine, required higher degree of flexibility and commitment to comply with the requirements of our customers under such circumstances.

Despite hardship Erbud has continued to implement consistently its sustainable development strategy. Our company is aware that Corporate Social Responsibility (CSR) and environmental protection play a pivotal role to our stakeholders. We are implementing solutions aimed at the minimization of the negative impact of our operations on the environment and the community.

In 2022, we followed up our sustainable development efforts. We introduced a series of measures to minimize greenhouse gas emissions and use green materials in our projects. In addition, we are increasing our commitment to the community projects as well as to the occupational health and safety initiatives for our personnel.





A showroom of timber modules on the premises of the MOD21 plant in Ostaszewo

At Erbud, we believe that a sustainability strategy is central to our business, and our commitment to this area will only grow. We are committed to achieving sustainable and balanced growth to ensure a long-term future for our company, our employees and the communities in which we operate.

The entire passage above was written by an artificial intelligence in the ChatGPT service using the GPT-3 language model developed by OpenAI. We assigned the task "write a letter from Erbud's management to publish it in the annual report taking into account the situation of the industry and the sustainable development strategy", we copied the answer unchanged, modifying only the declination of the company's name. Why did we ask artificial intelligence (AI) to do it? Because we believe in innovation, we take advantage of it, realizing that digitization, digital transformation and cutting-edge technology are reaching every industry, including construction sector. They make them modern, and we have always had the ambition to be the state-of-the-art solution leader in our segment. To improve this, we set up the Process Management and Digitization Department in November.

This year has clearly shown us high level of our dependence on the international developments, that business cycles are a natural phenomenon in the economy, and that responding to the market situation requires not so much intuition as in-depth analysis, drawing conclusions and agile decision-making. Sometimes courage is also needed.

The outbreak of war in Ukraine set the tone for almost overall last year, which was spent on renegotiating contracts and on taking further steps towards energy independence from Russia - our company ONDE had its share in this and will have an even greater share in the future. The business diversification model that has been implemented for years has brought the expected results - despite market turmoil, the industrial service segment has posted excellent performance.

In November, meanwhile, we launched our start-up MOD21 by opening a manufacturing plant in Ostaszewo, near Toruń. The manufacturing plant with more than 21,000 square meters of floor area will be used to fabricate modular timber buildings, primarily targeted at the German market. Entering the modular construction segment is a part of broader strategy aimed at transformation towards green construction activities.

The proof of our green aspirations is the prestigious EMAS certification that we were granted once again, as well as setting up of a special unit responsible for ESG reporting and for business conversion in compliance with the characteristics promoted by the European Union. As a Group, we have announced our ambitious plans related to this, including but not limited to the achievement of climate neutrality in indirect emissions by 2030, and a 20 per cent share of renewable energy sources in the energy mix by 2025.

All these achievements were possible thanks to the hard work of our personnel, for which we are extremely grateful to them. We are pleased to be amongst the world's best employers according to the Statista Institute, compiled on the grounds of the surveys carried out with 150,000 employees from 57 countries, published by the US "Forbes" bi-weekly. We hope that employees also appreciated our intensive efforts for their safety, which is the foundation of our business. Our safety standards have been confirmed, inter alia, by the series of "Build Safely" awards, won by the construction sites from almost all our branches and by companies in Poland. We are pleased to report that 2022 was another year when not a single fatal accident occurred on our construction sites.

We are very proud to hand over to you our first full and complete ESG Report, which complies our 2022 activities, in compliance with the European non-financial reporting standards. Despite many adversities, we consider the last year a successful one for our business and one that gives us grounds to look into the future with optimism.

With best wishes of good health,

Dariusz Grzeszczak
Agnieszka Głowacka
Jacek Leczkowski

2|1

ABOUT ERBUD

[2-1] [2-2]

Welcome to the ERBUD Group

Thanks to more than 32 years of hard work and bold decisions, today we make up the largest building contracting company in Poland, which is not a part of international holding companies. We are proud of what we have built and what we will build, how we have done and how we will do it, and with whom we have had pleasure to work with and will have pleasure in the future. We come from the City of Toruń, but we have employees in many cities in Poland and in the European countries.

We deal mainly with building and modular construction, construction for Renewable Energy Sources (RES), as well as construction and maintenance services for industry and power sector.

In 2022 the ERBUD Group was made up of more than a dozen companies specializing in various services. Major companies included:

- The Parent Company that started the history of our Group is **ERBUD S.A.**, which, as a general contractor, carries out office, retail, industrial, residential, medical, hotel and public utility projects.
- **ONDE S.A.** builds mainly wind farms, or renewable energy sources. The company also specializes in road-engineering construction, which, however, accounts for a much smaller share of ONDE's orders.
- **MOD21** is a company specialising in modern, environmentally friendly modular timber construction.
- **INDUSTRY** service companies are involved in the design, modernisation, construction and repair of plants in the power, gas and mining industries.



"Biały Bór" Wind Farm



STRENGTHS OF ERBUD GROUP

- Family-run business with stable shareholding base
- Responsible and effective group management model
- Stable financial position
- Ability to anticipate and adapt to the ever changing market environment
- Diversification of operations by geography and by segment
- The activities of the Eryk Grzeszczak's "Common Challenges" Foundation
- Long-term experience in foreign markets
- Experienced and professional personnel
- Personnel development within the Group
- High international occupational safety and hygiene standards.
- High environmental standards in the Group that is a market trend setter

An apartment building in Grochowska Street



There is a saying that a good business should be two-legged. Meanwhile in the ERBUD Group we have many more business legs. We took the diversification of our business very seriously many years ago, making us an organisation that is resilient to market turmoil and ready for the future. However, in our case, a large Group does not mean a sluggish Group - we still know how to think and act like a start-up, make quick decisions and not to miss opportunities offered to us by the contemporary world.

Dariusz Grzeszczak

President of ERBUD Management Board

[2-1]

ERBUD GROUP HIGHLIGHTS IN 2022:

195

number of employee

2 746

projects

7

in the European countries

3.9 bn

revenues in PLN

33.8 mln

(standardized) EBIT in PLN



[201-1]

OUR FINANCIAL PERFORMANCE:

'000 PLN

Revenues

3 855 649

Employee wages & salaries

480 003

Costs by type

3 873 711

Social investments

1 292 000

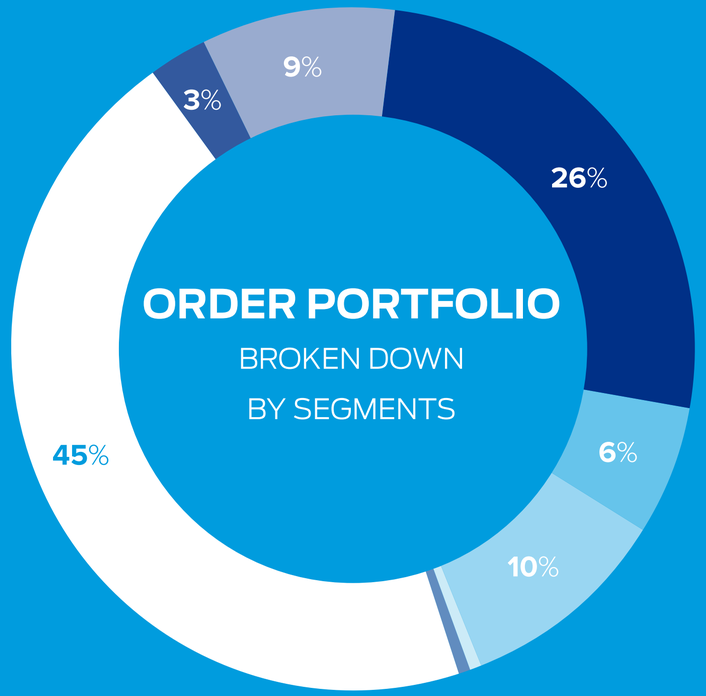


An apartment building in Garbara Street in Bydgoszcz

ORDER PORTFOLIO

BROKEN DOWN

BY SEGMENTS



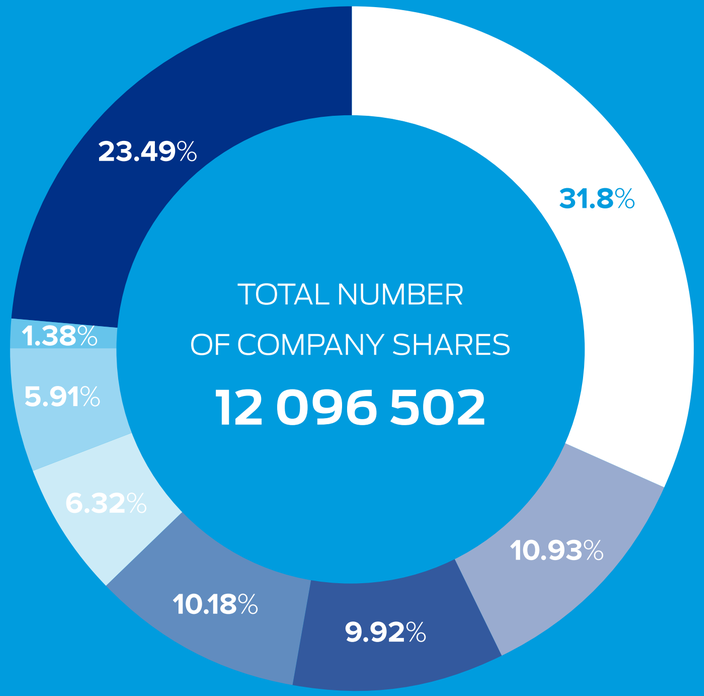
- building construction Poland 45%
- building construction overseas 3%
- road-engineering projects 9%
- RES 26%
- industry Poland 6%
- overseas 10%
- hydro-engineering projects 0.5%
- modular facilities 0,5%

An apartment building in Myśliwska Street in Kraków



An apartment building in Garbara Street in Bydgoszcz

ERBUD S.A. SHAREHOLDING STRUCTURE AS OF 31 DEC. 2022 AND THIS REPORT DATE



- Wolff & Müller Baubeteiligungen GmbH & Co. KG including Wolff & Müller Holding GmbH & Co. KG 31.87%
- DGI Closed-End Investment Fund of Non-public Assets controlled by Dariusz Grzeszczak 10.93%
- Dariusz Grzeszczak 10.18%
- Nationale Nederlanden OFE 9.92%
- Allianz OFE, Allianz DFE, Second Allianz OFE 6.32%
- PKO OFE 5.91%
- ERBUD S.A. - own shares 1.38%
- Free Float 23.49%

[2-2]

HOW AND WHAT WE BUILD IN THE ERBUD GROUP

MOD21 Sp z o.o.

100%



Modular construction



Building construction

ERBUD S.A.

Branches

Oddział Warszawa
Oddział Toruń
Oddział Wrocław
Odział Szczecin
Oddział Kraków
Oddział Rzeszów
Oddział Hydrotechniczny w Gdańsku

MOD21 GmbH

100%

ERBUD International Sp. z o.o.

100%

JV WMER Matoc Sp. z o.o.

50%

ONDE S.A.

60.1%



Road-engineering construction and Renewable Energy Sources



Construction and maintenance services for industry and power sector

ERBUD Industry Sp. z o.o.

100%

ERBUD Industry Centrum Sp. z o.o.

99.22%

ERBUD Industry Południe Sp. z o.o.

99.29%

ERBUD Holding Deutschland

100%

IKR GmbH

100%

IVT Weiner + Reimann Gmbh

100%

100%

ERBUD Shared Services

2|2

COMPANIES: ONE BY ONE

BUILDING CONSTRUCTION:
ERBUD



The Maritime Scientific Centre in the City of Szczecin



The Fotoplastikon (Kaiserpanorama) apartments in the City of Gdansk

Each year, we complete approximately 140 projects - from the most daring and challenging to the less daring, but still challenging. Investors who make up their minds to work with the member companies of our Group know that they can always count on the project being delivered as agreed - as planned, on time and under full control. We offer from A to Z construction services - starting with the architectural and detailed design, through to authorisation, permits, and construction process and ending with final acceptance. Our portfolio, which has been under construction for 33 years, comprises The Młociny Shopping Mall, The Koszyki Shopping Mall, the Eurocentrum Office Complex and Royal Wilanów office buildings in Warsaw, the Centre for Invasive and Non-Invasive Medicine at the Medical University of Gdańsk, the Southern Hospital in Warsaw, the Lidl Distribution Centre in Stargard, the Municipal Waste Incinerator in Konin and the Dobrcz/Mierki Photovoltaic Power Plant Complex.

ERBUD carries out projects primarily in the building construction segment, mainly residential buildings, offices, hotels, shopping malls, hospitals, schools or cultural facilities. Thanks to its extensive credentials, ERBUD offers almost all types of construction services for the public and private investors, including the most complex and specialist ones, such as facilities for power sector, chemical industry or waste treatment and management.

ERBUD is the largest construction group in Poland, which is not a part of an international holding company. The company operates as a general contractor and has been listed on the Warsaw Stock Exchange since 2007. Following the 2022 changes, the Company was divided into three divisions - based in Wrocław, Toruń and Warsaw - with technical offices throughout Poland and a Hydro-engineering Department in Gdańsk.

GOOD PRACTICE

The Hydro-Engineering Division acquired more contracts and increased its headcount in 2022. In 2022, Hydro-Engineering Division carried out, inter alia, a contract for the redevelopment of a more than 380-meter-long section of the Szyprów wharf for the Maritime Office in Gdynia.

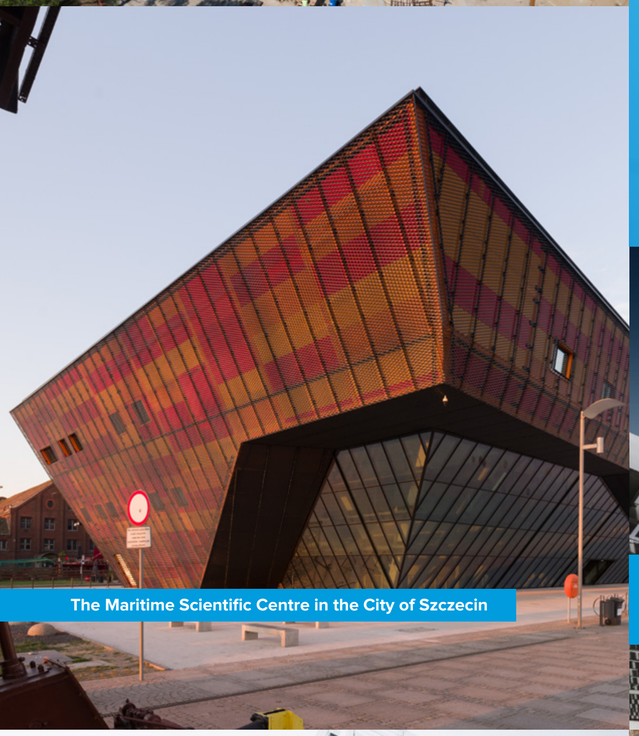
ERBUD'S COMPETITIVE ADVANTAGES:

- **stable financing**
- **credentials and expertise**
- **competence and market knowledge in specialist areas**
- **predominance of the Polish capital**
- **know-how and human resources**

PROJECT HIGHLIGHTS



Marina Dąbki



The Maritime Scientific Centre in the City of Szczecin



Prof. Zbigniew Religa Clinical and Scientific Center for Prevention of and Treatment of Environmental, Civilization and Old Age Diseases in Zabrze, Silesia



Construction of a multi-purpose building in Dęblin.

A residential building in the Bliski Marcelin district in Jeleniogórska Street



A dormitory in Pokoju Street in Kraków



Obiekt Wielorodzinny przy ul. Garbary 5 w Bydgoszczy



Construction of Marina in Błotnik



Construction of "Żeromskiego 17" apartment building in Warsaw

SIGNED CONTRACTS HIGHLIGHTS

Construction of multi-family residential buildings with necessary infrastructure in Anna Jantar Street in Poznań

Construction of the Popowice Harbour Project, Phase 4 in the City of Wrocław

Expansion of the manufacturing facility of the Robert Bosch Company, the Mirków Branch

Construction of a transit camp at the military complex in Świetoszów



Base Camp Dormitory in Wrocław

Construction of a penitentiary complex in Chmielów

Construction of MAXIMUS Commercial and Warehousing Facilities in Nadarzyn

Construction works related to the Lotos Group HBO Project in Gdansk

Construction and installation works under the investment project titled "Reconstruction, superstructure and extension of the building of the Podkarpackie Centre for Lung Diseases in Rzeszów".

Construction of new gas cogeneration units in the SCGT configuration in Poznań



MOD21 Manufacturing Facility in Ostaszewo



Construction of a teaching and administrative building titled "Center of Innovative Space" of the Warsaw School of Economics.

MANAGEMENT BOARD AND BRANCH DIRECTORS



Dariusz Grzeszczak
President of the Management Board



Jacek Leczkowski
Vice-President of the Management Board



Agnieszka Głowacka
Vice-President of the Management Board

GOOD PRACTICE

Dariusz Grzeszczak, President of the ERBUD Group was granted the title of "Personality of the Year" by the Executive Club. The Competition Jury recognized the company's growth, consolidation of its leading position in the construction sector, as well as diversification of its operations and cultural patronage.

The CEO was also among the honourees of Forbes Poland magazine's prestigious Brand ME CEO popularity contest. Brand ME CEO awards business leaders "characterized by authenticity, courage, transparency.



Piotr Augustyniak
Director of Toruń Branch



Piotr Dobosz
Director of Kraków Branch



Radosław Kałamaga
Director of Wrocław Branch



Artur Łuczak
Director of Rzeszów Branch



Grzegorz Jarczewski
Director of Warsaw Branch



Marcin Wasylko
Director of Szczecin Branch



Przemysław Preiss
Hydro-Engineering Branch

RENEWABLE ENERGY SOURCES AND ROAD-ENGINEERING CONSTRUCTION: **ONDE**



The "Cyranka" Photovoltaic Farm



"Biały Bór" Wind Farm

ONDE is a leader in the renewable energy industry in Poland and a leading contractor of RES infrastructure, particularly wind farms and photovoltaic systems. The Company's portfolio comprises **390 renewable energy projects, almost 4 GW of energy output and more than a thousand foundations cast under turbines across Poland.** ONDE has gained several years of experience by executing investment projects varying in scale and complexity, and the results are measured not only in MW, but primarily with trust of investors.

ONDE, which means "waves" in Italian, is a natural consequence of transformation and development. Energy, wind, sun, light are the very waves that are at the heart of the Company's business. Its powers comprise the full chain of supply: from design, through implementation and delivery of a turnkey completed wind farm.

ONDE WAS INVOLVED IN THE EXECUTION OF EVERY THIRD WIND TURBINE PROJECT IN POLAND

ONDE also continued to develop RES projects executed on its own account. The adopted strategy provides for acquisition and development of photovoltaic and wind farm projects for resale (i.e. under the Develop, Build and Sell model) or to leave some of the on-going RES projects in the Group and sell the energy generated by them - which can provide the company with recurring revenues. **ONDE's own projects have the total capacity exceeding 830MW**. The first of them, the 18 MW photovoltaic farm called Cyranka near Giżycko, which has already started to generate power.

In 2022, the Group expanded in operations in the RES segment with the addition of three more Special Purpose Vehicles (SPVs) (Neo Solar Kazimierz Biskupi Sp. z o.o., PV Kadłubia 2 Sp. z o.o., PV Szczepanów Sp. z o.o.).

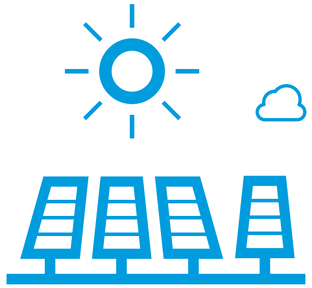
It has also executed the promised agreement to acquire the remaining 50% stake in the DEPVPL Power Plant 22, Special Purpose Vehicle Sp. z o.o. which owns the photovoltaic power plant project "Rejowiec" with a capacity of 40 MW, located in the Lublin province.

In 2022, ONDE completed 20 wind farm projects and 26 solar farm projects, with a total generation capacity of almost 1 GW.

THE COMPANY EXECUTES:



New wind farms (WF) in 2022: **11**
Total capacity: **449.2 MW**
Contract value: **PLN 502 million**



New photovoltaic (FV) farms: **27**
Total capacity: **78 MW**
Contract value: **PLN 125 million**



first foreign
project **(Lithuania)**



GOOD PRACTICE

In 2022, our ONDE was once again added to the prestigious list of "Forbes Diamonds". With a net profit of PLN 32.7 million and sales of PLN 585 million, it was ranked first in the Toruń region and at the same time took the top position in the Kujawsko-Pomorskie region in the general ranking.

"Forbes Diamonds" is an annual list of the fastest-growing companies in Poland The justification refers to the company's rapid adaptability to reality.



The Dębsk wind farm with a capacity of **121** MW

KEY PROJECTS:

Białogard I (Dunowo I) Wind Farm with a capacity of 131,9 MW

Banie III wind farm with a capacity of **81.4** MW

Dunowo II Wind Farm with the capacity of **52.9** MW

"Dobrzyca" Wind Farm with the capacity of: **49.9** MW

UNDER IMPLEMENTATION

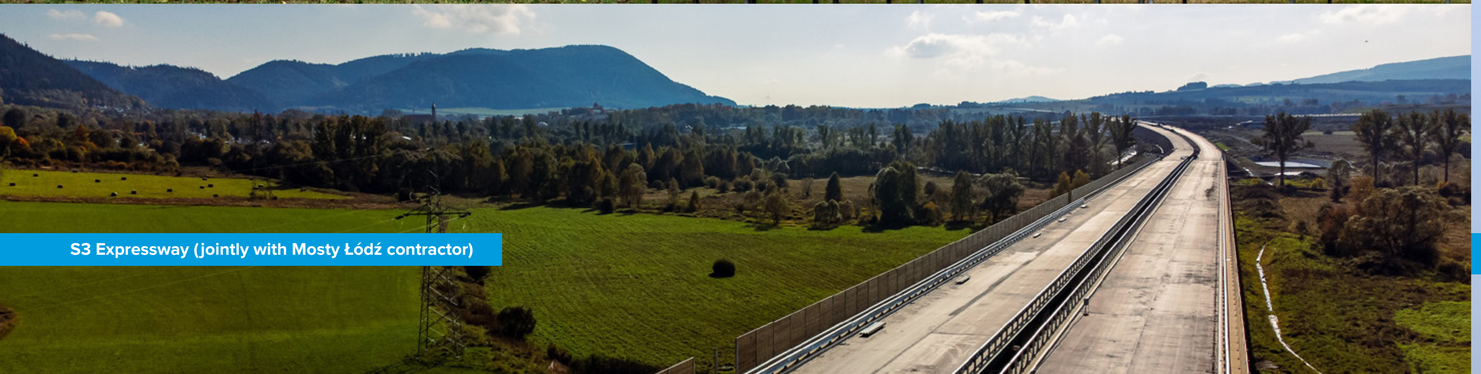
The "Bąków" Wind Farm with the capacity of **136.8**

The "Golczewo" Photovoltaic Farm with a capacity of **80** MW

The "Człuchów" Wind Farm with a capacity of **72.6** MW



Braniewo Photovoltaic Farm (PV) with a capacity of **57** MW, scope of works: BoS



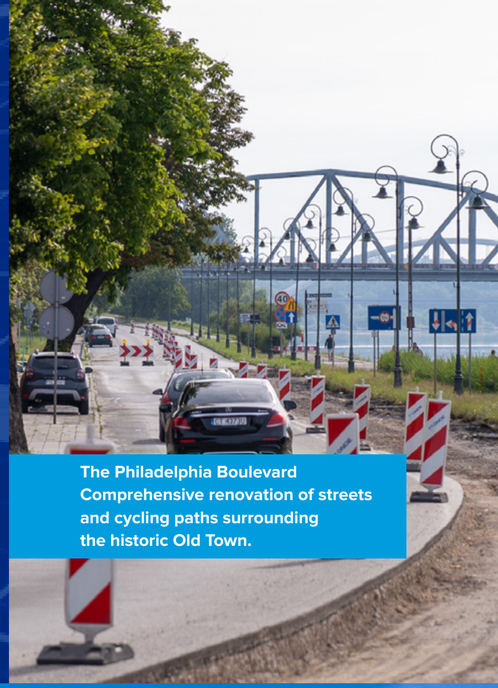
S3 Expressway (jointly with Mosty Łódź contractor)

ROAD PROJECTS UNDERWAY

S3 expressway (jointly with Mosty Łódź contractor)

The S3 expressway, from the Góra Północ junction (incl. interchange) to the state border is included:

- **12** engineering structures along the S-3 expressway;
- **5** viaducts over the expressway, along local roads;
- **3** utility crossings;
- **13** culverts for ecological purposes (passes for small animals and amphibians);



The Philadelphia Boulevard Comprehensive renovation of streets and cycling paths surrounding the historic Old Town.



Biały Bór WiND Farm with a capacity of: **144.9** MW

MANAGEMENT BOARD



Paweł Średniawa
President
of the Management
Board



Marcin Szerszeń
Vice-President
of the Management
Board



Piotr Gutowski
Vice-President
of the Management
Board



ENGINEERING
PROJECTS FOR INDUSTRY
AND POWER SECTOR:
ERBUD INDUSTRY





ERBUD INDUSTRY Sp. z o.o. focuses on the construction of new energy sources and the modernisation of existing ones, actively responding to the current needs of the heating industry, the professional energy sector and industrial plants in Poland. The bid includes a comprehensive engineering service under the "Design and Build" model including the construction of:

- energy sources such as water and steam boiler plants, equipped with gas- and oil-fired boilers and electric-powered boilers,
- cogeneration energy and heat sources,
- WtE plants for thermal conversion of municipal, industrial and hazardous waste,
- industrial facilities, process systems and manufacturing lines,
- environmental protection installations and auxiliary installations for power units (denitrification, desulphurization, dedusting, ash removal),

The largest share in the ERBUD Industry's order book is taken by the contracts for construction of new and modernization of existing energy sources located at combined heat and power plants (CHPs) and industrial plants. The team consists of engineers and specialists who have extensive experience in working on projects in various industrial and energy sectors in the field of general contracting and subcontracting in engineering projects, including in the EPC formula.

KEY PROJECTS IN 2022 INCLUDED:

- Construction on a turnkey basis of flue gas cleaning system using catalytic denitrification (SCR) process and modernisation of flue gas dedusting process along with the upgrading of boiler OP-215 No. 2 at the Puławy Nitrogen Fertilizers Plant for Puławy S.A. Works.
- construction on a turnkey basis of the second gas boiler system in the existing gas boiler house in Olsztyn for Michelin Polska SA,
- construction on a "turnkey" basis of a peak load/ reserve boiler house for Tauron Ciepło Sp. z o.o. Bielsko-Biała Generation Plant, CHP Station, Bielsko-Północ EC-2,
- construction on a turnkey basis of a peak load/ reserve water boiler house equipped with two boilers of the capacity of 20 MWt each and one boiler of the capacity of approx. 10 MWt together with the necessary construction and technological infrastructure in Kalisz for ENERGA Kogeneracja Sp. z o.o.
- pre-manufacture and supply of two gas-fired boilers for Pfeifer & Langen Polska SA's Miejska Górka Sugar Refinery.



Zbigniew Gładys
A Management Board member

MAINTENANCE SERVICES FOR INDUSTRY AND POWER SECTOR , I.E. **ERBUD INDUSTRY CENTRUM** AND **ERBUD INDUSTRY POŁUDNIE**





The Company offers comprehensive maintenance services for the overall facilities, machinery, equipment, process lines, systems and tanks. It specializes in the construction, repair, as well as modernization of power, heating, electrical, C&I, and industrial and municipal installations and equipment. It also offers organizational and technical consulting services.

Thanks to experience and continuously upgraded skills, the Company's departments and divisions carry out services that fully comply with the requirements and expectations of our customers involving the execution of:

- comprehensive upgrading and repair of steam and water boilers
- workshop services in the field of metalworking
- comprehensive investment and upgrading works for the commercial power industry
- comprehensive upgrading and repair of steam and water networks
- technical testing and diagnostics of machinery and equipment
- upgrading and repair of electrical and I&C equipment
- works in the field of upgrading , repair and manufacture of overhead travelling cranes

In 2022, Erbud INDUSTRY Centre completed approximately **400 projects commissioned by 150 customers**.

PROJECT HIGHLIGHTS

Erbud Industry Centrum:

- Conversion of the existing ducted Opolska street and into preinsulated district heating network in the area of Opolska and Popielskiego Streets in the City of Wrocław
- Supply and replacement of the air heater for the boiler at the Janikowo manufacturing plant
- Execution of repair works of process systems during the maintenance shutdown at the Gdansk refinery
- a routine repair of the Konin-based Municipal Waste Thermal Treatment Plant

PROJECT HIGHLIGHTS

Erbud Industry Południe:

- Repair of the boiler of the steam and water pipelines of the power units at Łaziska Górne Power Plant
- Comprehensive mechanical assembly of a fluidized bed boiler with auxiliary equipment and accessories in France
- Repair of the pressure part of the boiler WP-70 No. 2 with regard to the furnace chamber
- Installation of pipelines and steel structures as part of the contract for the modernization of the coke side of the coke battery in Dąbrowa Górnicza

MANAGEMENT BOARD



Paweł Zaorski

President
of the Management
Board of ERBUD
INDUSTRY Centrum



Dariusz Badeja

Vice-President of the
Management Board of ERBUD
INDUSTRY Południe



Marcin Stasiak

Vice-President of
Management Board of ERBUD
INDUSTRY Centrum



CONSTRUCTION OF TIMBER MODULES: **MOD21**



MOD21 showroom located next to the Ostaszewo plant



One of the attractions at the opening of the MOD21 factory was a TYROLEAN suspended from the ceiling

MOD21 IS AN ECO-FRIENDLY, IN 90% MODULAR TIMBER CONSTRUCTION.

The company has at its disposal 22,000 sq. m of production floor area in Ostaszewo near Toruń and its headcount exceeds 50 people.

MOD21's manufacturing facility complies with high environmental standards, and will eventually be an energy-neutral and zero-emission facility.

Among other things, durable, multi-story structures such as hospitals, dormitories, hotels and schools are erected from such modules - like building blocks. 90% of the construction work is carried out on the assembly line at the manufacturing plant near Toruń, which incredibly reduces the investment time and allows to maintain the highest, repeatable quality. MOD21 supports investors throughout the construction process - from design to commissioning of the completed building.

Modular construction offers the opportunity to best adapt each building to its intended use. Thanks to industrial batch production, MOD21 is able to develop in a reliable and quick manner not only high-quality and affordable housing units, but also office and care taking facilities. Compared to conventional construction methods, buildings are erected up **to 70% faster and are characterized by significantly lower emissions**. Using the state-of-the-art technologies, MOD21 fabricates modules in-house, regardless of the weather and with an expansion rate of up to 90%. This enables it to ensure consistently high quality and complete construction in the shortest possible time - all within the agreed deadlines and budgets.



Theodor Kaczmarczyk

President of the Management Board

GOOD PRACTICE

In 2022, a thousand guests, 21 unique high-tech attractions, VR, modules and ecology, and a panel discussion "Building the Future" added splendour to the grand opening of the MOD21 manufacturing plant in Ostaszewo near Toruń.

MOD21 plans to fabricate 30,000 square meters of total modular space in its first year of operation, which is expected to generate approximately PLN 240 million in revenue. **At the end of 2022, the Company's headcount exceeded 50 people, a number that is expected to gradually increase to 150 by the end of 2023 and 300 in 2026**.

MOD21 manufacturing plant complies with high environmental standards, is an energy-neutral and zero-emission facility. The fabricated timber modules have a negative carbon footprint, and the fabrication process follows a circular economy model.



We were visited by
976
persons

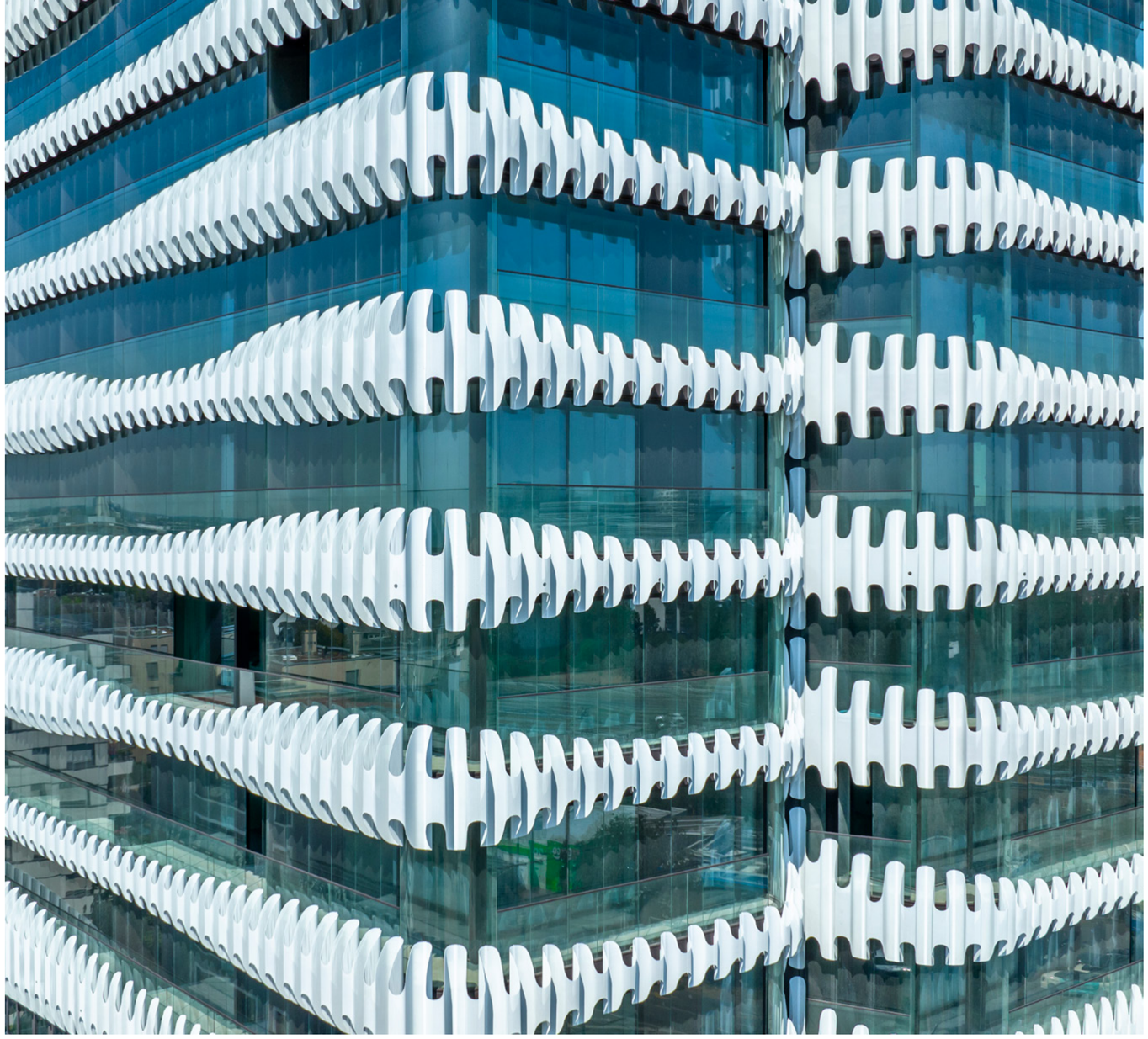
The manufacturing line was visited by
731 persons

We handed out
2467
food rations

At the cycling cinema we covered the total distance
641 km

We built a portrait of Nicolaus Copernicus from
684
Rubik's cubes

Record at a distance of 270m was set at
0:35



CHANGES IN ORGANISATIONAL STRUCTURE

Due to the growth of the **ERBUD Group** and the increase in the number of competencies, the country's building construction structure has been reorganized. The previous division into 7 Branches has ceased to exist, and in its place three main Branches have been established, with technical offices reporting to them. New units include: **ERBUD** Warsaw Branch with two technical offices in Rzeszów and Szczecin and Erbud Industry, which will be merged with Erbud S.A.; ERBUD Toruń Branch, which also includes the former Hydro-Engineering Branch in Gdansk; and ERBUD Wrocław Branch with a technical office in Kraków. The changes became effect on 1 January 2023.

A natural consequence of rapid development: - including acquisition-based method, as was the case with the **ERBUD Group** - is the multiplicity of decision-making centres. - Excessive fragmentation of the entire group, not just the building construction business leg, did not allow for satisfactory synergies between entities. The new organization will allow us to increase decision-making and management agility, streamline planned implementations and standardize processes," Vice-President Jacek Leczkowski, responsible for the country's Building Construction area, explained at a meeting with all employees affected by the change.

GWI CONSOLIDATION

GWI IS A COMPANY WITH MORE THAN 25-YEAR-LONG EXPERTISE IN THE GERMAN MARKET, MOD21 START-UP SPECIALIZES IN THE CONSTRUCTION OF MODULAR TIMBER BUILDINGS.

We merged these two subsidiaries into a single entity operating under the name of **MOD21**. The decision to merge is a response to the needs and growing challenges of the construction industry. – We want to build faster, greener, tailoring our offerings to individual customer needs. The new company combines **GWI's** extensive experience, recognition and unique credentials in the German market with **MOD21's** – innovative business model, Dariusz Grzeszczak, CEO said in the "Immobilien Zeitung" magazine. GWI is a well-established brand in the German market, with a track record of completing the ICE tunnel between Cologne and Bonn, as well as a number of prestigious facilities in the Rhineland-Westphalia region, particularly in Düsseldorf - such as the Vabali leisure centre, Huawei's headquarters in the Silizium office building, the Kö-Quartier shopping and service centre and the luxury department store at Koenigsalle 18. It will continue to implement buildings from building construction segment and in the operational field it will support **MOD21** in hybrid structures with all the elements of traditional construction necessary for modular realizations: staircases, elevator shafts, foundations.



MOD21 GmbH is a company with vast experience in conventional construction and the erection of large volume buildings. Since 2022, in addition to carrying out its own projects, the former GWI's structural engineering team has been supporting **MOD21** modular construction team in the construction of modular buildings, where traditional construction elements are required, e.g.: staircases, elevator shafts and foundations.

The company provides services ranging from earthworks and special foundation work, to structural construction services, to weather proofing - with high-quality results every time. Currently, it is limited to its core competency of shell construction, including foundations, cladding, roofing and elevation work.

The company's strong competency is sound advice to clients. Before implementing a project, **MOD21** specialists check carefully and precisely its feasibility.

MOD21 STRENGTHS:

- consulting competence right from the planning
- phase effective processes to ensure cost efficiency for the customer
- timely and professional execution of the project
- quality

MOD21 personnel form an efficient, complementary team that focuses primarily on one thing: achieve greater efficiency and profitability for their customers. It perfectly combines experience and the spirit of innovation, experts with long-term industry knowledge and extensive hands-on experience, and young, dynamic employees who bring new perspectives and viewpoints.

PROJECTS EXECUTED BY THE COMPANY:

- ICE tunnel between Cologne and Bonn
- Vabali leisure centre, Huawei
- headquarters in the Silizium office building
- Kö-Quartier shopping centre department stores
- in 18 Königsallee Street

In August 2022, the company signed a new building shell contract for the Regentenstraße 137 / Gneisenaustraße project in Mönchengladbach



Theodor Kaczmarczyk
President of the Management Board



Jürgen Kugelberg
Vice-President

HOSPITALS AND NOT ONLY: **ERBUD INTERNATIONAL**



Investor Silesian Centre for Heart Diseases in Zabrze



Investor Silesian Centre for Heart Diseases in the City of Zabrze

Erbud International acts as a general contractor in the field of investments in building construction segment, specializing in projects for health care using Design, Build and Equip service delivery model. In addition, the company operates in the field of renovation projects, particularly rooms with high level of technological complexity, e.g. operating theatres, as well as thermal efficiency improvement projects.

The Company is well acquainted with the specifics of public tenders in terms of formal and legal issues, which enables the correct submission of an offer and realization of investment using rights of Contractor that are given by Polish Public Procurement Law. In the domestic market, ERBUD International also takes part in tenders related to the development of public spaces, such as the revitalization and construction of spa parks, fountains, town squares, etc. In addition to domestic investment projects, the company executes projects in the overseas countries, mainly in Belgium, and has a branch office in Germany in Düsseldorf.



Bogdan Durr
President of the Management Board



Mirosław Młynarski
President of the Management Board



Krzysztof Gaweł
Vice-President of the Management Board

PROJECT HIGHLIGHTS (POLAND):

- Redevelopment and modernization of the rooms of the Independent Community Health Care Centre hospital in Łuków
- Execution of construction works involving the extension and reconstruction of the building housing Chamber of Fiscal Administration in Lublin, located in Lubartów
- Construction of a Didactic Building with Student Service Center for the State Higher School of Technology and Economics in Jarosław.
- Upgrading of energy efficiency and harmonization with effective legislation of the Pavillions I and VIIB of the Mazovian Specialist Outpatient Clinic in Pruszków
- Improvement of the energy efficiency of the building of the Maria Skłodowska-Curie National Institute of Oncology - National Research Institute and demolition of 5 buildings.

PROJECT HIGHLIGHTS (BELGIUM):

- Construction of the shell of an apartment building in Leuven
- Construction of the shell of an apartment building in Antwerps



Redevelopment of two dormitories owned by the University of Lublin


Construction of the shell of an apartment building in Antwerps



Execution of energy efficiency improvement works in the main building of the Ludwik Rydygier Specialist Hospital in the City of Kraków.


Improvement of thermal efficiency of the Rector's office building of the Medical University of Warsaw in Warsaw


Renovation, reconstruction and expansion of Małachowski Palace in Nałęczów

PETROCHEMISTRY, INDUSTRY AND POWER SECTOR: **IKR GMBH**





KR GMBH is a service provider for the German and European economy. The company operates in the petrochemical, chemical, industrial and energy sectors. In addition, it has its own manufacturing facility in Bitterfeld, where spools for construction sites are produced.

IKR operates on a branch basis to be able to act and operate directly at the customer's site and has branches in Hamburg, Bavaria and Lausitz.

PROJECT HIGHLIGHTS:

- Construction of an acid water stripping plant including pipeline assembly and installation of various types of equipment at a Lingen refinery.
- Installation of the plant and pipeline including corrosion protection for the new catalyst manufacturing line at the techno-park in Frankfurt am Main
- Design, installation and delivery of 12 skids for glass works in Germany and Poland
- Modernization of the reduction station on the site of the WtE thermal waste conversion plant in Iserlohn
- Major overhaul of ammonia water system No. 1 and additional repair work on ammonia water system No. 2 at the Lutherstadt Wittenberg plant
- Design, manufacture and installation of a test stand for hydraulic flow machines for the University of Stuttgart



Bern König
President of the Management Board



Andreas Schmitz
President of the Management Board

INDUSTRIAL PROCESSES:

IVT MENZENBACH GMBH & IVT WEINER + REIMANN GMBH



IVT





IVT Menzenbach GmbH is a daughter company of IVT Weiner+Reimann GmbH. The companies offer the entire range of modern industrial and supply technologies. The range of services includes the installation and stripping down industrial and utility plants, comprehensive maintenance measures and advice on the planning and construction of industrial plants.

IVT operates, inter alia, in the areas of industrial and plant engineering, electrical, meteorological, measurement and control technology, residential engineering and building services, and technical building management and industrial vulcanization.



Andreas Schmitz
President of the Management Board



Carsten Weiner
President of the Management Board

PROJECT HIGHLIGHTS



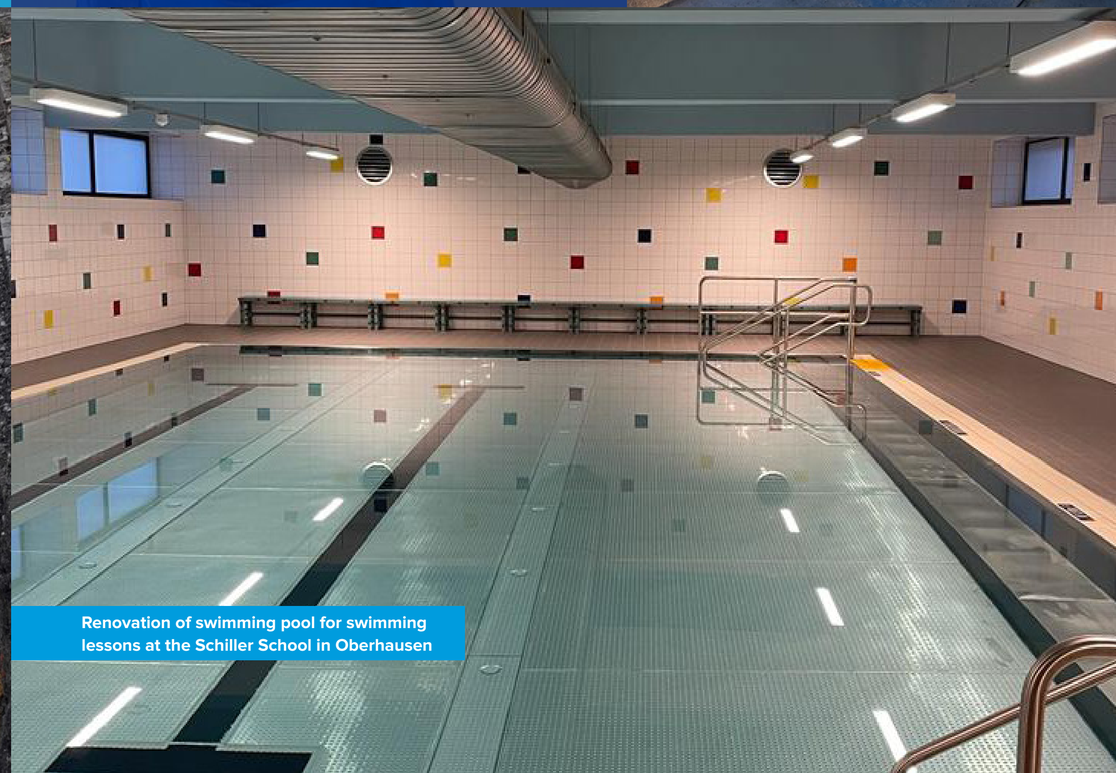
Overhaul of furnaces at Duisburg metallurgical plant



Partnered **VIVAWEST** in retrofiting existing housing units, in Düsseldorf and Mülheim



Installation of mine gas pipeline



Renovation of swimming pool for swimming lessons at the Schiller School in Oberhausen



Participation in shaft filling as a RAG partner

2|3

RELATIONS WITH MARKET ENVIRONMENT

2022 was not an easy time in the construction market, and the market environment was far from stable and ability to predict accurately events. The market slowdown, reduced housing investment rate, reduced demand for building materials and the outbreak of war in Ukraine have caused a wave of speculations. The consequences - in addition to swelling inflation - were new to the market, such as bids valid for a week or 48 hours.

At the same time, electricity prices went up even several times. Only in Q4 2022 did the situation start to stabilize. Construction materials prices stopped rising, and bids began to be valid for a period of 2-4 months. The suppliers of electric energy - one of the primary price drivers - have started to estimate cautiously their prices even with a 2024-2025 outlook.

At ERBUD Group, we have emerged unscathed from all that market turbulence. In tough times, our alliances built over many years and based on solid foundations with suppliers have paid off. Thanks to them, we were able to ensure continuity and timely delivery to our construction sites.

[2-29]

At ERBUD Group we are convinced that a prerequisite for the sustainable development of any organization is the consideration of broader social and environmental interests, and the key to this is proper management of stakeholder relations. The map of our key stakeholders is made up of internal and external stakeholders - both those we influence and those who influence us. On-going dialogue with these groups is an major part of our **ESG Strategy**, and what we hear has an impact on planning our development directions and shaping the Group's business model.



Commissioning of MOD21 manufacturing plant in Ostaszewo near Toruń.



The two companies that make up the ERBUD Group are listed on the Warsaw Stock Exchange – it is standard in our group to act in accordance with the requirements of the Good Practices of Companies Listed at WSE 2021, which emphasize the significance of a transparent and reliable information policy.

KEY STAKEHOLDERS OF THE ERBUD GROUP:

- workforce
- suppliers
- subcontractors
- employers, customers, investors
- financial institutions - investment funds, banks
- stock exchange investors
- media
- students/ interns / university
- entities supporting the Foundation
- local communities
- government organisations



Close cooperation with stakeholders allows us to find common values and goals that are part of the Group's sustainable development. We also have the ability to identify risks early and implement measures to prevent and mitigate the negative impact of our activities.

Marcin Kasprzak

Marketing and PR Director / ERBUD Communication

[2-29]

MAJOR DIALOGUE AND COMMUNICATION TECHNIQUES USED WITH STAKEHOLERS AND METHODS OF THEIR BUY-IN

Stakeholders techniques	Major dialogue, communication and engagement
Business partners (customers) ■ investors, ■ potential customers	■ We meet in person and online. ■ We take care of on-going written and verbal.communication. ■ We update the website and are active in social media.
Subcontractors	■ We meet in person and online. ■ We take care of on-going written and verbal communication. ■ We attach importance to raising awareness of business partners on occupational health and safety as well as environmental protection by informing about our standards ■ We provide participation in information training sessions concerning Occupational health, safety and environmental protection (EHS) and additional initiatives. ■ We provide subcontractors with additional information materials on proper attitudes and on-site safety. ■ We update the website and are active in social media.
Subcontractors ■ current employees ■ management potential ■ employees	■ We ensure constant open, two-way communication between management, including the Management Board, and employees - we pursue an "open-door policy" and keep in touch on on-going basis by phone and email. ■ We organize internal and external training, and are open to employee-driven training proposals. We take care of communication training - first and foremost for managers to ensure good practices in on-going dialogue with employees. ■ We organize team-building meetings - company-wide or team-based. ■ We survey satisfaction with the recruitment and on-boarding process on an on-going basis and we analyse the results quantitatively and qualitatively. ■ We run development talks. ■ We participate in job fairs in person and online. ■ We post current vacancy advertisements on the website and recruitment services.

Stakeholders	Major dialogue, communication and engagement techniques
Employees ■ Current employees ■ Managerial staff ■ Potential employees	■ We ensure constant open, two-way communication between management, including the Management Board, and employees - we have an "open-door policy" and keep in touch by phone and email. ■ We organize internal and external training, and are open to employee-driven training proposals. We take care of communication training - first and foremost for managers to ensure good practices in on-going dialogue with employees. ■ We organize team-building meetings - company-wide or team-based. ■ We survey satisfaction with the recruitment and on-boarding processes on an on-going basis and analyse the results quantitatively and qualitatively. ■ We run development talks. ■ We participate in job fairs in person and online. ■ We post current vacancy advertisements on the website and recruitment services
Suppliers	■ We meet with them in person and on online basis. ■ We take care of on-going written and verbal communication.
Local communities	■ We organize meetings with the authorities and residents of the municipality. ■ We organise on-site inquiry desks. We collect. ■ complaints and requests from residents, if any such arise, and manage them. ■ We run educational activities, including those designed for children and young people. ■ We update the website and are active in social media.

Stakeholders techniques	Major dialogue, communication and engagement
Capital market environment ■ shareholders ■ investors ■ analysts ■ capital market institutions including WSE	■ We convene General Meetings. ■ We arrange financial performance meetings. ■ We meet individually and in groups - in person and online. ■ We prepare reliable and comprehensive current and periodic reports. ■ We take care of on-going written and verbal IR communication. ■ We update the website and are active in social media.
Media (and opinion leaders)	■ We prepare information about financial performance. ■ We take care of on-going written and oral communication by phone or email, including in the form of interviews with representatives of our organization. ■ We provide the key information from corporate life on an on-going basis, including project implementation and new contracts. ■ We update the website and are active on social media. ■ We organize conferences with the participation of representatives of associations. ■ We participate in setting common occupational health and safety standards. ■ We exchange knowledge and experience on occupational health and safety with other signatories of Polish Construction Safety Alliance. ■ We hand over and receive alerts on accidents and near misses. ■ We exchange knowledge and experience with other association members and participate in industry initiatives.

Stakeholders	Major dialogue, communication and engagement techniques
Entities supporting Foundation	■ We meet in person at various events, in the past we organized balls, now family picnics, sports events ■ We exhibit a booth for the Foundation at events dedicated to our companies (e.g. the opening of MOD21's manufacturing facility). ■ We update the website and use the Group's social media channels. ■ The Foundation's activities are promoted via communication on the LinkedIn site of Lucyna Grzeszczak, the Foundation President ■ We send letters to our partners from a mailing list.
Government organisations	■ We publish reports. ■ Key information we post on on-going basis on our website. ■ We take part in meetings of different nature. ■ We communicate highlights of the company's life to the media.



We keep our stakeholders informed of our progress in implementing our sustainability strategy through on-going communication in the media, our website and in a non-financial report published annually. In-house stakeholders additionally participate in periodic ESG training sessions and have access to in-house communication platforms. First and foremost, however, they are engaged directly through meetings with those directly responsible for E, S and G areas (ESG Committee).

HOW DO WE COMMUNICATE WITH STAKEHOLDERS:

surveys - a source of knowledge about needs and priorities

everyday meetings and talks about what is key to individual groups

online communication

While drawing up our 2022 sustainability report, we surveyed representatives from 10 key stakeholder groups. ERBUD Group's impact on 18 ESG issues was assessed. The catalogue of assessed topics included issues related to environmental impact and climate change, social and labour issues, including human rights. The respondents were asked to assess whether our Group influences each of these issues, and if so, how (positive/negative).

TOP 10 TOPICS ACCORDING TO STAKEHOLDER EVALUATION INCLUDE:

Subject	Weighted average impact assessment	Number of respondents who believe that the Group ERBUD has impact on a certain topic	Type of impact
Employees: working conditions, employee health and safety, well-being	3.69	367	positive
Innovation, industry, infrastructure (including but not limited to sustainable infrastructure, sustainable innovation and industry	3.03	335	positive
Consumers and end users (e.g., responsible marketing, responsible sales, quality of service)	2.91	327	positive
Employees in the value chain (e.g., respect for human rights by Erbud's subcontractors/suppliers)	2.90	319	positive
Workers: equal opportunities e.g. equal pay between men and women	2.74	291	positive
Climate change (e.g., greenhouse gas emissions or the share of renewable energy sources in the energy mix)	2.60	313	positive
Personnel: other employee rights (e.g., employee privacy at work, human rights incidents among personnel, or strikes)	2.60	280	positive
Use of raw materials (e.g., use of renewable and non-renewable resources)	2.45	280	positive
Local communities (e.g., dialogue or engagement with communities impacted by the organization's activities)	2.44	285	positive
Circular economy (e.g., amount of waste generated, percentage of reused raw materials)	2.23	273	positive



[2-28]

We share out best knowledge and our specialities with the market and the industry. The representatives of our companies attend meetings of industry organizations we are members of - we exchange best practices, seek inspiration and inspire others

Our Group member companies belong, inter alia, to:

- **ERBUD SA**
  - Polish Construction Safety Alliance
  - Polish Forum ISO 14000 Association
- **ONDE**
  - Polish Wind Power
  - Polish Photovoltaics Association
  - National Chamber of Commerce of the Road Engineering Sector
  - Polish Forum ISO 14000 Association
- **MOD21 GmbH**
  - ZIA – Zentraler Immobilien Ausschuss e.V.

[415-1]

In 2022, ERBUD Group did not make any donations to political parties, politicians or institutions of a similar nature.

OUR GROUP MEMBER COMPANIES BELONG INTER ALIA TO:

ZIA Die Immobilienwirtschaft

PSEW

Ogólnopolska Izba Gospodarcza Drogownictwa

ERBUD GROUP

Porozumienie dla Bezpieczeństwa w Budownictwie

Polskie Stowarzyszenie Fotowoltaiki

Stowarzyszenie Polskie Forum ISO 14000



TAX STRATEGY

[207-1]

ERBUD Group's tax strategy is posted on the ERBUD website. The major premise of the tax strategy is to strive to take all reasonable measures to ensure correctness, completeness and timeliness of tax settlements and to minimize tax risks. The Group uses tax preferences in accordance with their purpose and strives for transparency in its relations with tax authorities. In order to ensure high quality and efficient implementation of tax processes, the entire ERBUD Group has an entity specialized in accounting and tax services - Erbud Shared Services, which acts as a 'shared service centre'. The company has outsourced most of its tax settlement tasks to Erbud Shared Services while retaining control and oversight of the entity's operations and implementing processes to ensure cooperation and two-way flow of information.

The tax strategy, due to frequently changing laws, is revised in accordance with changes and business needs, e.g. when new business segments are created. The tax strategy is also reviewed in terms of business strategy.

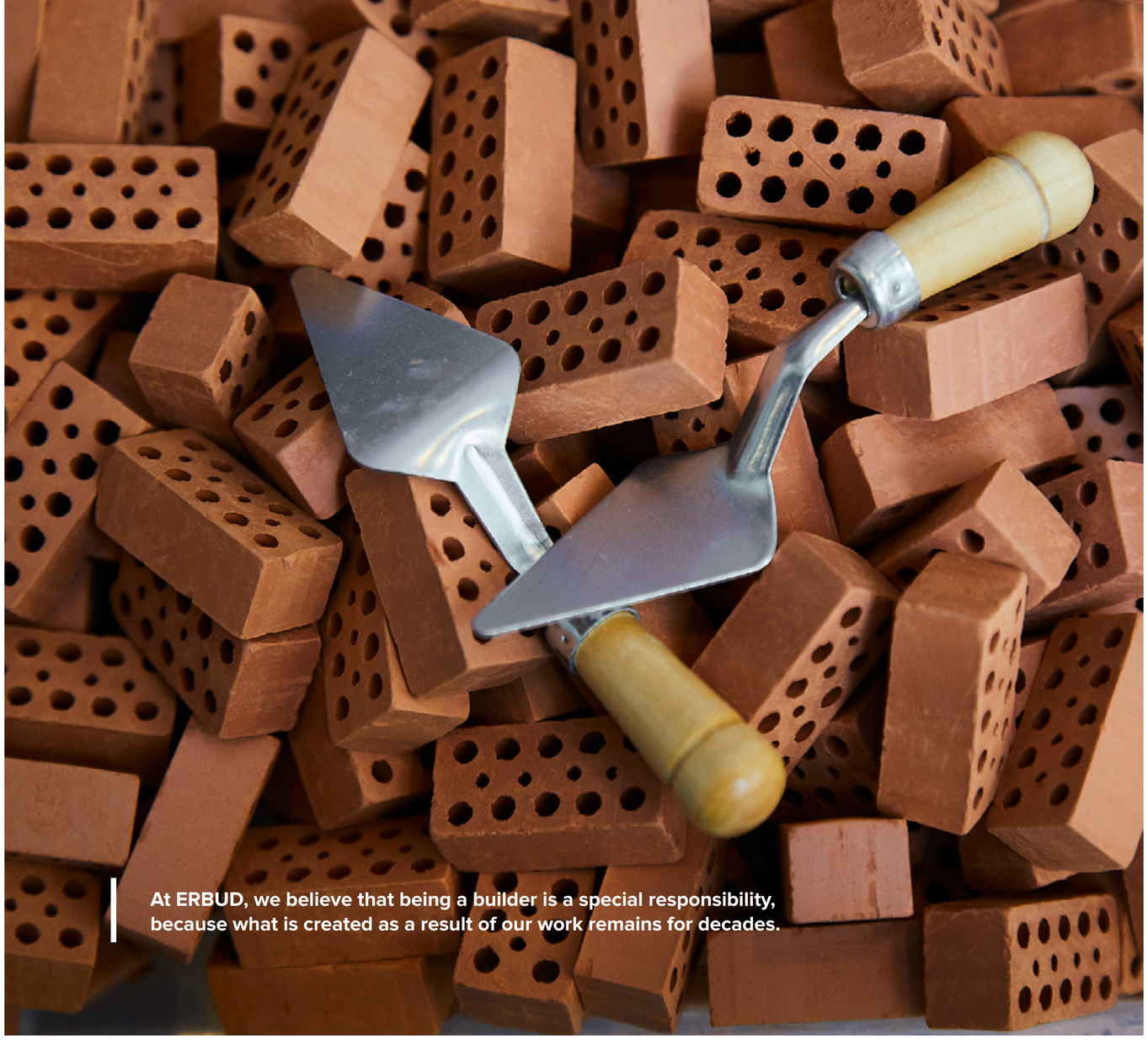
The company's management has an active role in both the process of analysing planned, significant business activities on tax grounds as well as tax risk management. In the case of new, non-standard and business or value-intensive transactions or activities, the Company performs a tax analysis at the planning stage.

These analyses are carried out with the support of experts from the Shared Services Center and third party tax advisors.

The Company and the Shared Service Center strive to choose solutions that minimize the risk of disputes with tax authorities and are constantly working with tax consulting firms. If there are doubts about the application of tax law on significant tax issues, the company applies for individual tax interpretations.

Companies with tax jurisdiction in Germany use German tax advisors with whom they have permanent consulting agreements. In the case of transactions between Polish companies in the ERBUD Group and German companies, we take care to comply with standards under "transfer pricing."

The tax strategy supports the business strategy and sustainability strategy. However, for the sake of the ERBUD Group's tax security, compliance with the law is an overriding form.



2|4

ESG STRATEGY

We know as little about foundations as anyone in Poland – we treat sustainable development as the foundation for the future of the ERBUD Group. We are aware of our environmental impact and we consider the impact exerted by environment on us. Sustainability is an integral part of our business strategy and direction of activities for the future.

We are builders and always work according to a plan. Therefore we developed a strategic plan at the ERBUD Group called "We Build Responsibly." Its underlying assumptions are as follows:

- **zero (0)** severe and fatal accidents;
- to upgrade employee skills
- to support and promote diversity in the construction sector
- to enhance of the renewable energy share in our energy mix
- to search for solutions in a circular economy
- to implement solutions related to responsible value chain management
- long-term measures to achieve climate neutrality
- reduction of direct emissions by **40%** and indirect emissions by **20% by 2040**
- reduction of energy consumption by **10%**
- to develop business focused on sustainable investment projects through, inter alia:
  - **RES,**
  - **modular timber construction industry**
  - **modernisation**
  - **green certificates**



Children's zone at Warsaw's Służewiec Horse Racing Track during the Westminster Day

"WE ARE RESPONSIBLE BUILDERS" IS IN LINE WITH THE IMPLEMENTATION OF THE UN SUSTAINABLE DEVELOPMENT GOALS, INCLUDING IN PARTICULAR:

Goal 5

GENDER EQUALITY

Goal 7

AFFORDABLE AND CLEAN ENERGY

Goal 8

DECENT WORK AND ECONOMIC GROWTH

Goal 9

INDUSTRY, INNOVATION AND INFRASTRUCTURE

Goal 11

SUSTAINABLE CITIES AND COMMUNITIES

Goal 12

SUSTAINABLE CONSUMPTION AND PRODUCTION

Goal 13

COUNTERACTING CLIMATE CHANGES AND THEIR EFFECTS



IN OUR 2020-2050 CLIMATE POLICY WE DEFINED GOALS AIMED AT THE IMPROVEMENT OF ENERGY EFFICIENCY AND AT THE REDUCTION OF CARBON FOOTPRINT THROUGHOUT GROUP SUPPLY CHAIN TO MITIGATE CLIMATE CHANGE.

"RESPONSIBLE CONSTRUCTION" IS BASED ON THREE PILLARS:

- Innovation - environmental, or innovative solutions for the environment
- Safety - social responsibility, or the safety of employees and local communities
- Responsibility - corporate governance, or responsible relationships and actions



The "We Build Responsibly" plan is a follow-up of previous activities and our compass for the coming years. The document defines ambitious development directions and is a response to how the world is changing, the expectations and requirements of our stakeholders, as well as ERBUD itself. We always start with ourselves - by building one of the most modern timber module manufacturing plants in Europe or increasing the share of electricity generated from RES through the construction of wind farms - we are able to change the world

Dariusz Grzeszczak

President of ERBUD Management Board

GOOD PRACTICE

The ESG strategy was developed during H1 of the year 2022, and was announced in November. The year 2023 will be a time for us to implement and structure processes, plan strategic projects and activities that must match business scalability.

10 STEPS I.E. HOW WE DESIGN OUR STRATEGY:

1.

Because we believe in the power of expertise, we asked a consulting firm for support, which provided us with an objective and fresh outside-in perspective on our business.

2.

We established a team that included representatives from key areas of our organization.

3.

The entire process was given oversight by the Management Board, which approved the status of the work at key stages.

4.

We have chosen the UN Sustainable Development Goals.

Our goal is to incorporate the ESG criteria into the financial decision making process.

6.

We analysed the dual materiality, impact, risks and opportunities, and analysed how best to take advantage of the opportunities that flow to our organization from sustainable development.

8.

We have revised a new vision and mission statement, which was followed by new guiding policies that the organization wants to implement.

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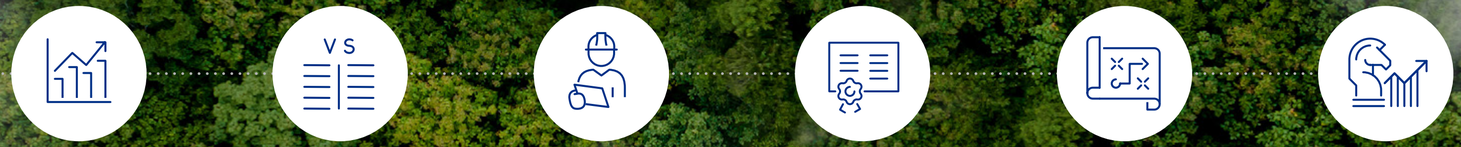
10.

The resulting strategy takes into account economic, market, social and environmental perspectives and has been integrated into the business strategy so that business models are designed in accordance with the guidelines.



5.

We picked up ESG indicators, that refer to the goals we selected.

7.

To define what is material to us and to identify expectations, we involved internal and external stakeholders, with whom we held individual dialogue sessions and later workshops in sub-teams responsible for a particular area.

9.

We defined areas of influence, within which goals were set, and then the goals were broken down into tasks so that these could be delegated for implementation.

2|5

SUPPLY CHAIN

[2-6]

We want to treat each of our construction sites as if it were the key one - we know that the ERBUD brand, the reputation built over decades and the financial prosperity of our company depend on the safe and timely execution of contracts and the reputation we leave behind among our customers.

To make it all work, we have developed a supply chain over the years that proves that modern construction is still about more than cost rationalization and speed of execution.

At ERBUD, our suppliers and subcontractors can count on loyalty, day-to-day honesty, no legal loopholes and economic understanding. If they return the favour - our cooperation is counted in long-term.

ERBUD's history shows that this approach pays off not only on ethical, but also on financial grounds.





The large construction site does not exist without subcontracting companies, and there is no construction site without material supplies. It is the supply chain that determines whether an investment project will be completed on time and in superior quality. At ERBUD, we show that creating an efficient, fast and effective ecosystem of business partners is possible - the condition is to break away, at least from time to time, from Excel tables and understand that each, even the smallest subcontracting company is also people with their own challenges and concerns. It's not contractual clauses that determine delivery, it's simple personal relationships with a particular group of people.

Grzegorz Szymonowicz

Director of the ERBUD Purchasing and Central Procurement

At each construction site, we work with at least dozens of third party companies. If possible - we reach out to partners in the local market supporting its development and reducing the transport-related environmental impact. In order to select the best subcontracting companies, we have defined formal criteria that have to be met in order to start working with ERBUD. Companies that comply with them are added to our organization's Qualified Supplier List. These procedures are governed by, inter alia, the ERBUD Group's Integrated Management System and a series of in-house instructions.

SELECTED SUPPLIER APPOINTMENT CRITERIA:

- **the quality system must be in place at the suppliers' sites, such as the internal inspection method or the authorizations and certificates held**
- **the technical level of the supplies or services offered**
- **supply prices and dates**
- **uality of service, which we assess on the basis of already completed orders or - in the case of raw materials - delivered samples**
- **compliance with environmental rules**
- **OH&S issues**



Historic chimney at the Garbary residential facility in Bydgoszcz



Each subcontractor undergoes a qualification process, however, at the negotiation stage, environmental aspects and health and safety requirements are clarified with each subcontractor, and then when a subcontractor/supplier is selected, our requirements are appropriately regulated in the contractual provisions for both environmental and occupational health and safety (HSE) issues.

Paradoxically, the strict compliance with the criteria are appreciated by subcontractors, who value clear-cut rules, timely payments and partnerships

IN AN INDEPENDENT SURVEY CARRIED OUT IN 2020, WE WERE RANKED AMONGST THE TOP CONSTRUCTION COMPANIES BEST RATED BY THEIR SUBCONTRACTORS.

GOOD PRACTICE

Every subcontractor on ERBUD's construction sites is formally required to comply with our organization's environmental standards. An integral part of contracts with subcontractors are environmental instructions, which require subcontractors to not only comply with environmental regulations, but also to prevent negative impacts on nature and segregate waste on site. In particular, we prohibit our subcontractors from arbitrarily cutting trees and shrubs on the project site and burning unnecessary materials.

We have centrally signed framework agreements with key suppliers for our business. In ERBUD S. A alone, we had almost 100 such contracts in place at the end of 2022. The benefits of such solutions are mutual - on the one hand, our partners are assured of cooperation under large investment projects, while for us it means savings through economies of scale, minimizing the risk of downtime in supply and the amortization of price shocks in individual categories of goods and services.

We are also preparing our supply chain for legislative changes, including the draft Corporate Sustainability Due Diligence Directive being processed at the European Union level. In response to the planned changes, we intend to implement at ERBUD, among other things, special surveys for suppliers that will verify the human rights and environmental issues they have implemented.

People are the strength of our value chain. We know that only by working together will our Group will cope with the changing conditions and uncertainties of tomorrow.

WE BUILD STRONG, LONG-LASTING AND BASED ON GENUINE VALUES RELATIONSHIPS AND WE KNOW THAT SUCH AN APPROACH WORKS SIMPLY BETTER. WHAT IS GOOD – RETURNS.



OUR SUPPLY CHAIN

Materials and raw materials

The quality of our services depends to a great extent on the availability, prices and quality of materials. The year 2022 strongly verified the stability of ERBUD Group companies in this area. Material prices skyrocketed abruptly, some of the raw materials we use disappeared from the market for a while. Nonetheless, thanks to good relations with suppliers, we have coped with the new situation by renegotiating contracts. We also take into consideration the impact of climate change on the availability of materials, especially those that require a share of natural raw material.

Material suppliers

We procure centrally or locally. Centrally when the Group's scale allows us to negotiate better terms; and locally when it significantly affects cost efficiency and allows us to shorten transportation, while allowing us to support smaller companies and local communities in accordance with the Strategy. Regardless of the scale, our suppliers are verified, it is mandatory that they meet the requirements set forth in the Integrated Management System Manual. In 2023, we want to tighten our expectations related to human rights and sustainability standards.

Subcontractors

Subcontractors and their personnel help us complete most of our construction projects. The Group's objective - acting in the capacity as a general contractor - is first and foremost supervision, and partners who complement our ranks with physical competence are absolutely essential. When we can't rely only on in-house resources, we use proven, established subcontractors first. We have specialized companies working for us, to which we commission groups of works (e.g., sanitary systems, elevations, plastering). Service providers also include entities such as laboratories, surveyors and design offices. The subcontractors work under our guidance and specialized supervision.

Employees

Without them, there would be no Group, which is why we care about the well-being, safety and atmosphere of all employees, whether they work in the office, on a construction site or in a manufacturing plant. We like to innovate and continue to implement more tools to boost the efficiency and safety of our own and our subcontractors' personnel.

Customer

We are a B2B business segment, which means private and public customers are at the end of our value chain. Sometimes our cooperation ends when the work is completed, and sometimes - in the case of some projects, mainly service projects - we are bound for much longer being a permanent technical support. We have extensive experience in dealing with State-Owned Enterprises (SOEs) and know all the bureaucratic pitfalls. Our favourite contracts, however, are those based more on trust and relationships than just fulfilling formal conditions. We have been working with some of our customers for 30 years now.

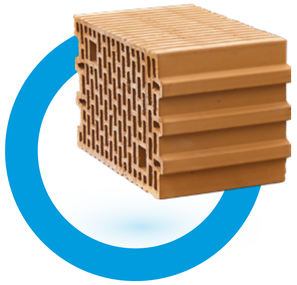
SUPPLIERS



Good suppliers



Service providers



Materials /raw materials

WORKERS AND SUBCONTRACTORS



Construction /project

CUSTOMER



Completed project

UPSTREAM
(Scope 3)

(Scope 1 & 2)

DOWNSTREAM
(Scope 3)

MANAGEMENT STANDARDS

For nearly a decade now, our activities have been tied together by a continuously improved Integrated Management System (IMS). In 2021, we opened another chapter in the history of IMS - EMAS, the environmental management system, became part of it. To use it, we had to pass a very rigorous audit. We have succeeded in this - as the first company in the construction industry in Poland.

Our IMS sets management standards in three main areas:

- **quality – in compliance with the requirements of ISO 9001:2015, AQAP 2110:2016 (QMS, AQAP),**
- **occupational health and safety – in compliance with ISO 45001:2018 (HSMS),**
- **environmental management – in compliance withthe requirements set forth in ISO 14001:2015 (EMS) and EU Regulation UE 1221/2009 with amendments 1505/2017, 2026/2018 (EMAS).**

The goals and objectives of the IMS are measurable and confirmed in the reports of regular internal audits conducted by internal auditors in conjunction with OH&S. In 2022, about 60 audits were carried out in the certified areas. In the reality of the difficult construction market, possession of IMS certificates, is becoming one of the basic conditions of the process of obtaining contracts, both from private and public investors. Being certified in 9001, AQAP 2110, 14001, 45001, EMAS is nowadays an entry point for negotiations with potential business partners.

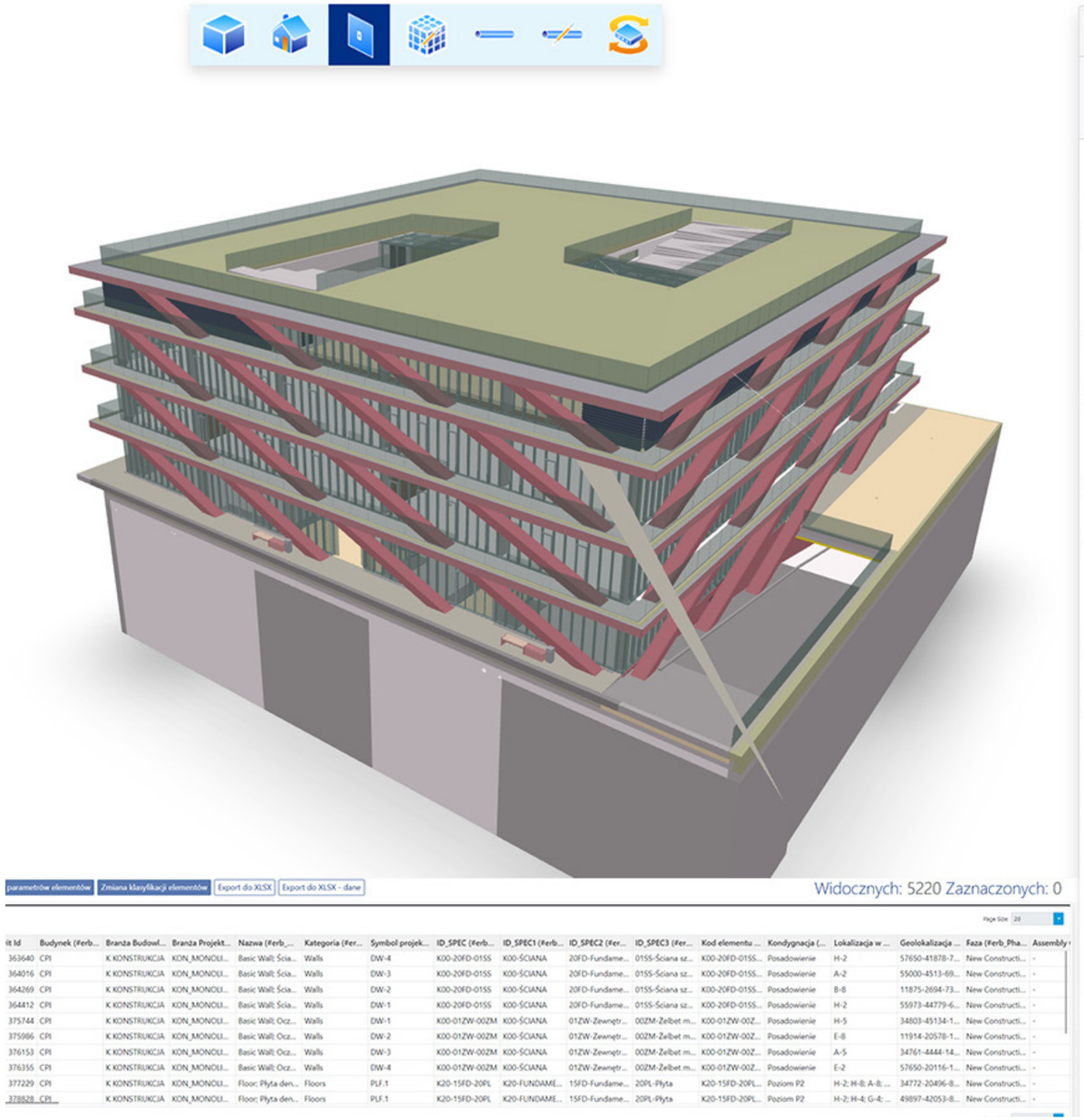


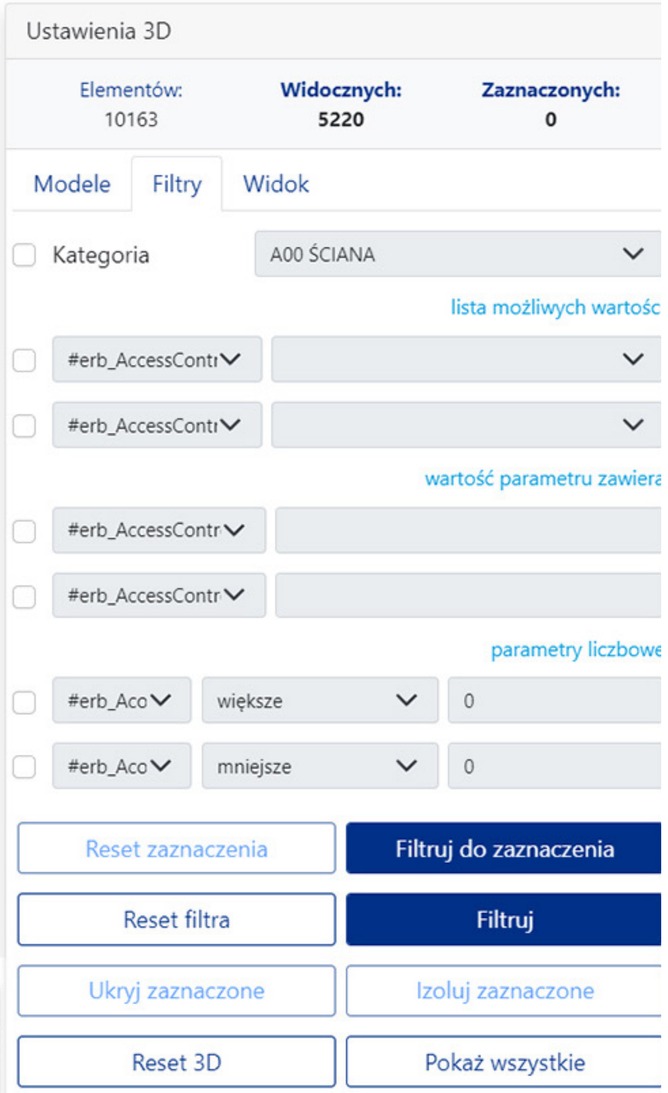
A responsible, innovative and secure partner - a declaration incorporated in our corporate vision we translate into strategic and operational management decisions. We act with integrity, ethics, and respect for human rights. We comply with applicable laws, additionally imposing additional, non-obligatory high requirements on ourselves and our subcontractors with regard to quality, safety and minimizing the negative environmental impact of our operations. Our in-house standards are not always formalised, but they always comply with the overriding guiding values that have integrated the team and have built the strength of the ERBUD Group for more than 30 years.

Kinga Kusznierewicz

ERBUD Representative for IMS







GOOD PRACTICE

We have implemented the BIM system at ERBUD, a real revolution with the design, implementation and management of investments. The innovative methodology provides all parties involved in the project - investor, contractor, architects, managers - a digital model of the investment, with the ability to simultaneously work on a single, up-to-date set of information about the investment, its specifications, equipment, cost requirements, schedule

BIM-RELATED BENEFITS ARE AS FOLLOWS:

- it reduces construction time (more accurate planning, decisions are made in advance)
- reduces costs (less rework, optimized delivery, less waste)
- enhances safety (consideration of safety features, cooperation with the health and safety team in the project design phase)
- provides additional management information (data analysis, process optimisation)


ENVIRONMENT

3|1

CLIMATE

[302-1] [302-2] [305-1] [305-2] [305-5]

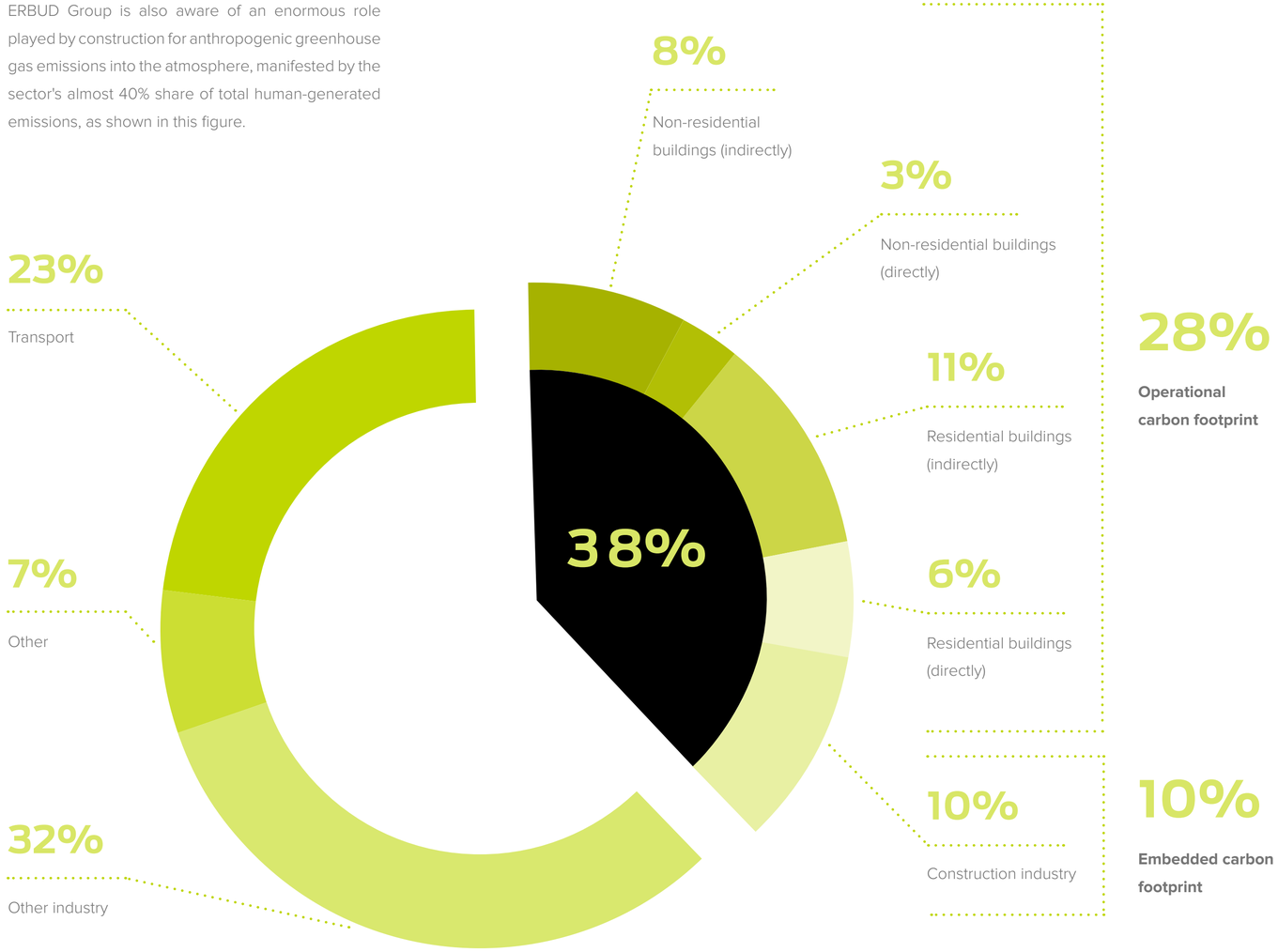
The ERBUD Group is aware of the significant climate change on the Earth caused by the increase in the planet's average temperature since the beginning of the industrial age.

It is also aware of the fact that the main reason for this process is **the growing emissions and excessive accumulation of greenhouse gases (so-called GHGs) in the Earth's atmosphere** (vide, for example, the current Sixth Assessment Report of the Intergovernmental Panel on Climate Change of 2021 - the so-called AR6), which disrupted the natural circulation of these gases, observed earlier in the human era and analysed for periods preceding it, by balancing their emissions with assimilation levels. This has led, especially in recent years, to an increase in the so-called greenhouse effect generated by these gases. This is manifested, for instance, by a significant temperature rises during the year, leading to dynamic weather phenomena (storms, jet-streams, hurricanes, droughts) in the latitudes where the ERBUD Group's business activities are carried out, as well as climate change (growing average annual temperature, falling average precipitation, lowering of surface and groundwater levels and further water level reduction and progressive steppe formation).





ERBUD Group is also aware of an enormous role played by construction for anthropogenic greenhouse gas emissions into the atmosphere, manifested by the sector's almost 40% share of total human-generated emissions, as shown in this figure.



Global CO_2 emissions in the construction sector (Source: 2020 Global Status Report for Buildings and Construction).

Figure. Share of individual industries/products in anthropogenic greenhouse gas emissions (for 2015).

Starting from a sense of responsibility and a sustainable way of implementing its business activities, which are among the most important elements of development, ERBUD Group continued and significantly developed in 2022 (doing so successfully) the activities started in 2019 activities to implement the process of reducing the rate of negative climate change. Thus, it joined the global efforts (provisions of successive World Climate Summits), the European Union (to be the world leader in reducing GHG emissions until full climate neutrality, as enshrined in the European Green Deal strategy), Poland (to change the country's fuel energy mix and build a low-carbon economy, as enshrined in Poland's Energy Policy until 2040, as well as the development of passive construction and modular construction with a negative carbon footprint) and individual foreign and Polish companies, ultimately pursuing Goals 7 (Ensure access to stable, sustainable and modern energy for all at an affordable price), 12 (Ensure patterns of sustainable consumption and production) and 13 (Take urgent action to address climate change and its impacts) of the UN's sustainable development, provided for in the **Agenda 2030**.

These activities have been carried out by the ERBUD Group in the systemically structured manner, proposed in the first row by the Communication of the European Commission, which provides guidance for reporting on non-financial information: Supplement on Reporting of Climate-Related Information (2019/C 209/01), with an annex in the form ofthe Recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) (in the Materials and Buildings Group section), and secondly, by introducing the so-called taxonomy of environmentally sustainable activities Regulation (EU) 2020/852 of the European Parliament and of the Council on establishing a framework to facilitate sustainable investments, amending Regulation (EU) 2019/2088, together with the Commission Delegated Regulations (EU) 2021/2078 and 2021/2139, taking into account the Commission Delegated Regulation (EU) amending the above regulation 2022/1214, reading summarily the above documents as an extension of the provisions of the Directive of the European Parliament and of the Council (2014/95/EU) on non-financial reporting and the Guidelines on reporting of non-financial information (OJ EU No. C 215 of 5.07.2017), which was introduced on 1.01.2017 in Poland (through amendments to the provisions of the Accounting Act).

The point of departure for the implementation of all above mentioned actions has been the determination of the severity level of climate related information for the ERBUD Group. To this extent, in 2019, a workshop was held for the management staff of individual Group member companies, carried out by experts from the AGH University of Science and Technology and the Institute of Accounting and Taxes. Due to the deepening of climate change (vide AR6), as well as the introduction of new, more detailed climate prospecting analytical materials for the ERBUD Group's business operation area (e.g., the KLIMADA 2 Climate Portal and the ISOK portal (Computerized National Defence System), a workshop was held in November 2022 on climate change, conducted by experts from the AGH University of Science and Technology, which made it possible to verify, detail, and update the provisions of the climate policy developed within their framework, as well as other elements of the ERBUD Group's system for managing climate issues, including in



Solar batteries on the roof of the Nowa Piątkowska development in Poznań



terms of its adaptation to climate change in the face of new AR6 prospective and a significant increase in the Group's level of carbon footprint reduction in terms of the time analysed, illustrating the raising of the ERBUD Group's ambitions in this regard.

During the workshop, using the principle of examining the dual materiality of climate issues (introduced with the participation of the Task Force on Climate-related Financial Disclosure (TCFD) Recommendations by the European Commission's Communication providing guidance on reporting non-financial information: During the workshop, using the principle of examining the dual materiality of climate issues (introduced with the participation of the Task Force on Climate-related Financial Disclosure (TCFD) Recommendations by the European Commission's Communication providing guidance on reporting non-financial information: 1: General Principles and ESRS E1: Climate change, there was a re-analysis (the first carried out in late 2019) to analyse and then to determine as high the level of relevance of climate-related information for the ERBUD Group, considering this relevance as high both in the short, medium and long-term and, on the other hand, in the entire value chain of the ERBUD Group

For:

- **the short term was considered the perspective of the year 2030, with an intermediate milestone in 2025 - the time horizon of the ERBUD Group's current business strategy and the ERBUD Group's ESG Strategy currently being implemented,**
- **the mid-term was considered the perspective of the year 2040 - the year set in the European Union's European Green Deal Strategy for completing the process of the basic group of measures to reduce the carbon footprint, also reflected in the timing of the implementation of Poland's Energy Policy just until 2040,**
- **the long term was considered the perspective of the year 2050 - the year of the European Union's intention to remain climate-neutral as part of the European Green Deal Strategy.**

In parallel with the time horizon ranges adopted and presented above, the ERBUD Group is keeping a close eye on other legislative activities taking place in its environment (the European Union's "Fit for 55"0), reserving, based on the above, a possible future revision of its climate targets in the medium term.

However, indirectly, the Group's impact may be negative and noticeable. The basic raw materials used by the Group are products of industries that significantly affect the climate (concrete production, production of asphalt and fuels, production of electricity and heat, cement production, steelmaking). Thus, climate-oriented changes in these industries, possible changes in regulations and additional legislative burdens for them in relation to greenhouse gas emissions, may adversely affect the Group's costs

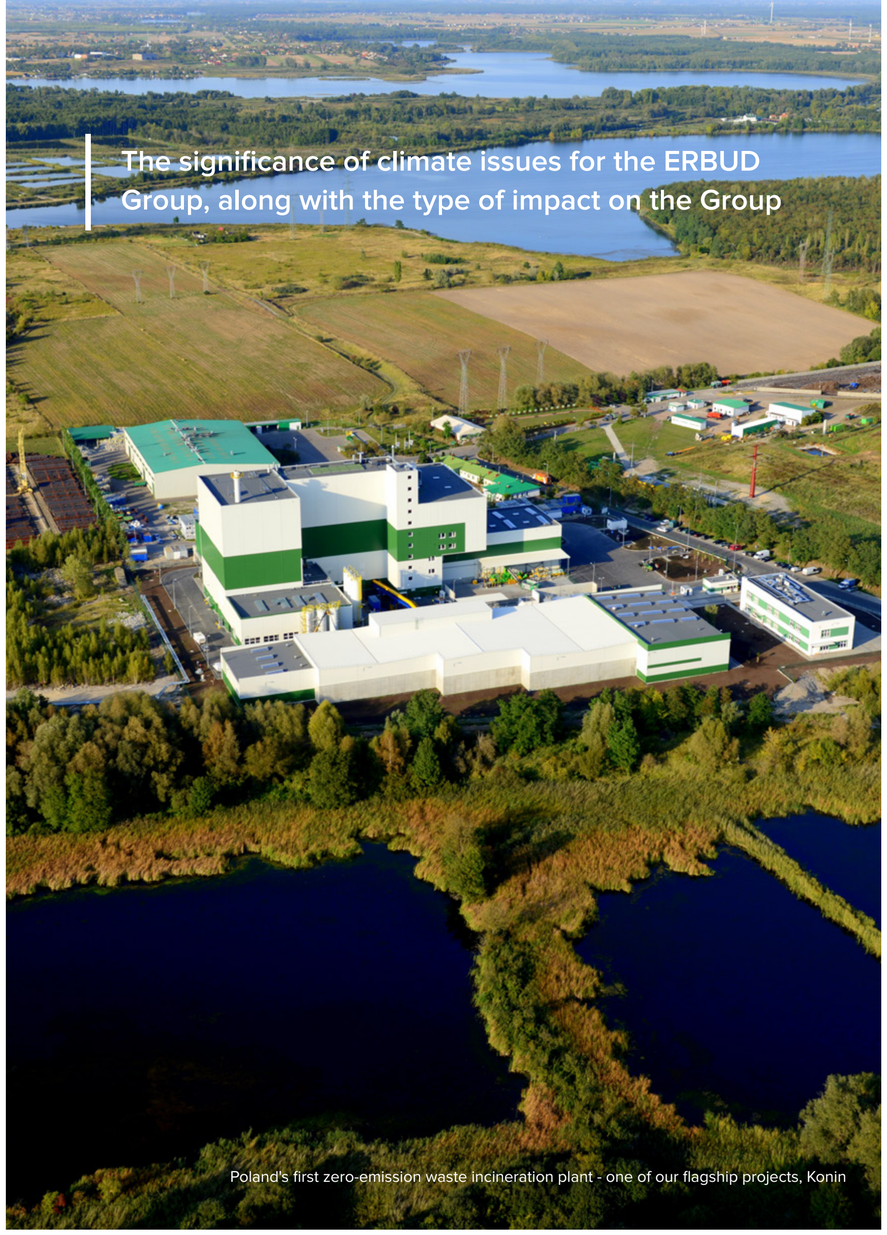
It also pointed out that, looking at the climate change from broader perspective, the observed increase in weather anomalies could affect the Group's project implementation process. In a workshop held in November 2022, based on the methodology for determining the ERBUD Group's vulnerability to climate change, with a step-by-step estimation of it, the Group's exposure, sensitivity, potential impact and readiness capacity were determined, going through the indications of Table 1, Table 2 and Table 4 of the European Commission's Communication, which represents guidelines for reporting non-financial information, in the analytical process: Supplement on Reporting of Climate-Related Information (2019/C 209/01).

In terms of input data, the above workshop was based on the current Intergovernmental Panel on Climate Change's 2021 Sixth Assessment Report - the so-called AR6, prepared by the Intergovernmental Panel on Climate Change (IPCC), as well as on scenario analyses prepared on this basis by the International Energy Agency (IEA) for four scenarios RCP2.6, RCP4.5, RCP6, and RCP8.5, and specifically based on the RCP4.5 and RCP8.5 scenarios and associated climate and weather changes through 2050, as determined by the ISOK (Information Technology National Defence System, see https://imgw.isok.gov.pl/mapy-klimatologiczne. html) and Klimada 2 https://klimada2.ios. gov.pl/). The resulting aspect of the work became determining the level of impact of these changes (climate and weather risks) on the assets owned and managed by the Group and on its entire value chain.

In terms of the above conclusions, it is important to point out that ERBUD Group's offerings are responding to the expectations of climate change. **Indeed, the Group has competencies and uses them to design and create environmentally friendly systems, mainly photovoltaic farms and wind farms (ONDE Group), improvement of thermal efficiency of current buildings and structures, production of modular houses (MOD21 company) and development of modular solutions for the construction sector as well as construction of buildings that comply with BREEAM and LEED certification requirements.**



The key determinants of the high level materiality of climate issues for the ERBUD Group, developed during the November 2022 workshop, in part confirming and developing the 2019 workshop outcome as well, are presented in the table overleaf:



Poland's first zero-emission waste incineration plant - one of our flagship projects, Konin

The significance of climate issues for the ERBUD Group, along with the type of impact on the Group

[201-2]

Financial significance		Environmental and social significance	
Factor	**Type of impact on ERBUD Group**	**Factor**	**Type of impact on ERBUD Group**
Ability to carry out construction activities in winter season	+	Being a greenhouse gas emitter (GHG), although not primarily in a direct system (in this aspect, the Group recognizes itself as a low-carbon leader), but mainly through the use of products of industries that significantly affect the climate (concrete production, asphalt and fuel production, cement production, steelmaking)	-
Occurrence of excessively hot and dry summers and dry summers.	-	Willingness to join the energy transition in Poland by being competent in the construction of RES systems (hydrogen generation systems + photovoltaics + wind farms + biogas plants) and development of modular housing with negative carbon footprint, as well as passive construction (BREEAM & LEED)	+
The occurrence of weather anomalies that may adversely affect the process of project implementation	-		
Realisation of the goal of minimisation of own construction assets	+		
The Group's activities in the field of thermal efficiency improvement projects	+		
The Group's activities in the field of environment-friendly energy sources, including the construction of RES systems (hydrogen production facilities + photovoltaics + wind farms + biogas plants) and fuel conversions High-emissions to zero-emissions (electric, hydrogen, human-powered) and low GHG emissions (including hybrid and cogeneration solutions).	+		
The Group's on-going investment activities in industries considered to have high GHG emissions	-		
Carrying out construction activities in areas potentially threatened by climate change, mainly in terms of weather changes	-	echnology-based knowledge and running of construction sites with the aim of climate change adaptation	+

It was determined during workshop that the ERBUD Group is in the possession of the appropriate resources, knowledge, competence and attitude to engage in the restructuring processes of the power and heat generation plants in Poland with the aim to apply low and zero emission energy sources at such plants. It is also active in the design, construction, and alteration of industrial plants in the following energy-intensive industries and other building complexes, having a negative life-cycle emissions nature (modular homes), as well as passive or maximizing their energy efficiency, including minimizing energy losses, or GHG emissions.

In summary, it can be stated with confidence that ERBUD Group meets and will continue to meet even the most stringent regulatory standards, as well as customer requirements, in terms of climate impact indicators, as well as resilience to climate change.

Determined following the methodology outlined in the European Commission's Communication providing guidance on reporting non-financial information: Supplement concerning reporting of climate-related information (2019/C 209/01), as well as in the Directive of the European Parliament and of the Council (2022/2464/EU) (... with regard to sustainability reporting) and the ESRS 1 sustainability accounting standards prepared on its grounds of: General Rules and ESRS E1: Climate Change that the materiality described is financial materiality (outside in) and environmental and social materiality (the inside out).

[201-2] [2-25]

CLIMATE ISSUE MATERIALITY VS. BUSINESS MODEL AND ERBUD GROUP DEVELOPMENT GOALS

[3-3] **Climate changes**

Examining the materiality results in the further management process, it was indicated that its high level, as well as the diverse nature of its impact on the ERBUD Group development, requires the identification in the organizational structure, as well as in the corporate governance system of the ERBUD Group, of a person and organizational units responsible for implementing activities related to the Group's response to the challenges indicated. Climate-oriented activities are carried out within and for the ERBUD Group through the Occupational Health, Safety and Environment Division, headed by a Director who is the main manager responsible for these issues at the Group. Legal responsibility for climate issues, however, rests with the ERBUD Group's Management Board.

It should be stated that the ERBUD Group's current business model, its business activities, projects and budgets (short-term and mid-term time horizon) are sufficiently resilient to cope with, or even they are anticipating, the aforementioned decision to engage the ERBUD Group in mitigating negative climate change and to address effectively the risks to this extent.

These efforts and projects were carried out in 2022 and will be implemented within the current business model and objectives of the ERBUD Group mainly by the companies: ERBUD, ONDE, MOD 21, ERBUD Industry, ERBUD Industry Centrum, Satchwell, and ERBUD Industry Południe, which are companies able in particular to grasp market opportunities - products, business processes (see "upsides" in the table below), and also have an operational impact on the reduction of risks related to the negative impact of climate change (see "downside" in the table above), contributing to the ERBUD Group's overall real impact on the reduction of negative climate change.

In addition to the above, the ERBUD Group has developed an arrangement for its companies to standardize environmental, quality and occupational safety management systems, setting up the **Integrated Management System**. Given the above taking into account the occurrence of climate issues as an environmental component referred to in the ISO 14000:2015 group of standards and **the EMAS Eco-Management and Audit Scheme**, it should be noted, in the aspect of obtaining third-party certification for the environmental management system used by the ERBUD Group as compliant with ISO 14001:2015, and in the context of 2022 positive third-party certification (certificate issued on 5 August 2022 by the Director of the Quality Certification Center of the Department of Safety, Logistics and Management of the Military University of Technology in Warsaw) for the environmental management system at **ERBUD S.A. as compliant with EMAS**, that in the short term the resilience of the Group's business model to climate change and the quality of management to this extent is confirmed to be high.

In order to determine the resilience of the business model to climate in the mid- and long-term, ERBUD Group uses the Intergovernmental Panel on Climate Change's 2021 Sixth Assessment Report model - the so-called AR5, prepared by the Intergovernmental Panel on Climate Change (IPCC). Climate Change (IPCC) and scenario analyses prepared on this basis by the International Energy Agency (IEA) for four scenarios of infrared radiation intensity based on its retention in the Earth's atmosphere - RCP2.6, RCP4.5, RCP6 and RCP8.5, particularly the RCP4.5 and RCP8.5 scenarios. Based on these, as shown above, in November 2022 ERBUD Group

made a detailed analysis of its resilience to climate change. Under each scenario, the analysis was carried out in a system of four phases: setting up a model of the company-climate impact, calculating the related security costs, analysing the security of the Group's current portfolio of products and processes and proposing additional security for the Group's products and processes.

On the basis of the above analysis, it has been concluded that the **ERBUD Group** will multiply the number of its climate-oriented activities between 2020 and 2030, which were added to the Group's objectives, without significant changes in its business model required



[302-1]

ENERGY CONSUMPTION

Energy from individual sources	Year 2020 in GJ	Year 2020 in MWh	Year 2021 in GJ	Year 2021 in MWh	Year 2022 in GJ	Year 2022 in MWh	2022/2021 change [%]	2022/2020 change [%]
Electric energy	91554.12	25431.70	35543.16	9873.10	28877.00	8021.39	(18.76)	(68.46)
Heat energy	25318.27	7032.85	20269.63	5630.45	27121.02	7533.62	33.80	7.12
Energy from fuel combustion in vehicles and machinery	69693.97	19359.44	90164.94	25045.82	116535.04	32370.84	29.25	67.21
Energy from natural gas combustion	27923.69	7756.58	23549.23	6541.45	17968.75	4991.32	(23.70)	(35.65)
Energy from burning pulverized coal dust	22748.08	6318.91	11049.87	3069.41	6609.51	1835.98	(40.18)	(70.94)
Energy from combustion of heating oil	2096.68	582.41	5955.91	1654.42	1469.80	408.28	(75.32)	(29.90)
Total energy from all sources	**239334.80**	**66481.89**	**186532.74**	**51814.65**	**198581.12**	**55161.42**	**6.46**	**(17.03)**

Energy from the combustion of fuels in vehicles and machinery was calculated for the following fuels: petrol, diesel, light fuel oil, and LPG, CNG and propane-butane gases.



The "Cyranka" Photovoltaic Farm

In the picture of the ERBUD Group's total energy consumption in 2022, it should be noted that it was up by **6.46%** compared to 2021, while marking an equally large fall compared to the **2020 baseline year (by 17.03%)**. The indicated increase in 2022 was directly linked to a significant, by as much as PLN 753,553 thousand increase in the Group's revenues at the time, which, combined with its construction activities, was directly linked to its energy demand, which was up compared to 2021. In the above context, however, the key is the fact that the process of improving energy efficiency (energy intensity) in the Group, which has been implemented for several years, continues. The energy efficiency in question in relation to the revenues was down in terms of energy consumption for realized revenues from **0.060 GJ/thous. PLN in 2021 per 0.052 GJ/thous. PLN in 2022, which is an improvement by 14.35%**

PThe above situation of increased energy consumption by the ERBUD Group has not significantly impeded the systemic process of integrating renewable energy sources into its energy mix. ERBUD Group has increased significantly its use of renewable energy. **ONDE S.A**. which is a member company in the Group, has fully offset its electricity consumption emissions through a purchase of a **1500 MWh** Guarantee of Origin.

This issue meant that the share of energy consumed by the **ERBUD Group** ERBUD Group was not determined in the year 2022 directly exclusively by the composition of Poland's fuel mix. With regard to the above point, however, it should be noted that due to the global energy crisis in 2022, triggered by Russia's aggression against Ukraine, it was not was possible at that time to continue the upward trend in the use of renewable fuels, causing in 2022 unfavourable changes in the energy mix of Poland, but also of other countries that are the place of operations of the Erbud Group. It should be noted in this context, however, that the energy consumption volumes from renewable fuels were nevertheless at levels of more positive dynamics of change during this period than was the case with the other energy consumption indicators. The Erbud Group's Climate Policy indicates the direction and scope for further efforts in the coming years to enhance the share of renewable energy sources in the Group's total mix.

Following the provisions of ERBUD Group's climate policy energy efficiency will go up by 2030 compared to 2020 by another 10%.

Due to the no option of a large direct impact of the ERBUD Group, this indicator was calculated with reference only to the improvement of the structure of the use of energy sources and only for a short-term time perspective, i.e. until 2030.

Following the provisions of the ERBUD Group's Climate Policy, the share of renewable energy sources on ERBUD Group-operated investment projects will reach a minimum of 10% of the Group's total consumption by 2030.

[302-3]

ENERGY INTENSITY

Energy from individual sources	Intensity of energy consumption in 2020 [GJ/thous. PLN]	Intensity of energy consumption in 2021 [GJ/thous. PLN]	Intensity of energy consumption in 2022 [GJ/thous. PLN]	2022/2021 change [%]	2022/2020 change [%]
Electric energy	0.041	0.011	0.007	(34.63)	(81.77)
Heat energy	0.011	0.007	0.007	7.65	(38.09)
Energy from fuel combustion in vehicles and machinery	0.031	0.029	0.030	3.99	(3.36)
Energy from natural gas combustion	0.013	0.008	0.005	(38.61)	(62.81)
Energy from combustion of pulverized fuel dust	0.010	0.004	0.002	(51.88)	(83.21)
Energy from combustion of heating oil	0.001	0.002	0.0004	(80.15)	(59.49)
Total energy from all sources	**0.107**	**0.060**	**0.052**	**(14.35)**	**(52.05)**

Year	Revenues in '000 PLN
2020	2,228,344
2021	3,102,095
2022	3,855,649

Energy from the combustion of fuels in vehicles and machinery was calculated for the following fuels: petrol, diesel, light fuel oil, and LPG, CNG and propane-butane gases.

To calculate the energy intensity index, the amount of revenue was chosen as the denominator. The index was calculated taking into account all types of energy used - electricity, thermal energy and fuels. The index refers to energy consumption within the organization.

With regard to the ratio of energy intensity from individual sources to revenues, important trends can be observed for the ERBUD Group in the 2021-2022 period. The first indicates an overall decrease in the intensity of energy consumption over the time analysed. This applies to the total energy intensity, which was down by **14.35%** compared to 2021, and compared to the baseline year of 2020 fell as much as **52.05%**. The second trend shows a **3.99%** increase in energy consumption from fuels for vehicles and machinery, and a **7.65%** increase in heat energy consumption, which should be directly linked to the higher demand for these fuels, resulting from the significantly larger, revenue affecting market activity of the **ERBUD GROUP** in 2022 compared to 2021.

[302-4]

At the **ERBUD GROUP** we are taking systematic measures to create awareness among employees about saving electricity consumption in offices and on construction sites, driving economically, encouraging optimization of employee commuting, and developing various activities on construction sites. The best example is the construction carried out by, **ONDE's road construction department in Koszalin**, which launched in 2022 a pioneering photovoltaic installation mounted on the roof-top of the social facilities' containers. **20 modules with a total capacity of 10 kWp supply power to the construction site back-up facilities of Provincial Road 152**.

From the very beginning we have assumed that the newly commissioned **MOD 21** manufacturing plant has to be self-sufficient. The first photovoltaic system **with a capacity of 50 kWp** has already been launched, at plant commissioning date, and in 2023 the PV system will be expanded on the roof of the manufacturing facility with another **450 kWp**.

In addition, in the 2022 period under review, there was a reduction in WMB energy consumption used in the production process and an increase in the number of photovoltaic farm constructions in the ONDE Group's revenue portfolio relative to the previously implemented wind farm and road construction. The characteristics of the implementation of photovoltaic farms (where they are located) and the technology of implementation of this type of construction are characterized by a lower demand for electricity, and sometimes power is generated from generators (diesel consumption) due to problems with the availability of a permanent power connection.

A higher percentage of portfolio revenues from RES may lead to further positive declines in total energy demand.





Herpetological fences on the S3 expressway construction site

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

For greenhouse gas emission calculations 2020 was used as the baseline year. This is related to the implementation of a system for collecting the environmental data necessary for calculating the carbon footprint of Scope 1 and Scope 2, the EMAS eco-management and audit scheme. Financial control was chosen as a criterion for consolidation. The ERBUD Group's direct greenhouse gas emissions calculations for 2022 included CO2, CH_4, N_2O, and HFCs and HFOs emissions, taking into account Global Warming Potential (GWP) indicators, as defined in the AR5 Report of IPCC (Intergovernmental Panel on Climate Change). The levels of emissions of these gases were calculated based on the methodology of the GHG Protocol - Revised Edition, additionally supporting the indications of the ISO 14067:2018 standard, for fuels and electricity the KOBIZE indicators and ministerial regulations, and for heat in Poland the report "District Heating in Poland" published by the ERO (Energy Regulatory Office). For electricity in Germany, an emission factor value of 349 kg CO2/kWh - **349 kg CO_2/kWh** – an average based on Statista data - was used. For shielding gases (usually mixtures of argon and CO_2) an average **CO_2 content of 18%** was assumed. CH4, and N2O emission factors for fuels were derived from Emission Factors from Cross Sector Tools March 2017 (developed by GHG Protocol). The emission factors for R134A and R1234YF refrigerants and biogenic emissions are from the Department for Environment Food and Rural Affairs (DEFRA) database published in 2022. In the specifications of greenhouse gas emissions (GHG), the data has been changed in terms of indirect GHG emissions from energy sources in 2020. Indirect energy GHG emissions in 2020. In the report published for 2021, under the location-based method there was a statement that we do not have data to publish, while under the market-based method there was a numerical result. In line with the accepted methodology for calculating emissions under the GHG Protocol, there should be a numerical result given for location-based, and "no data" for market-based figures. Market-based figures were not calculated because the structure of energy suppliers was unknown and we did not use the Guarantees of Origin (GOs). In the future, we plan to calculate 2020 emissions using the market-based approach as well.

TYPE OF EMISSION	2020	2021	2022	2022-2021 Change	2022-2020 Change
TOTAL DIRECT CO_2 EMISSIONS (SCOPE 1) [tCO_2e]	9,049.35	9,424.02	10,279.27	9.08%	13.59
TOTAL INDIRECT CO_2 EMISSIONS (SCOPE 2) [tCO_2e] (metoda market-based)	n/a	7,723.04	6,502.79	(15.80%)	n/a
TOTAL INDIRECT CO_2 EMMISSIONS (SCOPE 2) [tCO_2e] (metoda location-based)	22,033.64	8,421.04	8,234.33	(2.22%)	(61.78)
TOTAL CO_2 EMMISSIONS (SCOPE 1 + SCOPE 2) [tCO_2e] (metoda market-based)	n/a	17,147.06	16,782.05	(2.13%)	n/a
TOTAL CO_2 EMMISSIONS (SCOPE 1 + SCOPE 2) [tCO_2e] (metoda location-based)	31,082.99	17,845.06	18,513.60	3.75%	(42.59)

TYPE OF EMISSIONS	Baseline year 2020	2021	2022	2022-2021 change	2022-2020 change
Level of direct emissions (Scope 1) per unit of sales revenue [tCO_2e/thous. PLN]	0,0041	0.0030	0.0027	(12.24%)	(34.35)
Indirect emission level (Scope 2, market-based method) per unit of sales revenues [tCO_2e/thous. PLN	n/a	0.0025	0.0017	(32.26%)	n/a
Indirect emission level (Scope 2, location-based method) per unit of sales revenues [tCO_2e/thous. PLN]	0.0099	0.0027	0.0021	(21.33%)	(78.40)
Level of direct and indirect emissions (Scope 1 and 2, market-based method) [tCO_2e/thous. PLN]	n/a	0.0055	0.0044	(21.26%)	n/a
Level of direct and indirect emissions (Scope 1 and 2, market-based method) [tCO_2e/thous. PLN]	0.0140	0.0058	0.0048	(16.53%)	(65.58)

In 2022, for the first time, ERBUD Group calculated biogenic emissions based on the indicators published by DEFRA (Department for Environment Food and Rural Affairs) in the UK for fuels: petrol and diesel.

Biogenic emissions	Type of fuel	Result tCO_2
	Petrol	96.77
	Diesel	227.61
	Total	324.37

The GHG emissions presented above were related to the ERBUD Group's revenue, respectively for the years 2020 (PLN 2,228,344 thousand), 2021 (PLN 3,102,095 thousand), in 2022 (PLN 3,855,649 thousand) in order to determine the level of unit indicators, showing the value of the ERBUD Group's GHG emissions per unit of its sales revenues.

In 2022 direct greenhouse gas emissions of ERBUD Group totalled 10279,27 tCO_2e. This value is associated with a 9.08% increase compared to 2021 and a 13.59% increase compared to the baseline year. The increase in the volume of direct emissions in the ERBUD Group, can be associated with several reasons. The first and vital reason is primarily the increase of ERBUD Group activities in the market expressed in the record high revenues of the Group totalling PLN 3.8 billion. The use of power generators and heaters has gone up significantly on many of our construction sites. The Group's growth also implies new workforce and, in turn, an increase in the number of cars in the fleet, resulting in higher fuel consumption.

The above direct emission volumes when juxtaposed against Group revenues, already show a 12.24% decrease in emissions per unit of revenues, and a decrease of as much as 34.35% compared to the baseline year, which confirms the ERBUD Group's successful efforts to optimise the utilisation of its own equipment assets.





The above results of direct emissions when set against the Group's revenue already show a 12.24% decrease in emissions per unit of revenues, compared to 2021, a decrease of as much as 34.35% compared to the baseline year, confirming the ERBUD Group's successful efforts to optimise the use of its own equipment resources.

Indirect energy-related greenhouse gas emissions are those from the generation of acquired and consumed electricity, steam, heat or chill. The ERBUD Group's indirect energy greenhouse gas emissions calculations for 2022 included CO_2 emissions determined on the basis of location-based and market-based methodologies. Emissions were calculated on the grounds of purchase invoices for purchased electricity and heat (estimation method). All indicators and conversion factors for calculating the carbon footprint were used only from the sources indicated above (URE, KOBIZE, DEFRA). In 2022, there is a change in the calculation of thermal energy emissions for Erbud S.A. to an estimation method based on financial data, in which the key indicators are based on actual consumption data (these data are from selected sites). For the other Erbud Group companies, the calculations are based on actual consumption data. Also, there was a correction of 2021 data in the thermal energy report by one of the German. These changes necessitated the recalculation of indirect energy-related GHG emissions for 2021 and 2020, which affected the values of the indicators in relative terms (on a year-on-year basis). The recalculation includes an additional 6690.92 MWh from thermal energy for 2020 and 4399.01 MWh.

After compiling the indirect energy-related GHG emissions, it is important to note a further downward trend in 2022 indirect energy emissions compared to 2021 of 2.22% for the location-based method and 15.8% for the market-based method, respectively.

In the light of the energy crisis triggered in 2022 by Russia's invasion of Ukraine, the above results must be regarded as highly satisfactory, especially when related to the disadvantageous changes in Poland's energy mix, but also not only in the previous year, and also, perhaps even primarily, in terms of the significant increase in the Group's revenues in 2022 compared to the previous year.

If the above figures are juxtaposed with the ERBUD Group's revenues, the results show an even better downward trend in energy-related indirect GHG emissions, both location-based and market-based. Indeed, the level of indirect location-based emissions showed a decrease in 2022 of 21.33% compared to 2021, and even 78.4% compared to 2020.

The aforementioned decreases are due to the increase in energy efficiency at ERBUD Group-operated construction sites (as part of internal processes), implemented pursuant to the provisions of the ERBUD Group Climate Policy and EMAS, and further energy-saving and energy-management measures in buildings, structures and facilities owned or managed by the Group. The above-mentioned very good performance was also influenced by the purchase of energy origin guarantees by an ERBUD Group company for 1500 MWh of energy from RES (generated by a hydroelectric power plant). This is also a result of the increase in photovoltaic and wind power developments, which, due to their characteristics, do not generate as much consumption of individual types of energy as traditional (stationary) construction, also understood as traditional industrial construction.

According to the targets contained in ERBUD SA's climate policy, the ERBUD Group's greenhouse gas emissions will fall by 30% by 2030 under Scope 1 and by 40% under Scope 2 compared to the baseline year 2020.

The Company publishes separately for the first time the emissions of methane and nitrous oxide from the combustion of different types of fuel.

The emissions were calculated on the basis of the GHG Protocol in accordance with the "Global warming potential" figures published in Edition V of the IPCC (Inter- governmental Panel on Climate Change) Report. CH_4 and N_2O emissions are included in the direct emissions reported in indicator 305-1.

CH_4 and N_2O figures in 2022:



CH_4 and N_2O	2022
CH_4 emission in tCO_2	37.46
N_2O emission in tCO_2	**21.66**



Beneficial insects built by personnel

[305-3]

OTHER INDIRECT GREENHOUSE GAS EMISSIONS (SCOPE 3)

GERBUD Group has been taking steps and actions for the past 2 years to get ready for the acquisition of reliable data as inputs for the calculation of other indirect emissions falling under Scope 3. Given the number of construction sites underway, the number of suppliers of both services and materials represent a significant challenge given the scale of the Company's operations.

Items material from the perspective of the scope of **ERBUD Group's** operations classified in Scope 3 indirect emissions were identified. 3. Identification was made jointly with the experts from the University of Science and Technology (AGH) in Kraków, which also resulted in the development of a database of emission factors for individual materials used on **Grupy ERBUD** construction sites.

The above measures enabled us to identify the key areas of cooperation with our subcontractors required to report the full scope of **ERBUD Group's** emissivity.

Another step was to design IT tools incorporating them into the Company's processes in place. Currently, we have implemented tools for obtaining data on: the volume of materials incorporated into structures on construction sites (both those purchased directly by **ERBUD** and those ERBUD and those supplied by our subcontractors), the fuel volume consumed by our subcontractors under contracts executed with **ERBUD** the distances covered in km to transport, inter alia, materials, the waste volume generated by our subcontractors. At the same time, we are working on digitizing processes to systematize data within the Group on the consumption of materials purchased directly by ERBUD (both on construction sites and in offices), business trips and personnel lodging.

In compliance with the effective climate policy, the year 2024 will be the baseline year for the Scope 3 emissions for ERBUD Group.

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We also make an attempt to communicate as fully as possible to the environment about the environmental safety of our investment projects. On each construction site, we install outdoor HSE signage visible from outside as well as environmental signage.

We also provide contacts to employees who are authorized to represent the company in matters of IMS and the EMAS standard - to simplify this communication, we have created a single email address i.e. **srodowisko@erbud.pl.**

WE REDUCE THE ENVIRONMENTAL IMPACT OF OUR CONSTRUCTION SITES ON THE LOCAL ENVIRONMENT, INTER ALIA, THROUGH:

- safeguarding against dust and wind erosion
- hardening of the main functional parts of the construction site
- limiting the speed of vehicles traveling on the construction site.
- geotextiles on fences, which, when additionally sprinkled with water, provide an effective barrier to dust.
- maximizing the duration of exposure of the surface exposed to wind erosion,
- mechanical compaction of soil or seeding the area with fast-growing vegetation.
- choice of methods to limit impacts on neighbouring buildings under construction
- installation of noise barriers,
- protection of components of natural value, trees and shrubs,
- only permit-compliant tree felling after an ornithologist has first verified the absence of bird habitat.
- reduction of water runoff to neighbouring plots of land
- creation of barriers for amphibians and other small animals and minimize population losses during construction activities.
- sealed areas for washing concrete trucks and concrete pumps.
- washing the wheels of vehicles and machinery leaving the site with a closed water cycle.

All these measures help minimize the number of complaints from the local community members and interventions from external services set up to protect the environment.



Timber facade of MOD21 showroom



Beehives on site of the Toruń Branch

GOOD PRACTICE

We organize our own and support employees' environmental initiatives.

In accordance with the slogan "ERBUD builds not only for people," we build and install insect hotels, bird feeders and nesting boxes for birds around our offices and construction sites.

We set up bee yards on a site next to the ERBUD building in Toruń. The Toruń branch personnel assembled and decorated hives for more than **100.000 bees**. The paints used to paint the hives were environmentally friendly, and the painting process itself was performed under the supervision of an experienced beekeeper.

We organized a sensory garden at the European Union School Complex in Chełmża. ERBUD personnel and their charges created a green space where all senses are stimulated, where we are not just passive observers, but can also touch, taste, hear and smell the vegetation around us. This is one of the educational initiatives that is part of a series of meetings with children and youth across the country.

CLIMATE POLICY

Climate Policy of ERBUD Group in 2020-2050

The ERBUD Capital Group is the leader in the implementation of the energy transition process in the construction industry in Poland as well as in the Central and Eastern Europe, considering the issue of minimizing the carbon footprint as one of the key strategic components of its business. In doing so, it wishes to realize its role as an ambitious European participant in the green transition and as a climate benchmark for pro-climate activities in the construction industry and in industries related to its value creation in its area of business activity. A proof for the responsibility indicated above is this updated version of the ERBUD GROUP Climate Policy for 2020-2050, adopted originally in January 2020 and updated in December 2022, in view of the growing role of climate change, in the opinion of the **ERBUD Group's** Management Board in absolute terms (observed and projected changes in the weather in the business area of the Group's value chain operations) and in relative terms (observed and projected changes in the growth of the relevance of climate issues in terms of the social context, capital markets and regulations).

NThe implementation of the ERBUD GROUP's Climate Policy is supervised by the Group's Management Board. It declares that it will make every effort to meet the set targets for mitigating climate change and its negative impact between 2020 and 2050. Ambitions to intensify the **ERBUD GROUP's** climate-oriented activities have been in place for more than a dozen years and over that time they have been reflected in the Group's priorities and goals

The activities in compliance with the rules of sustainable development, including impact on the climate and climate impacts:

The ERBUD GROUP's Management Board declares that it develops and pursues corporate values based on the goals of sustainable development, thus building its position as a strategic and responsible partner to all stakeholders. In terms of impact on climate and climate impacts.

ERBUD GROUP carries out its activities in accordance with Goal No. 7 (Ensure affordable access to stable, sustainable and modern energy for all), Goal No. 12 (Ensure sustainable consumption and production patterns) and Goal No. 13 (Take urgent measures to address climate change and its impacts) of the UN's sustainable development, set forth in the Agenda 2030



Personnel of the Hydraulic Engineering Division at the Błotnik Marina site.



MOD21's first 21 personnel members with 21 trees that were planted ceremoniously next to the manufacturing plant



The ERBUD GROUP's Management Board declares that it will make every effort to fulfil the main objectives arising from the need to mitigate climate change and reduce the negative impacts of climate change and adapt to climate change in 2020-2050, by adopting and implementing the following goals:

Group 1. Defined greenhouse gas (GHG) emission reduction targets for the Organization (to mitigate climate change):

- In short-term perspective (by 2030):
  - 0% of direct emission reductions (within Scope 1),
  - 40% of direct emission reduction within Scope 2, through efficiency-oriented measures and through the use of renewable energy sources at the level of **80% share**,
  - Completing the calculation of indirect emissions under the Scope **3 and 10% of their reductions**.
- In the mid-term perspective (by 2040):
  - **40% of direct emission reduction** (within Scope 1),
  - Indirect emissions neutrality within Scope 2, through efficiency-oriented measures and through **100% utilisation of Renewable Energy Sources**,
  - **20% of direct emission reduction** within Scope 3.
- In long-term perspective (by 2050):
  - to achieve climate neutrality, including by reducing and assimilating emissions of other greenhouse gases,
  - to offer only products with zero carbon footprint in Phase A of the life cycle of a product/building according to EN 15804.

2020 was set as the baseline year for GHG emission reductions within Scope 1 and Scope 2, while within Scope 3 - the year 2024.

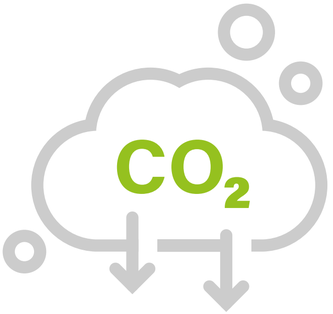
Group 2. Defined goals for the Organization to improve energy efficiency and reduce the carbon footprint across the Group's value chain (to mitigate climate change):

- Reduction of **energy consumption by 10%** based on the analysis of the energy consumption index to the revenues generated by the completed investment projects,
- Improvement of the RES consumption pattern for on-going investment projects with reference to **the total costs of energy consumption at the level of 10%**

Group 3 Defined goals for the Organization to significantly reduce physical risks associated with the climate (for adaptation to climate change):

- Engage the organization in the process of reducing the acute physical risks and long-term physical risks of its customers by preparing products that realistically minimize them.
- Not to run construction sites and not to store building products in the areas exposed to identified acute physical risks and/or long-term physical risks.

The full text with policies and actions for implementation will be published on the website at **www.erbud.pl**.



The high level of significance of climate issues for the ERBUD Group and their relation to the operations and with the Group strategy, led already in 2019 to the separation of natural capital during the aforementioned workshops falling into equity held and managed by the Group. Using the definition and methodology for its extraction, by the Natural Capital Coalition, it was determined that the ERBUD Group's natural capital framework includes the following natural resources, which are the source of the Group's economic and social benefits: mineral resources (ferrous and non-ferrous metal ores, aggregates and oil products), water, trees (timber), air.

Already in 2019-2020, the first satisfactory results of activities in the field related to the first provisions of the Climate Policy have been achieved. These include:

- to define the ERBUD Group's objectives and measures on climate issues in the short- and mid-term - see Climate Policy of ERBUD S.A. for details. The key objectives were defined as follows:
  - focusing on counting direct GHG emissions (Scope 1) and indirect emissions (Scope 2) (due to the current energy mix of Poland), and further on minimizing these emissions,
  - to introduce prioritization rules for decisions on on-going projects that serve to reduce negative climate impact,
  - oto identify the risks and opportunities for the ERCUD Group on climate issues in the short-, mid- and long-term - see section Determining the significance of climate for the ERBUD Group,
- to define a single, consistent group-wide standard for the ERBUD Group for the implementation of legal requirements on the impact on environment and climate - GHG Protocol - Revised Edition standard, supported by the ISO 14067:2018 standard and KOBIZE indicators - see the Integrated Management Systems chapter for details,
- to define the documentation for the assessment of the ERBUD Group's suppliers in terms of their environmental and climate impact - see the Integrated Management Systems chapter for details,
- to define the principles and carrying out periodic internal audits of the implementation of environmental and climate impact targets - see details in the section Integrated Management Systems.



The roof of the New Piątkowska construction site in the City of Poznań



Theodor Kaczmarczyk, MOD21 President plants his tree next to the manufacturing plant

The implementation of the Climate Policy generated further significant quantitative results in 2022, primarily translating into a decrease in greenhouse gas emissions and a significant share of taxonomy-eligible project implementation. Their details are presented in the section Climate-related Key Performance Indicators of the ERBUD Group. At this point, however, it should be noted that the implementation of the Climate Policy provisions, testifying to the ERBUD Group's high responsibility for climate issues is best demonstrated by the executed projects. Among numerous projects carried out by the ERBUD Group in recent years that have a positive impact on mitigating climate change, from 2022 perspective, the projects should be divided into three main groups:



Execution of buildings applying for BREEAM and LEED certifications.



Construction sites of RES plants and systems.



Commissioning of the MOD21 modular house manufacturing plant.

The ERBUD Group, mainly through the ONDE projects, is the leader in the Polish market in the design and execution for its customers various types of renewable energy plants, including wind farms, photovoltaic farms, biogas plants and other RES technology solutions.

In terms of such investments carried out in 2022, special attention should be paid to Photovoltaic and Wind Farm investment projects carried out by **ONDE** as an investor, with a total portfolio value of **836MW**. ERBUD Group also made its first investment project as an investor in 2022, which was the Cyranka Photovoltaic Farm.

In addition to its RES projects and BREEAM and LEED certified projects, ERBUD Group completed the construction and put into operation in November 2022 a modular house manufacturing plant in Ostaszewo, developed under the company MOD21. MOD21 project bets on building large modular buildings out of wood (which has a negative carbon footprint in the building cycle) - hotels, office buildings, dormitories, hospitals, public buildings.

The company plans to reach full production capacity in 2026 and its output then will be approximately 100.000 m^2 of total module area per year. In 2026, the Company plans to generate sales revenues in this business area in the range of PLN 650 million, with a profitability of 5-8%. The offer will first target customers in Germany - the market there is currently estimated to be worth more than EUR 3 bn and is expected to triple over the next decade, and according to the DHWR (German Wood Industry Council), modular timber construction is expected to already account for half of the construction market in Germany by 2050.

The development of the modular segment is part of ERBUD Group's long-term strategy, which focuses on ecology and green transformation, as well as implementing the provisions of the Climate Policy. 1 square meter of solid timber structure saves the result (binding CO in timber less CO emissions in the phase output) with CO_2, volume, that a comparable concrete wall construction would bring instead.





The Toruń Branch arranged a sensory garden with students of the Special School in Chełmża.

CLIMATE RISKS AND THEIR MANAGEMENT BY THE ERBUD GROUP

The analysis of the materiality of climate issues presented above also allowed to identify in late 2019 and early 2020, as well as to update during a workshop in November 2022, the risks arising from climate materiality for the ERBUD Group, paralleled by an analysis of their volatility in the short, medium and long term. Using the results of the workshop presented above and the guidelines contained in the Supplement on Reporting Climate-Related Information (2019/C209/01 209/01), together with the appendix in the form of the Recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD) (in the Materials and Buildings Group section), the climate-related risks of the ERBUD Group were determined with double materiality.

They are presented in the table below:

CLIMATE RISKS SEPARATED FOR ERBUD GROUP

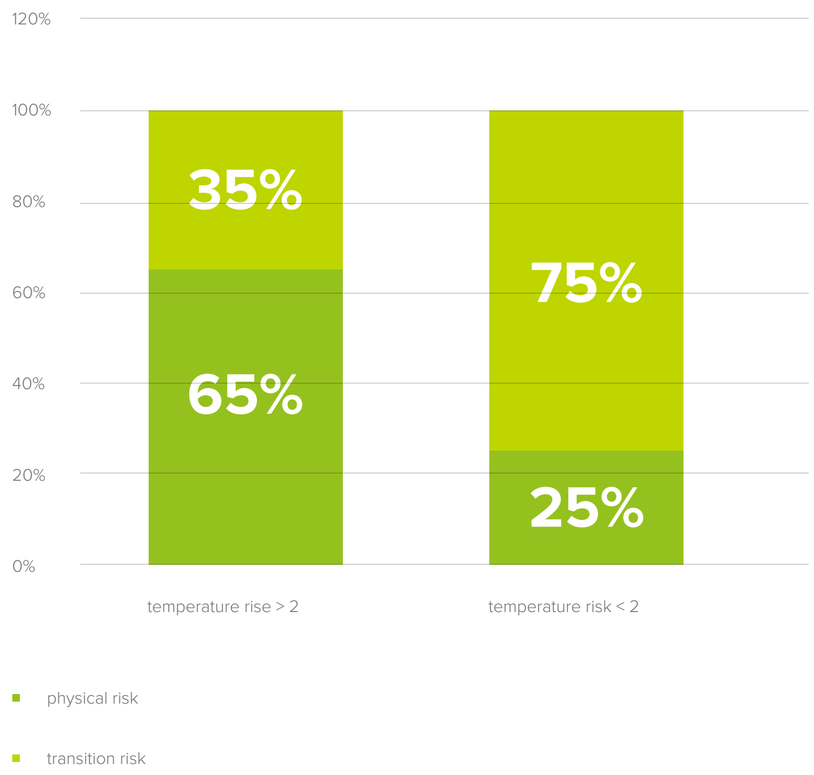
Risk categories based on financial materiality	Individual risks	Group's risk categories based on environmental and social materiality	Individual risks
Acute physical risk	- the risk of heat waves disrupting the value chain in connection with the overloading of the power system by air conditioners and reduction of the working time of employees, - the risk of abrupt storms or hurricanes disrupting the value chain due to flooding or destruction of transport routes and construction sites, as well as the breaking of electric traction lines or the discontinuation of the supply of process utilities, - the risk of abrupt storms or hurricanes disrupting the value chain due to flooding or destruction of transport routes and construction sites, as well as the breaking of electric traction lines or the discontinuation of the supply of process utilities, - the risk of abrupt twisters disrupting the value chain due to flooding or destruction of transport routes and construction sites, as well as the breaking of electric traction lines or the discontinuation of the supply of process utilities, - the risk of flooding disrupting the value chain due to flooding or destruction of transport routes and construction sites, as well as the breaking of electric traction lines or the discontinuation of the supply of process utilities, - the risk of outbreak of fires disrupting the value chain by destroying your own property or that of your partners in the value chain. - the risk of destruction of structures or long-term damage to the plot of land where construction work is carried out.	Risks associated with the transition concerning political aspects	- tightening energy efficiency requirements due to climate change and lack of access to water or overloading of the power system, - change of the mechanisms for setting charges for greenhouse gas emissions affecting the purchase of fossil fuels or other non-renewable raw materials, - changing land management policies due to their location in areas of climate risk or impact on climate changes.
Long-lasting physical risk	- the risk of reducing the amount of available process water disrupting the value chain, in connection with the drop in surface and groundwater levels as a result of rainfall, - the risk of reducing the working time of workers disrupting the value chain as the average temperature rises. - the risk of disrupting the limitation of process cycles associated with the project due to heat waves and reduced water supply, - risk of material damage to photovoltaic modules due to hailstorms, - the risk of deterioration of soil conditions for the foundation of structures.	Transition risk concerning political aspects	- the risk of a possible lawsuit in case of too much adverse impact on the climate, e.g. due to failure to adapt to climate change.
		Transition risk concerning technological aspects	- the risk of not using technologies with less harmful impact on the climate.
		Transition risk concerning market aspectsh	- the risk of redirecting business customers' choices to solutions and structures that have an even more passive impact on the climate.
		Transition risk concerning loss of reputation	- the risk of failure to attract and retain business customers, if the Group's operations are deemed to be harmful to the climate, - the risk of failure to attract and retain personnel, if the Group's operations are deemed to be harmful to the climate, - the risk of failure to attract and retain investors, if the Group's operations are deemed to be harmful to the climate, - the risk of failure to attract and retain suppliers and subcontractors, if the Group's operations are deemed to be harmful to the climate.

The risks are introduced into the ERBUD Group's risk model, finding their place in the category of environmental risks, but pretty close associated with financial and market risks. They are also arranged there as elements of a short-, medium- and long-term perspective, while making this analysis, as indicated above, based on two selected climate change scenarios: RCP 4.5 and RCP 8.5, determined for the operational sites (counties) of the Group by the ISOK portals (the IT National Defence System, see:

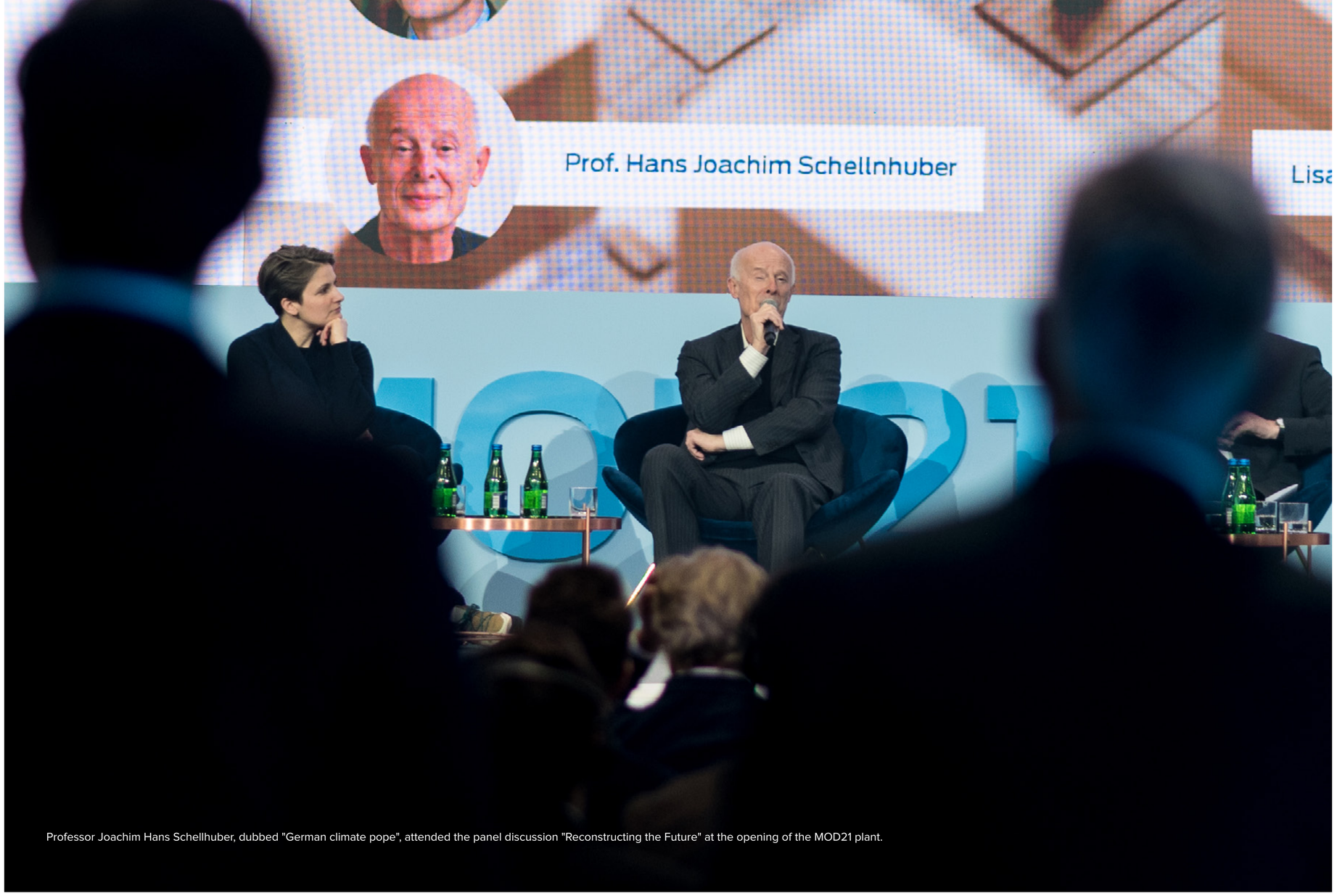
www.lmgw.lsok.gov.pl/mapy-klimatologiczne.html) and Klimada 2 (see: **www.klimada2.ios.gov.pl/**).

Once identified, the risks related to climate issues were included in the overall risk management system of the ERBUD Group. It is described in the "Management Rules - Risk Management" Chapter. In this chapter, however, it should be stated that during the development of the ERBUD Group's risk management system, in its part concerning the climate risk components, an analysis was carried out to develop strategic projects for the short-term perspective in such a manner that within its scope, i.e. by 2030, the level of climate risk will be drastically reduced through them, with a parallel reduction in the percentage of physical risk in relation to transition risk. The latter issue in the layout with both analysed scenarios is presented in the diagram opposite:

CHANGING THE TYPE OF CLIMATE RISKS FOR THE ERBUD GROUP IN TERMS OF THE ANALYSED TEMPERATURE RISE SCENARIOS ON THE EARTH.







Professor Joachim Hans Schellhuber, dubbed "German climate pope", attended the panel discussion "Reconstructing the Future" at the opening of the MOD21 plant.

GOOD PRACTICE

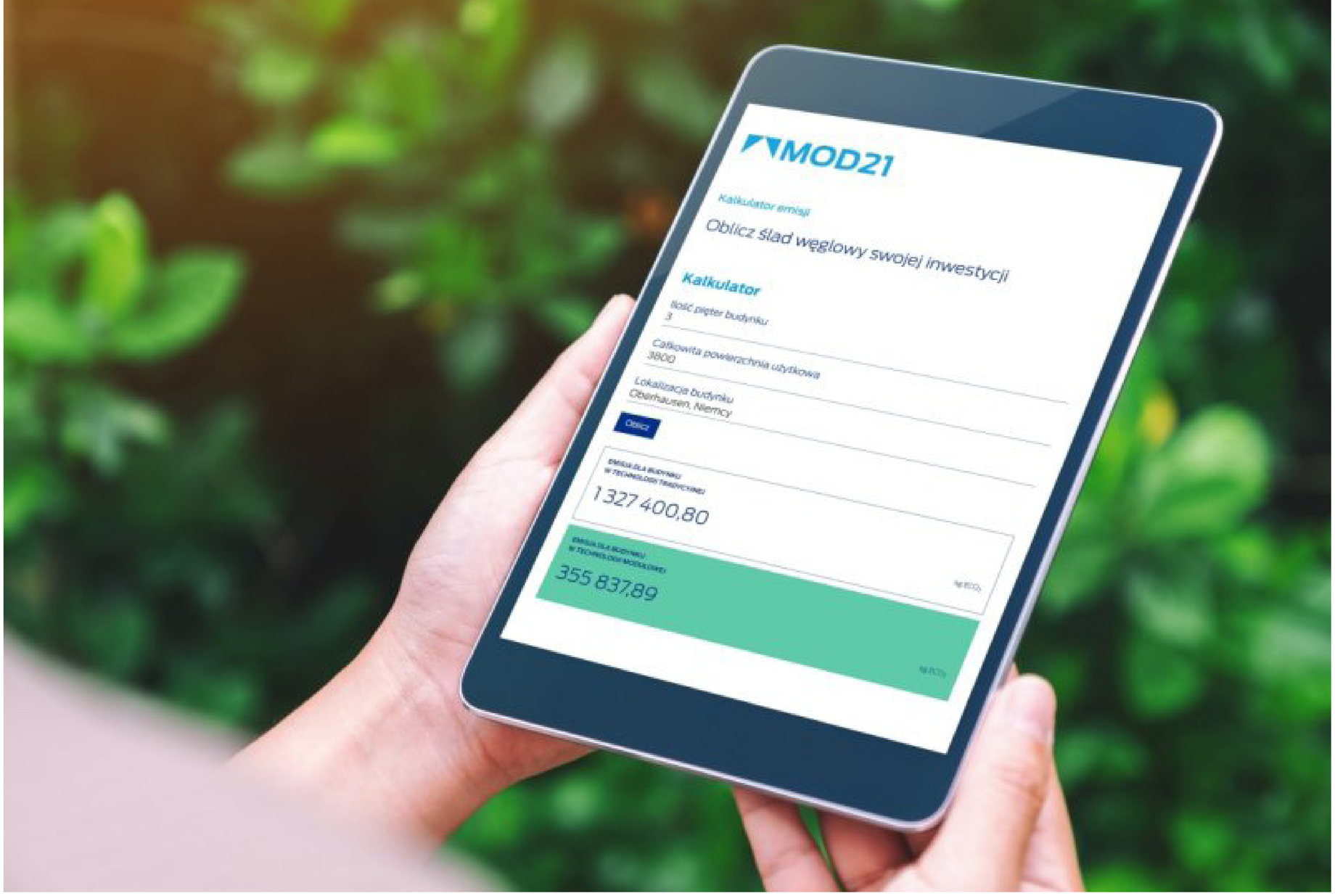
Dariusz Grzeszczak, the ERBUD President was the only representative of the construction sector at the "Reconstructing the Future" strategy workshop in Rome, organized under the auspices of the Pope Francis. The workshop was also attended by Ursula von der Leyen, President of the European Commission and Klara Geywitz, the German Construction Minister in Olaf Scholz-led government. At the workshop a discussion was held about the propagation of green building materials, including timber, bamboo and eco-brick. The need to search for a 'new path' for building contractors companies was pointed out. Discussions were also concerned with the necessary capex in research and development, the use of alternative materials and new activities in traditional industries.

GOOD PRACTICE

MOD21 has prepared an online calculator that compares the carbon footprint of traditional and timber construction. The tool calculates the carbon footprint of concrete-based construction and timber-based modules. It was prepared in cooperation with the AGH University of Science and Technology in Kraków.

The calculator is the result of complex estimations and analysis of confidential technical data. For the purposes of the online tool, they have been simplified to show the scale of the difference in carbon footprint emissions generated by the two types of construction activities. The main task of the calculator is to calculate roughly the carbon footprint so that the customer can see what is the CO_2 emission level with regard to the facility during its development phase, the transportation of raw materials to the construction site and the construction process itself. During calculator design, we analysed the elements of buildings in both masonry and modular aspects - what raw materials, in what quantity, how much fuel, heat or electricity is consumed during a specific construction.

The difference between traditional and timber construction is enormous. According to the Oekobaudat database, m^3 of concrete emits 246 kg of CO_2, and 1 m^3 of structural timber results in -767 kg of CO_2 during the growth phase, and about -700 kg of CO_2 during the entire embedding process.



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WASTE

The year 2022 is the first year when, as the ERBUD Group, we disclose the aggregate amounts of waste generated. Previously, only two of our companies ERBUD and ONDE have provided such data, doing so in their environmental declarations under the implemented EMAS system.

[306-3]

WASTE VOLUME PRODUCED BY THE ERBUD GROUP IN 2022

WASTE	Waste volume produced [Mg]	Sales ['000 PLN]	Ratio [Mg/'000 PLN]
	Figure A	Figure B	R=A/B
	2022	2022	2022
Total amount of waste generated	**129607.1664**	**3855649.00**	**0.034**
Non-hazardous waste	121758.3796		**0.032**
Hazardous waste	7848.7868		**0.002**



VOLUME OF WASTE PRODUCED BY WASTE SUBGROUPS

Waste subgroup code	Name of waste subgroup	Waste volume [Mg]
01 04	Wastes from physical and chemical processing of non-metalliferous minerals	204.38
02 01	Wastes from agriculture, horticulture, aquaculture, forestry, hunting and fishing	0.4
07 02	Wastes from the MFSU of plastics, synthetic rubber and man-made fibres	1.53
08 01	Wastes from MFSU and removal of paint and varnish	0.2548
08 03	Wastes from MFSU of printing inks	0.016
09 01	Wastes from the photographic industry	0.058
12 01	Wastes from shaping and physical and mechanical surface treatment of metals and plastics	54.357
13 02	Waste engine, gear and lubricating oils	2.89
13 07	Wastes of liquid fuels	0.15
14 06	Other halogenated solvents and mixtures Other halogenated solvents and solvent mixtures	0.05
15 01	Packaging (including separately collected municipal packaging waste)	459.4352
15 02	Absorbents, filter materials, wiping cloths and protective clothing	8.699
16 01	End-of-life vehicles from different means of transport (including off-road machinery) and wastes from dismantling of end-of-life vehicles and vehicle maintenance (except 13, 14, 16 06 and 16 08)	10.222
16 02	Wastes from electrical and electronic equipment	24.795
16 06	Batteries and accumulators	1.118
17 01	Waste materials and components of construction and road infrastructure (e.g., concrete, bricks, slabs, ceramics)	29 415.993
17 02	Wood, glass and plastic waste	14 58.534
17 03	Bituminous mixtures, coal tar and tarred products waste	4 497.21
17 04	Metals (including their alloys) waste	125.036
17 05	Soil (including excavated soil from contaminated sites), stones and dredging spoil	84 254.67
17 06	Insulation materials and asbestos-containing construction materials	194.361
17 08	Gypsum-based construction material	8.817
17 09	Other construction and demolition wastes	8 861.7324
20 01	Segregated municipal wastes and separately collected fractions (except 15 01)	0.258
20 03	Other municipal wastes	22.2
TOTAL WASTE		**129 607.1664**



Group companies generate waste in three main flows in connection with their operations, as:

- Non-hazardous waste from activities, including construction (manufacturing),
- hazardous waste, including from construction (manufacturing) activities,
- municipal waste (collected in social facilities on temporary sites, field office and headquarters operations, etc.).

[3-3] Wykorzystanie surowców

JAs the ERBUD Group, we realize that properly managed material and waste management has a real impact on the amount of waste produced, and thus on the level of environmental impact. Waste management in **ERBUD Capital Group** in 2022, as in previous years, was carried out on the grounds of the applicable provisions of the Waste Law (dated 14 December 2012, consolidated text of 2013) and the administrative decision issued for waste processing. The Group's waste is produced as a result of its construction activities. As part of the activities carried out by our companies, we plan and carry out such activities in order to prevent waste production or lead to its reduction in the first place.

The ERBUD Capital Group uses a modern tool such as the BDO manager application to record waste. Functional solutions designed in the application users buy-in (including site managers) in the process of managing waste transfer notes. The application allows generating new notes quickly and easily and offers user-friendly management of their statuses. Notifications enable the user to monitor the waste transfer process and, if the note has been rejected, the user may correct it quickly without having to stop the waste transfer process. An additional advantage of the application is the automatic generation of Waste Record Sheets based on approved Waste Transfer Notes.

On the other hand, waste output which we will not be able to prevent and reduce to a minimum the waste output that in the first row are recycled and recovered. Waste from road repairs, construction of road facilities and road maintenance, is recovered through crushing and then used in road construction and repair, thus following the rules of the circular economy. In addition, as part of its waste management activities, ONDE S.A. recovers waste with codes 17 01 01 and 17 01 81, by processing them in the R5 process. In this process, the Company aims to process waste up to the maximum amounts allowed in its permit.

Those wastes, on the other hand, for which recovery is not possible, are eventually disposed of. All waste generated, including hazardous waste, is transferred only to recipients with the appropriate permits required in the country in which the companies operate or carry out construction projects.

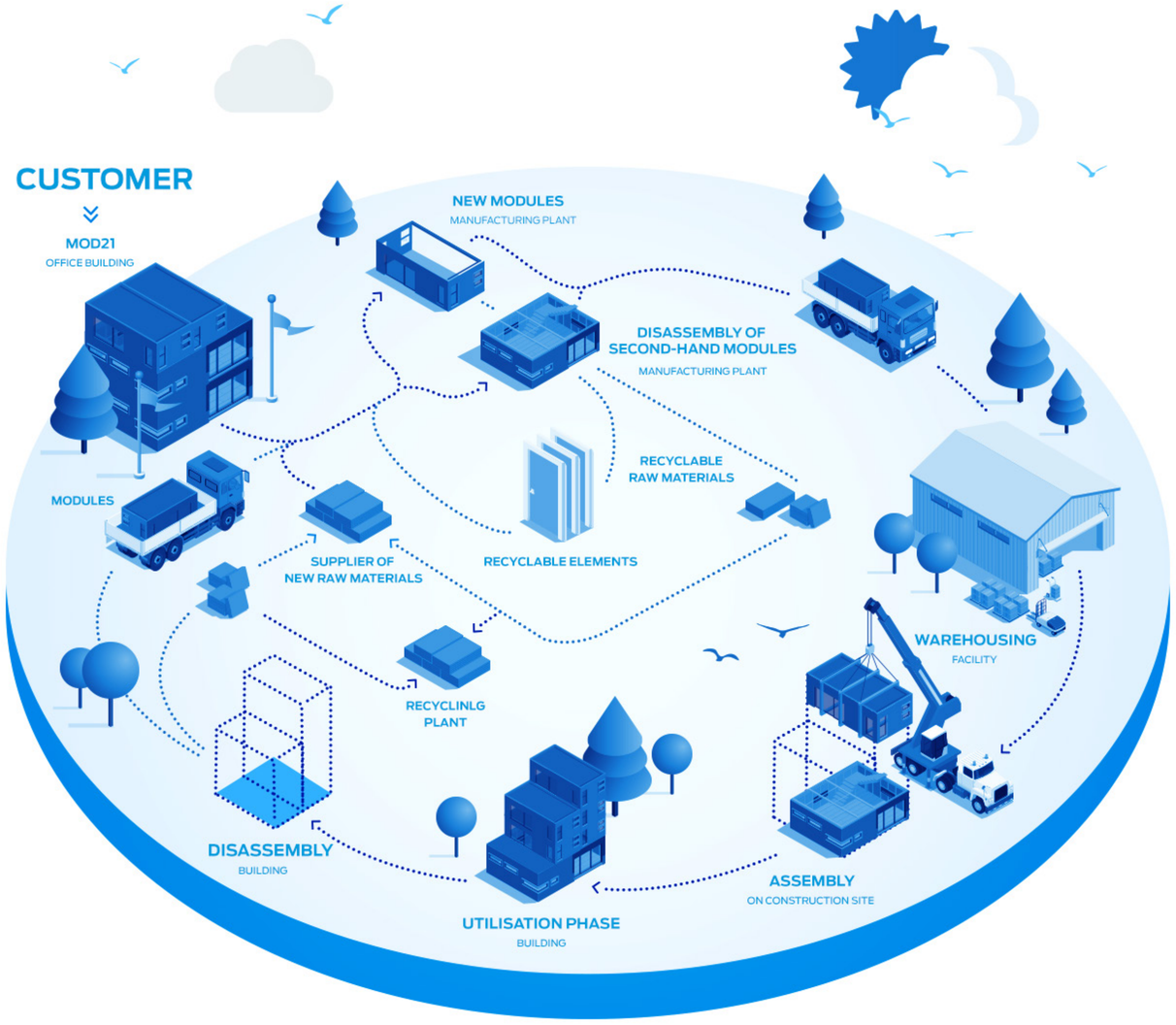
In 2022, the Erbud Group generated a total of 1.296.071.664 Mg of waste, of which 784.878.68 Mg was hazardous waste and the remainder was non-hazardous waste (1,217.583.796 Mg). Hazardous waste indicated in the specification accounts for 6% of total waste and is mainly waste including soil and stones containing hazardous substances (17 05 03*) and bituminous mixtures containing coal tar (17 03 01*) generated during the construction process. Other hazardous waste includes hazardous substance packaging, asbestos-containing materials, and batteries and accumulators.

Comparing the total amount of waste output to the 2022 revenues, we obtained the following ratio **0.034 (Mg of waste / revenues in '000 PLN**, which we are going to reduce year by year.

GOOD PRACTICE

The ERBUD Group's closed-loop economy is most strongly supported by MOD21, a company specializing in module timber construction. Timber is one of the most environmentally- friendly building materials. If a rational resource management policy is applied, timber is fully renewable. The material sourced by the company comes from certified plantations, and new trees are planted in place of those cut down.

The company has also implemented technology that allows it to reduce waste by managing buildings that have already completed their operational phase. The dismantled modules go back to the production plant, where the raw materials needed to fabricate new modules are recycled from them. In this manner, MOD21 closes the circulation of raw materials.





Tree planting operation near Nuremberg

GOOD PRACTICE

In November 2022, MOD21 employees working hand in hand with students from the Bavarian schools planted 850 trees around Nuremberg. A partner in the initiative was the Treemer organization, which runs projects in Germany related to woodland reforestation and restoration. The objective of the operation was not only to act for the benefit of regional nature, but also to provide environmental education for young people. During the fun day excursion in the forest, students had an opportunity to learn how the forest ecosystem works and why it is important to think about its future. The trees planted as part of the campaign will help create a better living space for bees and insects in an area of 3,300 square meters.

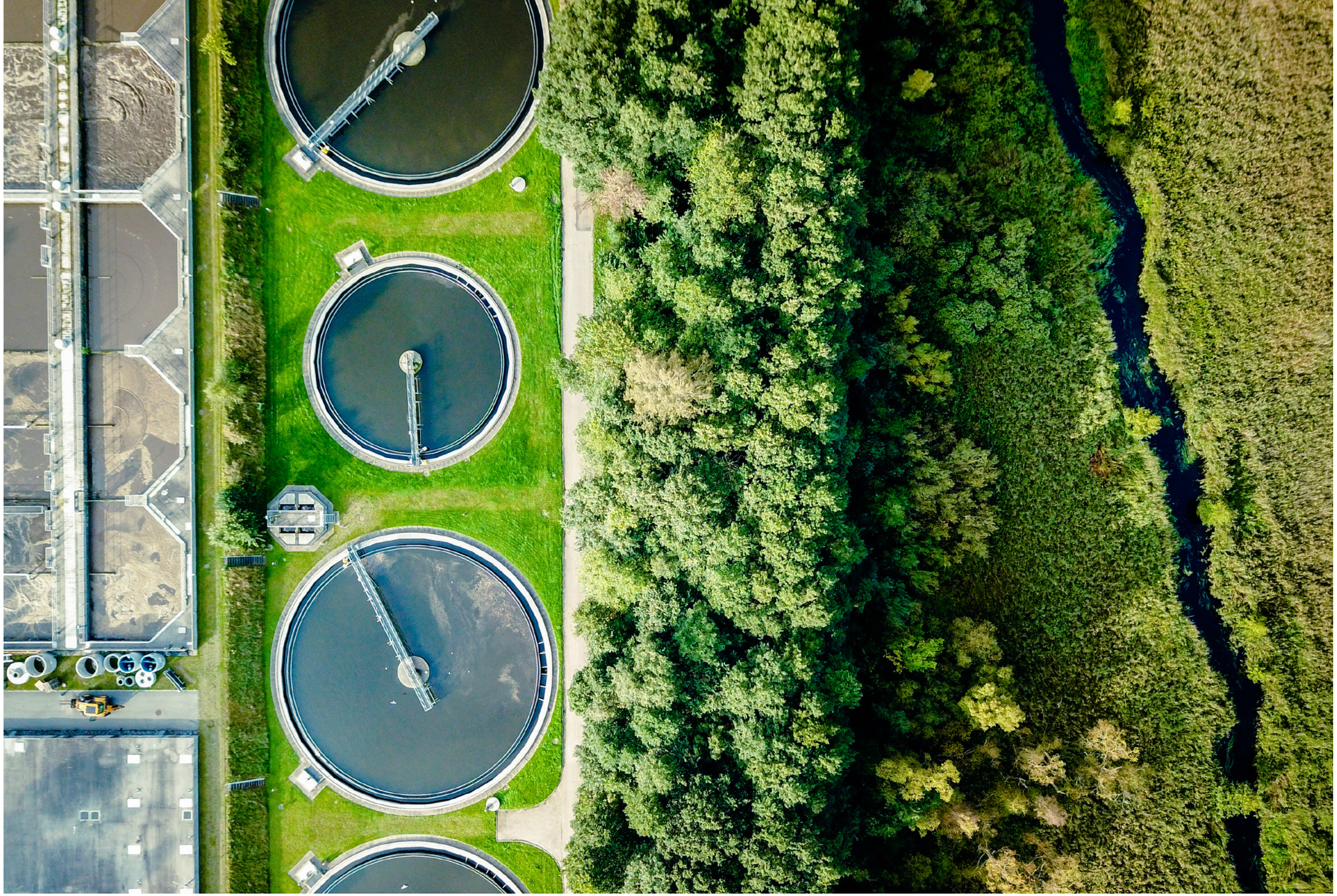
[303-5]

WATER CONSUMPTION

ERBUD Group member companies do not have their own water intakes. Industrial water (for production including for construction purposes) and domestic water is abstracted from the water mains.

In 2022, the ERBUD Group consumed 96,781.19 m^3 of water. Comparing the above water consumption to the revenues (PLN 3,855,649 thousand) we obtained the ratio equal to 0.025 i.e. 25 litres per '000 PLN.

Water consumption in a given year depends on the number and type of construction work being carried out, in which water is one element of the overall process. For example, in demolition work, significant amounts of water are used to spray the demolished elements to minimize the negative impact of emitted dust on the surroundings. Depending on the air temperature, the insolation level, and the intensity of the wind, water is also used on construction sites to treat concrete. The higher, the higher the water consumption.



3|3

TAXONOMY

Below, in pursuant to Art. 8 of EU Regulation 2020/852 (Taxonomy), information is provided on how and to what extent the ERBUD Group's operations are related to business activities that qualify as environmentally sustainable (activities in line with the systematics). The key performance indicators (KPIs) have been prepared in accordance with the requirements outlined in EU Delegated Regulation 2021/2178, to the best of our knowledge and with due diligence.

The assessment of business compliance with the hierarchical structure, under individual key performance indicators was carried out based on the technical criteria set forth in EU Delegated Acts 2021/2139 and 2022/1214.

MINIMUM GUARANTEES

The ERBUD Group fulfils the minimum guarantees referred to in Article 18 of EU Regulation 2020/852. The assessment of meeting the minimum guarantees was based on the requirements recommended for CSRD entities according to the report of the EU Platform for Sustainable Finance, published in October 2022.

According to the requirements outlined in the aforementioned report, failure to meet the minimum guarantees is considered to be the occurrence of at least one of the two prerequisites within the four operational areas:

- Human rights
- Corruption
- Taxes
- Fair competition

The analysis of internal policies, regulations, procedures in force in the ERBUD Group showed the absence of the indicated premises.



KPI BUSINESS TRANSACTIONS

Business operations	Code	Total revenues in PLN	Share in revenues	Material contribution criteria						"Don't damage seriously" criteria						Minimum guarantees	2022			
				Mitigation of climate change	Adaptation to climate change	sustainable use and protection of water and sea resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Mitigation of climate change	Adaptation to climate change	Sustainable use and protection of water and sea resources	Transition to a circular economy	Pollutionprevention and control	Protection and restoration of biodiversity and ecosystems		share of taxonomy-compliant activities in revenues	share of taxonomy-compliant activities in revenues	category (supporting activity)	category (transition-oriented activity)
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
A.1. Environmentally sustainable activities (compliant with the taxonomy)																				
Infrastructure for personal mobility, bicycle logistics	6.13.	(6 488.18)	0.0	100	0	0	0	0	0	T	T	T	T	T	T	T	0.0		E	
Infrastructure supporting low-carbon road transport and public transport	6.15.	158 124 323.60	4.1	0	100	0	0	0	0	T	T	T	T	T	T	T	4.1		E	
Construction of new buildings	7.1.	1 578 336 941.89	40.9	53	47	0	0	0	0	T	T	T	T	T	T	T	40.9			
Renovation of existing buildings	7.2.	45 163 479.69	1.2	55	45	0	0	0	0	T	T	T	T	T	T	T	1.2			T
MInstallation, maintenance and repair of energy efficiency improvement equipment	7.3.	24 346 636.47	0.6	100	0	0	0	0	0	T	T	T	T	T	T	T	0.6		E	
Installation, maintenance and repair of renewable energy process systems	7.6.	836 608 707.36	21.7	100	0	0	0	0	0	T	T	T	T	T	T	T	21.7		E	
Revenues from environmentally sustainable (taxonomy compliant) activities (A.1)		2 642 573 601	68.5	44.6	23.9	0	0	0	0								68.5			
A.2. Taxonomy-eligible but not environmentally sustainable activities (activities not compliant with taxonomy)																				
Infrastructure for personal mobility, bicycle logistics	6.13.	3 498 901.95	0.09																	
Infrastructure supporting low-carbon road transport and public transport	6.15.	813 469.69	0.02																	
Construction of new buildings	7.1.	148 486 869.42	3.85																	
Renovation of existing buildings	7.2.	37 307 157.15	0.97																	
Revenues generated by taxonomy-eligible activities, but not environmentally sustainable (activities not compliant with the taxonomy)		190 106 398.21	5																	
TOTAL (A.1 + A.2)		2 832 679 999	73.5														68.5		26.4	1.2

	Total revenues	Share in revenues
B. TAXONOMY NON-ELIGIBLE ACTIVITIES		
Revenues from taxonomy non-eligible activities	1 022 968 352.89	26.5
TOTAL (A + B)	3 855 648 351.93	100

ACTIVITIES RELATED TO NUCLEAR ENERGY AND NATURAL GAS

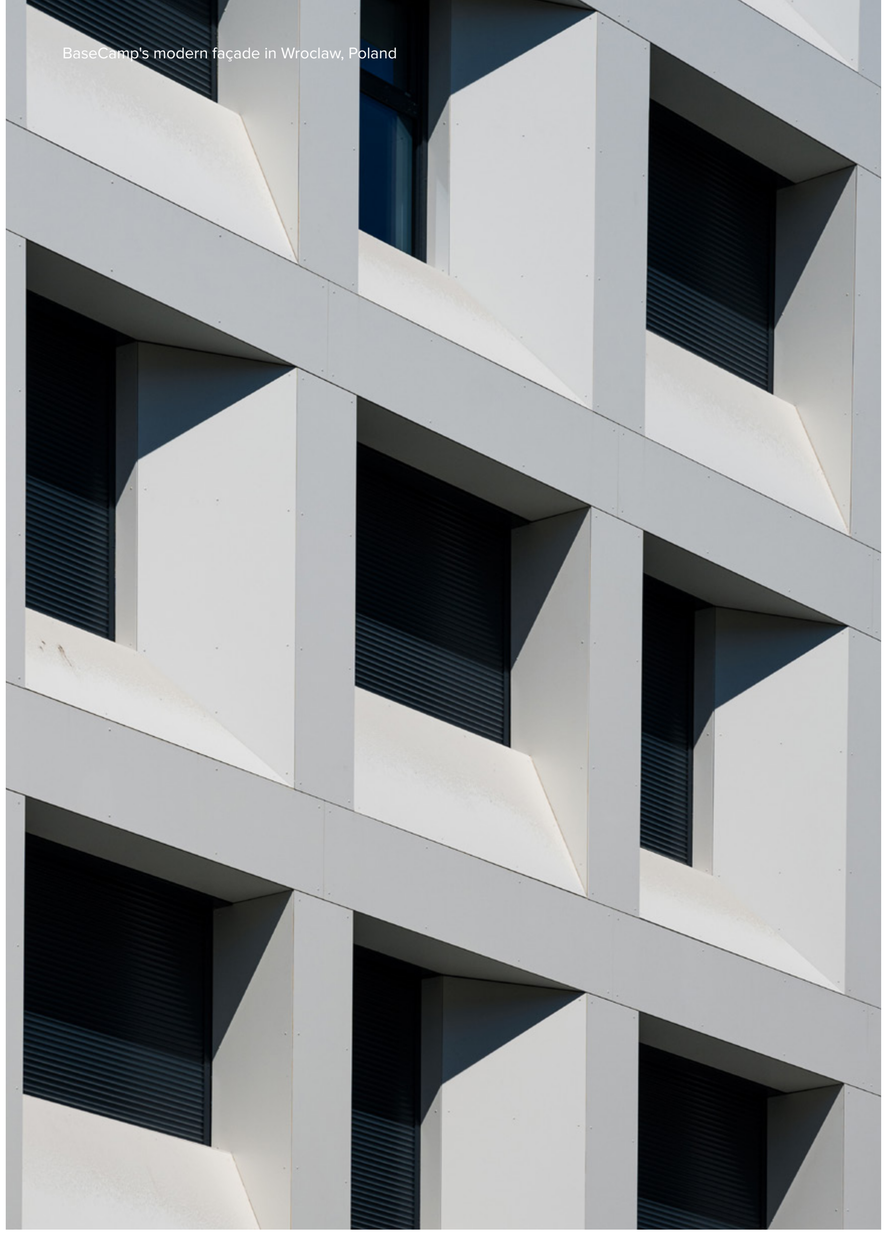
Line	**Nuclear energy-related activities**	
1	The company carries out research, development, demonstration and deployment of innovative power generation facilities that produce energy through nuclear processes with minimal waste from the fuel cycle, finances this activity or has exposure to it.	YES/NO
2	The company carries out the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety upgrades using the Best Available Technologies (BATs), finances these activities or has exposure to them.	YES/NO
3	The company operates safely the existing nuclear facilities generating electricity or process heat, including for the district heating system or industrial processes such as hydrogen generation from nuclear energy, as well as their safety upgrades, finances these activities or has exposure to them.	YES/NO
	Natural gas-related activities	
1	The company builds or operates facilities for the generation of electricity using gaseous fossil fuels, finances this activity or has exposure to it.	YES/NO
2	The company carries out construction, modernization and operation of facilities for the co-generation of heat/cooling and electricity using gaseous fossil fuels, finances these activities or is exposed to them.	YES/NO
3	The company carries out construction, modernization and operation of facilities for heat/cooling generation using gaseous fossil fuels, finances these activities or is exposed to them.	YES/NO

BUSINESS ACTIVITIES COMPLIANT WITH THE TAXONOMY (DENOMINATOR)

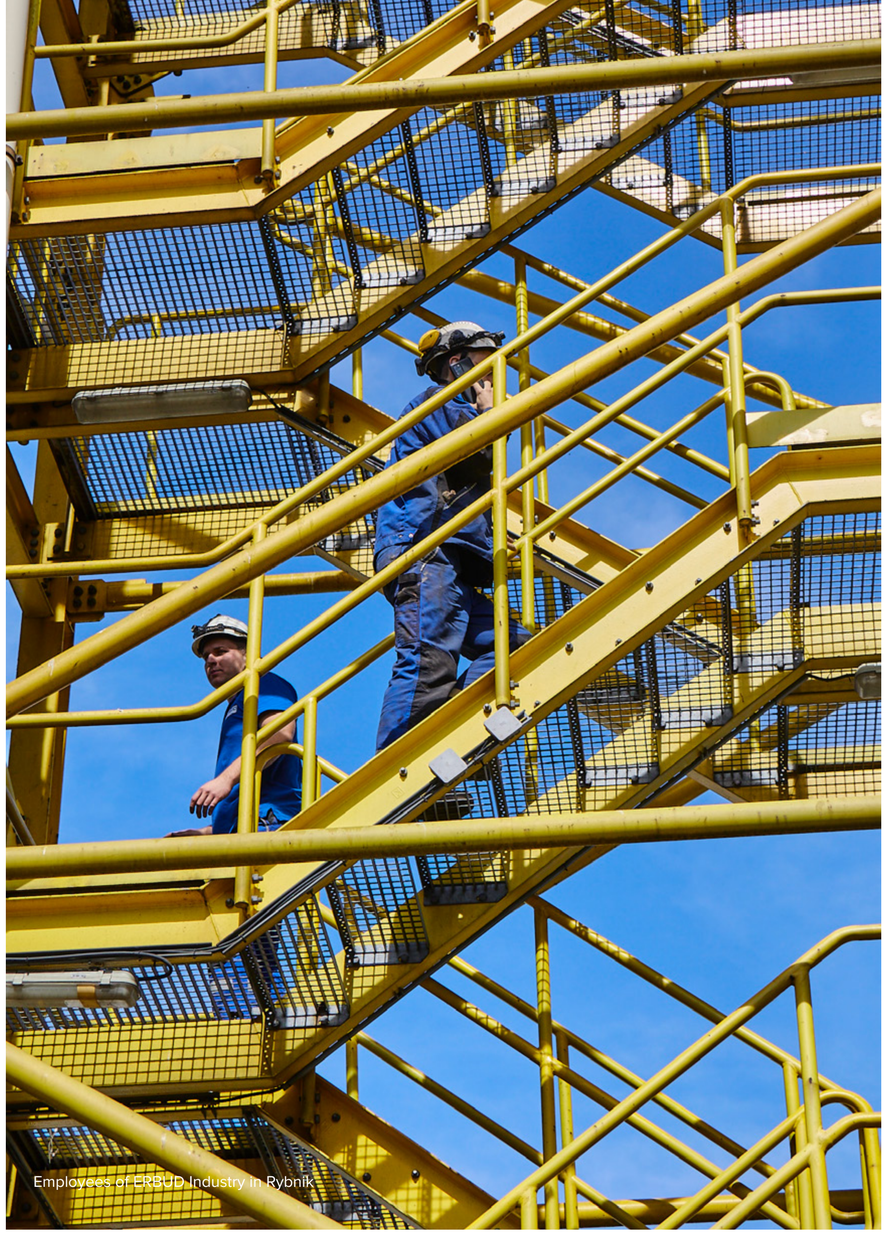
Line	Types of business activity	Amount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities that comply with the taxonomy, referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
2	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0	0	0	0	0	0
3	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
4	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0	0	0	0	0	0
5	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
6	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
7	**Amount and share of other business activities compliant with the taxonomy, not listed in lines 1-6 above in the denominator of the applicable Key Performance Indicator**	**2 642 573 601**	**68.5**	**1 716 259 777.32**	**43.6**	**926 313 823.51**	**23.9**
8	**Total applicable Key Performance Indicator (KPI)**	**2 642 573 601**	**68.5**	**1 716 259 777.32**	**43.6**	**926 313 823.51**	**23.9**

BUSINESS ACTIVITIES
COMPLIANT WITH THE TAXONOMY (NOMINATOR)

Line	Types of business activity	Amount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA	
		Kwota	%	Kwota	%	Kwota	%
1	The amount and share of business activities that comply with the taxonomy, referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
2	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
3	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
4	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
5	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
6	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
7	**Amount and share of other business activities compliantwith the taxonomy, not listed in lines 1-6 above in the nominator of the applicable key performance indicator**	**2 642 573 601**	**68.5**	**1 716 259 777.32**	**43.6**	**926 313 823.51**	**23.9**
8	**The total amount and the total share of the types of economic activities that are compliant with taxonomy in the numerator of the applicable Key Performance Indicator**	**2 642 573 601**	**68.5**	**1 716 259 777.32**	**43.6**	**926 313 823.51**	**23.9**



BaseCamp's modern façade in Wroclaw, Poland



Employees of ERBUD Industry in Rybnik

TAXONOMY-ELIGIBLE ECONOMIC ACTIVITIES, BUT NOT COMPLIANT WITH TAXONOMY

Line	Types of business activity	KAmount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.26 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
2	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.27 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
3	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.28 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
4	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.29 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
5	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.30 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
6	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.31 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
7	**Amount and share of other taxonomy-eligible business activities, which are not compliant with taxonomy, not listed in lines 1-6 hereinabove, in the denominator of the applicable Key Performance Indicator**	**2 832 679 999**	**73.5**				
8	**Total amount and total share of business activities taxonomy-eligible, but not compliant with taxonomy in the denominator of the applicable Key Performance Indicator**	**2 832 679 999**	**73.5**				

BUSINESS ACTIVITIES NOT TAXONOMY-ELIGIBLE

Line	Types of business activity	Amount	Percentage share
1	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for systematization in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0	0
2	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for systematization in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0	0
3	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for systematization in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0	0
4	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for systematization in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0	0
5	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for systematization in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable key performance indicator	0	0
6	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for systematization in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
7	**The amount and share of other business activities that are not eligible for taxonomy, not listed in lines 1-6 above, in the denominator of the applicable Key Performance Indicator**	**1 022 968 352.89**	**26.5**
8	**Total amount and total share of business activities that are taxonomy-eligible in the denominator of the applicable Key Performance Indicator**	**1 022 968 352.89**	**26.5**



A residential project in Garbary Street in the City of Bydgoszcz



The Bliski Marcelin residential building in in Jeleniogórska Street in the City of Poznań.

ACCOUNTING PRINCIPLES

The sales revenue figures taken into account in the denominator of the Key Performance Indicator are from the Group's Consolidated Financial Statements as of 31 December 2022 prepared pursuant to the International Financial Reporting Standards (IFRS) as endorsed by the European Union, and shown in the Consolidated Statement of Profit and Loss and Other Comprehensive Income under Comprehensive Income from Sales of Goods and Services.

INFORMATION ON CONFORMITY ASSESSMENT WITH REGULATION (EU) 2020/852

The ERBUD Group's various revenue categories were analysed in terms of taxonomy eligibility. This process comprised an analysis of activities eligible for systematics as defined in EU Regulation 2021/2139 and EU Regulation 2022/1214. Based on the analysis, six activities eligible for taxonomy were identified:

- **6.13.** Infrastructure for personal mobility, bicycle logistics
- **6.15.** Infrastructure supporting low-carbon road transport and public transport
- **7.1.** Construction of new buildings
- **7.2.** Renovation of existing buildings
- **7.3.** Installation, maintenance and repair of energy efficiency improvement equipment
- **7.6.** Installation, maintenance and repair of renewable energy process systems

The individual activities were analysed in relation to the technical criteria specified for each activity in EU Regulation 2021/2139. The analysis was carried out by the project team, and the requirements of each technical criterion were consulted and confirmed with people in the organization with the appropriate knowledge to confirm whether the technical criterion was met. The aforementioned analysis was preceded by the completion of a questionnaire for each project, including the technical eligibility criteria for the activity listed in EU Delegated Act 2021/2139.

Each construction site was evaluated against a list of technical criteria of making a significant contribution to climate change mitigation, making a significant contribution to climate change adaptation, and not doing serious harm to the other environmental goals identified in the taxonomy.

Due to the specific nature of the ERBUD Group's operations, the analysis was carried out with reference to individual projects executed by the Group.

FOLLOWING THE ANALYSIS IT WAS DETERMINED THAT:

- within each of the six activities, a part of the revenues fulfil the taxonomy compliance criteria
- under activities 6.13, 6.15, 7.1, 7.2, some of the revenues do not meet the taxonomy compliance criteria.

ELIGIBLE ACTIVITIES COMPRISE:

- construction of new buildings, including both residential and industrial buildings, public utilities, shopping malls, office buildings, health care facilities, etc.
- renovation and modernization of existing buildings for adaptation to new functionalities,
- construction projects involving the improvement of the energy efficiency of existing buildings, including primarily thermal efficiency improvements performed by ERBUD S.A. and ERBUD International Sp. z o.o.,
- construction of road and pedestrian infrastructure,
- installation of infrastructure for renewable energy generation.

Eligible activities comprise projects with the same characteristics as those implemented under compliant activities.

In order to avoid double counting, individual revenue figures were assigned to a single activity. Once assigned to an activity, they were not included in further analyses.

CONTRIBUTION TO THE ATTAINMENT OF NUMEROUS GOALS

For operational revenues linked to Activities 7.1 and 7.2, a contribution to two environmental objectives was demonstrated:

- climate change mitigation,
- climate change adaptation

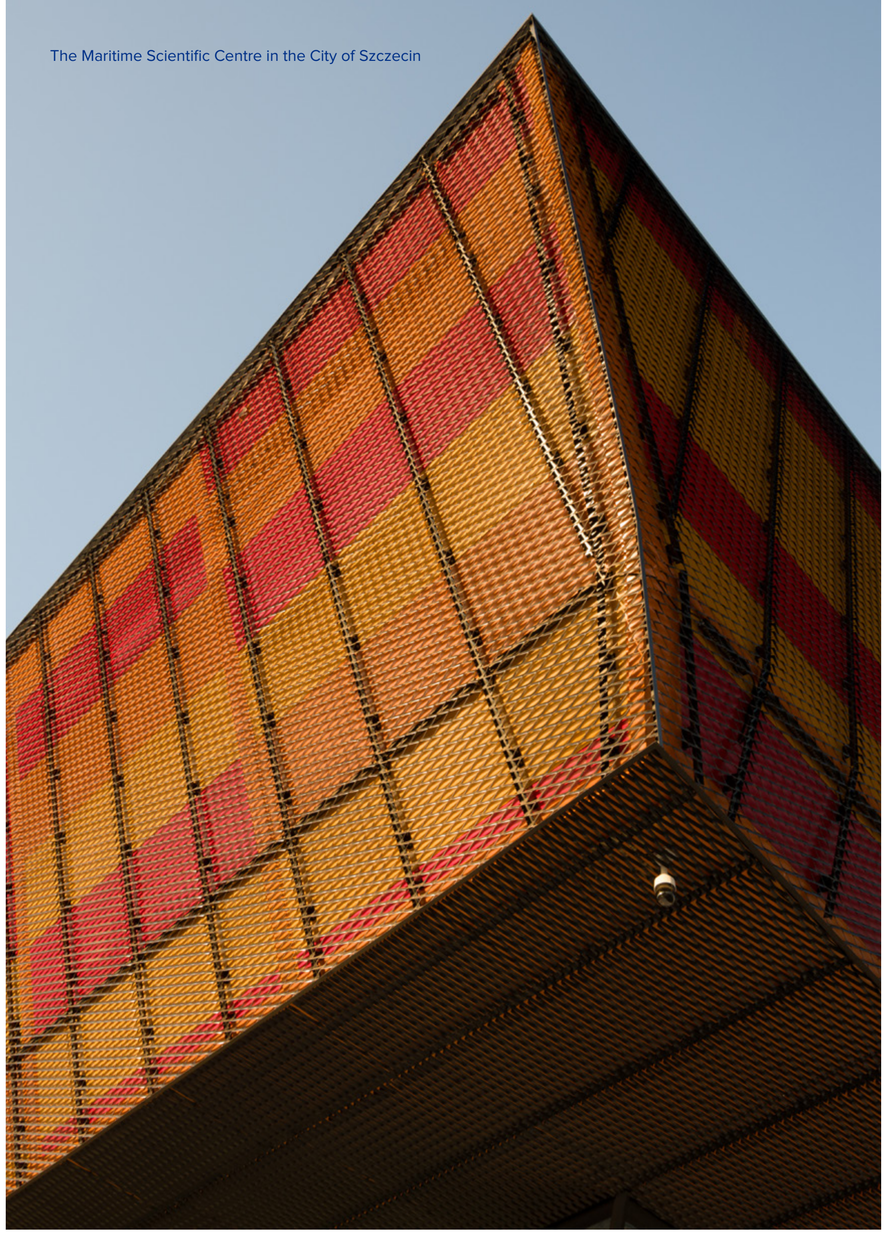
This stems from the specific nature of the ERBUD Group's business. Compliance with the taxonomy, including the adherence to the technical eligibility criteria, is assessed for individual projects within the Group of individual projects carried out within the Group. The results of the compliance assessment carried out showed that some of the projects make a significant contribution to the climate change mitigation goal, and some to the climate change adaptation goal. As a result, contributions to both goals are shown at the level of the overall business.

DISAGGREGATION OF KEY PERFORMANCE INDICATORS

Not applicable.

CONTEXT-RELATED INFORMATION

The total revenues shown in the numerator of the Key Performance Indicator are generated under the contracts with customers. Neither the numerator of the Key Performance Indicator nor the eligible activities show figures related to the activities run to satisfy the Group's own consumption.



The Maritime Scientific Centre in the City of Szczecin

3|3.2

KPI CAPEX

Business operations	Code	CapEx in absolute terms (in PLN)	Share of CapEx in percentage terms	Material contribution criteria						"Don't damage seriously" criteria						2022			
				Mitigation of climate	Adaptation to climate change	sustainable use and protection of water and sea resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Mitigation of climate change	Adaptation to climate change	sustainable use and protection of water and sea resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Minimum guarantees	share of taxonomy-compliant activities in capital expenditures (CapEx)	share of taxonomy-compliant activities in revenues	category (supporting activity)	category (transition-oriented activity)
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																			
A.1. Environmentally sustainable activities (compliant with the taxonomy)																			
Installation, maintenance and repair of renewable energy process systems	7.6.	193 750.72	0.2	100	0	0	0	0	0	T	T	T	T	T	T	T	0.2		E
CapEx related to sustainable environmental activities (compliant with the economy) (A.1)		193 750.72	0.2	0.2	0	0	0	0	0								0.2		
A.2. Taxonomy-eligible, but not environmentally sustainable activities (activities not compliant with taxonomy)																			
Transport by motorbikes, passenger cars and light commercial vehicles	6.5.	1 965 382.59	2.2																
A.2. CapEx from taxonomy-eligible activities, but not environmentally sustainable activity (activity not compliant with the taxonomy)		1 965 382.59	2.2																
TOTAL (A.1 + A.2)		2 159 133.31	2.4														0.2	0.2	
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																			
CapEx from non-taxonomy eligible activities		88 990 991.91	97.6																
TOTAL (A + B)		91 150 125.22	100																

ACTIVITIES RELATED TO NUCLEAR ENERGY AND NATURAL GAS

Line	**Nuclear energy-related activities**	
1	The company runs research, development, demonstration and deployment of innovative power generation facilities that produce energy through nuclear processes with minimal waste from the fuel cycle, finances this activity or has exposure to it.	YES/NO
2	The company carries out the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety upgrades using the Best Available Technologies (BATs), finances these activities or has exposure to them.	YES/NO
3	The company operates safely the existing nuclear facilities generating electricity or process heat, including for the district heating system or industrial processes such as hydrogen generation from nuclear power, as well as their safety upgrades, finances these activities or has exposure to them..	YES/NO
	Natural gas-related activities	
1	The company builds or operates facilities for the generation of electricity using gaseous fossil fuels, finances this activity or has exposure to it.	YES/NO
2	The company carries out construction, modernization and operation of facilities for the co-generation of heat/cooling and electricity using gaseous fossil fuels, finances these activities or is exposed to them.	YES/NO
3	The company carries out construction, modernization and operation of facilities for heat/cooling generation using gaseous fossil fuels, finances these activities or is exposed to them.	YES/NO

BUSINESS ACTIVITIES COMPLIANT WITH THE TAXONOMY (DENOMINATOR)

Line	Types of business activity	Amount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities that comply with the taxonomy, referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
2	KThe amount and share of economic activities that comply with the taxonomy, referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
3	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
4	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
5	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
6	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
7	**Amount and share of other business activities compliant with the taxonomy, not listed in lines 1-6 above in the denominator of the applicable Key Performance Indicator**	**193 750.72**	**0,2**	**193 750.72**	**0.2**	**0**	**0**
8	**Total applicable Key Performance Indicator (KPI)**	**193 750.72**	**0,2**	**193 750.72**	**0.2**	**0**	**0**

BUSINESS ACTIVITIES COMPLIANT WITH TAXONOMY (NOMINATOR)

Line	Types of business activity	Amount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities that comply with the taxonomy, referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
2	KThe amount and share of economic activities that comply with the taxonomy, referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
3	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
4	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
5	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
6	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
7	**Amount and share of other business activities compliantwith the taxonomy, not listed in the lines 1-6 hereinabove in the nominator of the applicable Key Performance Indicator**	**193 750.72**	**0,2**	**193 750.72**	**0.2**	**0**	**0**
8	**The total amount and the total share of the types of economic activities that are compliant with taxonomy in the numerator of the applicable Key Performance Indicator**	**193 750.72**	**0,2**	**193 750.72**	**0.2**	**0**	**0**



Tree planting operation at the Rzeszów Branch.



The Wrocław Breweries

TAXONOMY-ELIGIBLE BUSINESS ACTIVITIES, BUT NOT COMPLIANT WITH TAXONOMY

Line	Types of business activity	Amount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.26 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
2	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.27 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
3	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.28 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
4	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.29 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
5	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.30 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
6	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.31 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
7	**Amount and share of other taxonomy-eligible business activities, which are not compliant with taxonomy, not listed in lines 1-6 hereinabove, in the denominator of the applicable Key Performance Indicator**	**1 965 382.59**	**2.1**				
8	**Total amount and total share of business activities taxonomy-eligible, but not compliant with taxonomy in the denominator of the applicable Key Performance Indicator**	**1 965 382.59**	**2.1**				

BUSINESS ACTIVITIES NON-ELIGIBLE FOR TAXONOMY

Line	Types of business activity	Amount	Percentage share
1	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for systematization in accordance with Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
2	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for systematization in accordance with Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
3	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for systematization in accordance with Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
4	The amount and share of business activities, referred to in line 1 of formula 1,which is a business activity that is non-eligible for systematization in accordance with Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
5	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for systematization in accordance with Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
6	The amount and share of business activities, referred to in line 1 of formula 1,which is a business activity that is non-eligible for systematization in accordance with Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
7	**The amount and share of other business activities that are not eligible for taxonomy, not listed in lines 1-6 above, in the denominator of the applicable Key Performance Indicator**	**91 007 983.25**	**97.7**
8	**Total amount and total share of business activities that are taxonomy-eligible in the denominator of the applicable Key Performance Indicator**	**91 007 983.25**	**97.7**





ACCOUNTING PRINCIPLES

Data on capital expenditures included in the denominator of the Key Performance Indicator (KPI) are from the Group's Consolidated Financial Statements as of 31 December 2022 drawn up in accordance with the International Financial Reporting Standards (IFRS), as endorsed by the European Union and shown in Note 6.1. Property, Plant and Equipment in the Purchase line. The KPI CapEx denominator was assigned costs accounted for based on:

- IAS 16 Property, Plant and Equipment, para. 73(e)
- IAS 38 Intangible Assets, paragraph 118(e); subpara (i);
- IAS 40 Investment Property, paragraphs 76, (a) and (b) (for the fair value model);
- IAS 40 Investment Property, paragraphs 79(d) (i) and (ii) (for the model based on acquisition price or manufacturing cost);
- IAS 41 Agriculture, paras 50(b) and (e);
- IFRS 16 Leases, para 53(h).

INFORMATION ON CONFORMITY ASSESSMENT WITH REGULATION (EU) 2020/852

The ERBUD Group's various categories of capital expenditures were analysed in accordance with the provisions of EU Regulation 2021/2178, Annex I, Section 1.1.2.2, to determine whether they meet one of the following conditions:

- relate to assets or processes related to business activities in line with the in accordance with the taxonomy
- are part of a plan to expand taxonomy-eligible business activities or to enable taxonomy-eligible business activities to conform to taxonomy (the "capital expenditure plan") under the conditions set forth in the second paragraph of this Section 1.1.2.2;
- shall relate to the purchase of products from taxonomy-eligible business activities and individual measures enabling the targeted activity to become low-carbon or enabling it to reduce greenhouse gas emissions, in particular the activities listed in Sections 7.3 to 7.6 of Annex I of the Climate Delegated Act, as well as other business activities listed in delegated acts adopted pursuant to Articles 10(3), 11(3), 12(2), 13(2), Article 14(2) or Article 15(2) of Regulation (EU) 2020/852, and provided that these measures are implemented and triggered within 18 months.

Based on the analysis, one activity consistent with the taxonomy was identified:

7.6. Installation, maintenance and repair of renewable energy process systems

CapEx connected with Activity 7.6. include the installation of photovoltaic panels that enable the target activity to reduce greenhouse gas emissions, were therefore deemed to be in compliance with condition (a) indicated above.

The analyses also identified one taxonomy-eligible activity:

6.5. Transport by motorbikes, passenger cars and light commercial vehicles

All capital expenditure related to Activity 6.5 comprise the purchase of hybrid or electric cars enabling the target activity to reduce greenhouse gas emissions, and has therefore been deemed to comply with condition (a) referred to hereinabove. Due to the lack of possibility to confirm explicitly whether a product from a taxonomy-compatible activity was purchased, these inputs were classified as taxonomy-eligible rather than taxonomy-compliant.

The ERBUD Group does not have a capital expenditure plan as referred to in Section 1.1.2. of Annex I to EU Regulation 2021/2178, therefore no capital expenditure meeting the criteria written in condition (b) above has been identified.

Due to the lack of possibility of attributing clearly individual capital expenditures to specific projects, and consequently the lack of possibility of determining whether the expenditures are linked to taxonomy-compatible or taxonomy-eligible activities, capital expenditures meeting condition (a) above were not identified. All other capital expenditures have been included as non-eligible for taxonomy.

CONTRIBUTION TO THE ATTAINMENT OF NUMEROUS GOALS

Not applicable.

Capital expenditures linked to activities contributing to more than one environmental goal were not identified.

DISAGGREGATION OF KEY PERFORMANCE INDICATORS

The Key Performance Indicator was not disaggregated.

CONTEXT-RELATED INFORMATION

The capital expenditures shown in the numerator of the Key Performance Indicator is linked to the ERBUD Group's business activities.



KPI OPEX

Business operations	Code	CapEx in absolute terms (in PLN)	Share of CapEx in percentage terms	Material contribution criteria						"Don't damage seriously" criteria						Minimum guarantees	2022			
				Mitigation of climate change	Adaptation to climate change	sustainable use and protection of water and sea resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems	Mitigation of climate change	Adaptation to climate change	Sustainable use and protection of water and sea resources	Transition to a circular economy	Pollution prevention and control	Protection and restoration of biodiversity and ecosystems		share of taxonomy-compliant activities in operating expenditures	share of taxonomy-compliant activities in operating expenditures	category (supporting activity)	category (transition-oriented activity)
A. ACTIVITIES ELIGIBLE FOR TAXONOMY																				
A.1. Environmentally sustainable activities (compliant with the taxonomy)																				
Infrastructure for personal mobility, bicycle logistics	6.13.	37.33	0,0	100	0	0	0	0	0	T	T	T	T	T	T	T	0.0		E	
Infrastructure supporting low-carbon road transport and public transport	6.15.	18 649 551.76	18.2	0	100	0	0	0	0	T	T	T	T	T	T	T	18.2		E	
Construction of new buildings	7.1.	48 747 872.62	47.5	48	52	0	0	0	0	T	T	T	T	T	T	T	47.5			
Renovation of existing buildings	7.2.	1 592 385.85	1.6	34	66	0	0	0	0	T	T	T	T	T	T	T	1.6			T
Installation, maintenance and repair of energy efficiency improvement equipment	7.3.	869 946.64	0.8	100	0	0	0	0	0	T	T	T	T	T	T	T	0.8		E	
Installation, maintenance and repair of renewable energy process systems	7.6.	17 843 524.93	17.4	100	0	0	0	0	0	T	T	T	T	T	T	T	17.4		E	
CapEx related to sustainable environmental activities (compliant with the economy) (A.1)		87 703 319.13	85.5	41.5	44	0	0	0	0								85.5			
A.2. Taxonomy-eligible, but not environmentally sustainable activities (activities not compliant with taxonomy)																				
Infrastructure for personal mobility, bicycle logistics	6.13.	85 553.39	0.1																	
Infrastructure supporting low-carbon road transport and public transport	6.15.	127 480.20	0.1																	
Construction of new buildings	7.1.	4 191 123.18	4.1																	
Renovation of existing buildings	7.2.	883 390.60	0.9																	
A.2. CapEx from taxonomy-eligible activities, but not environmentally sustainable activity (activity not compliant with the taxonomy)		**5 287 547.37**	5.2																	
TOTAL (A.1 + A.2)																	85.5		26.4	1.6

	Total revenues	Share in revenues
B. TAXONOMY NON-ELIGIBLE ACTIVITIES		
CapEx from taxonomy non-eligible activities	9 551 710.41	9.3
TOTAL (A + B)	102 542 576.91	100

ACTIVITIES RELATED TO NUCLEAR ENERGY AND NATURAL GAS

Line	**Nuclear energy-related activities**	
1	The company runs research, development, demonstration and deployment of innovative power generation facilities that generate energy through nuclear processes with minimal waste from the fuel cycle, finances this activity or has exposure to it.	YES/NO
2	The company carries out the construction and safe operation of new nuclear facilities for the generation of electricity or process heat, including for district heating or industrial processes such as hydrogen production, as well as their safety upgrades using the Best Available Technologies (BATs), finances these activities or has exposure to them.	YES/NO
3	The company operates safely the existing nuclear facilities generating electricity or process heat, including for the district heating system or industrial processes such as hydrogen generation from nuclear energy, as well as their safety upgrades, finances these activities or has exposure to them.	YES/NO
	Natural gas-related activities	
1	The company builds or operates facilities for the generation of electricity using gaseous fossil fuels, finances this activity or has exposure to it..	YES/NO
2	The company carries out construction, modernization and operation of facilities for the co-generation of heat/cooling and electricity using gaseous fossil fuels, finances these activities or is exposed to them.	YES/NO
3	The company carries out construction, modernization and operation of facilities for heat/cooling generation using gaseous fossil fuels, finances these activities or is exposed to them.	YES/NO

BUSINESS ACTIVITIES COMPLIANT WITH THE TAXONOMY (DENOMINATOR)

Line	Types of business activityj	Amount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities that comply with the taxonomy, referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
2	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
3	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
4	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
5	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
6	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
7	**Amount and share of other business activities compliant with the taxonomy, not listed in lines 1-6 hereinabove in the denominator of the applicable Key Performance Indicator**	**87 703 319.13**	**85.5**	**42 546 263.08**	**41.5**	**45 157 056.05**	**44**
8	**Total applicable Key Performance Indicator (KPI)**	**87 703 319.13**	**85.5**	**42 546 263.08**	**41.5**	**45 157 056.05**	**44**

BUSINESS ACTIVITIES COMPLIANT WITH THE TAXONOMY (NOMINATOR)

Line	Types of business activity	Amount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of business activities that comply with the taxonomy, referred to in Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139, in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
2	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
3	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
4	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
5	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
6	The amount and share of economic activities that comply with the taxonomy, referred to in Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
7	**Amount and share of other business activities compliantwith the taxonomy, not listed in the lines 1-6 hereinabove in the nominator of the applicable Key Performance Indicator**	**87 703 319.13**	**85.5**	**42 546 263.08**	**41.5**	**45 157 056.05**	**44**
8	**The total amount and the total share of the types of economic activities that are compliant with taxonomy in the numerator of the applicable Key Performance Indicator**	**87 703 319.13**	**85.5**	**42 546 263.08**	**41.5**	**45 157 056.05**	**44**



The Wind Farm in Radzyń Chełmiński



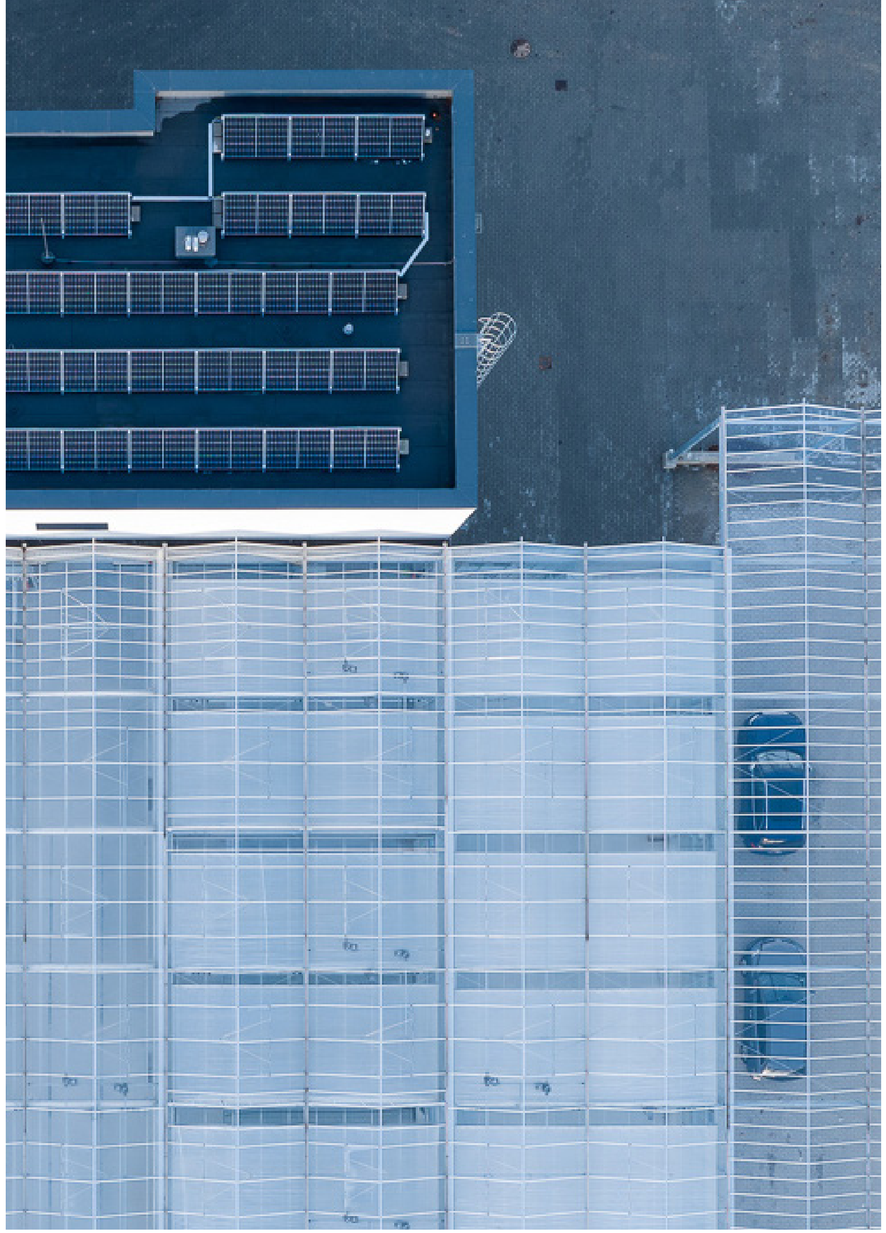
RKM740 Office Building in Düsseldorf

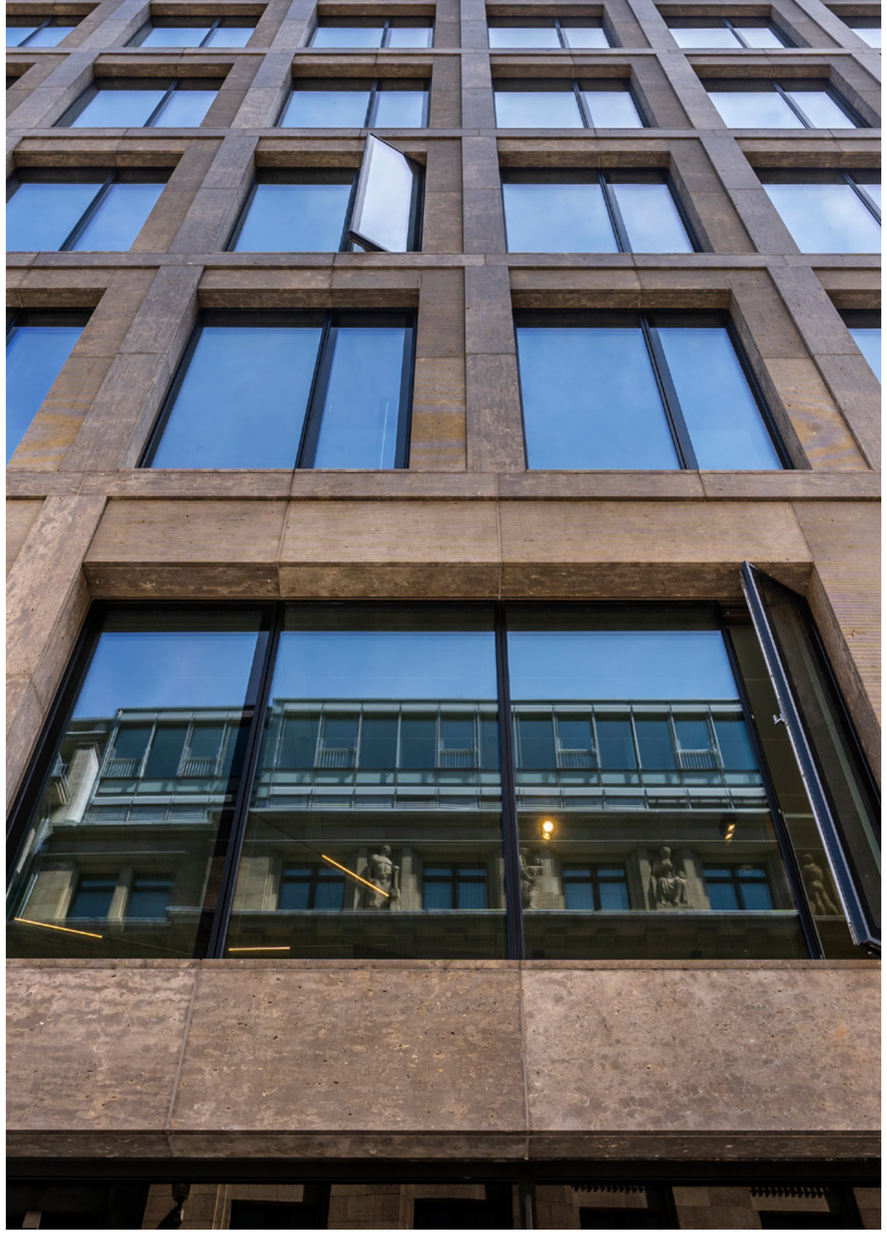
TAXONOMY-ELIGIBLE BUSINESS ACTIVITIES, BUT NOT COMPLIANT WITH TAXONOMY

Line	Types of business activity	Amount and share (information to be provided in monetary terms and in percentages)					
		CCM + CCA		Climate change mitigation (CCM)		Climate change adaptation (CCA)	
		Amount	%	Amount	%	Amount	%
1	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.26 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
2	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.27 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
3	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.28 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
4	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.29 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
5	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.30 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
6	The amount and share of economic activities that qualify for the taxonomy, but do not comply with the taxonomy, referred to in Section 4.31 of the Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0	0	0	0	0
7	**Amount and share of other taxonomy-eligible business activities, which are not compliant with taxonomy, not listed in lines 1-6 hereinabove, in the denominator of the applicable Key Performance Indicator**	**5 287 547.37**	**5.2**				
8	**Total amount and total share of business activities taxonomy-eligible, but not compliant with taxonomy in the denominator of the applicable Key Performance Indicator**	**5 287 547.37**	**5.2**				

BUSINESS ACTIVITIES NON-ELIGIBLE FOR TAXONOMY

Line	Types of business activity	Amount	Percentage share
1	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for taxonomy pursuant to Section 4.26 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
2	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for taxonomy pursuant to Section 4.27 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
3	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for taxonomy pursuant to Section 4.28 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
4	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for taxonomy pursuant to Section 4.29 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
5	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for taxonomy pursuant to Section 4.30 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
6	The amount and share of business activities, referred to in line 1 of formula 1, which is a business activity that is non-eligible for taxonomy pursuant to Section 4.31 of Annexes I and II to Delegated Regulation (EU) 2021/2139 in the denominator of the applicable Key Performance Indicator	0	0
7	**The amount and share of other business activities that are not eligible for taxonomy, not listed in lines 1-6 hereinabove, in the denominator of the applicable Key Performance Indicator**	**9 551 710.41**	**9.3**
8	**Total amount and total share of business activities that are taxonomy-eligible in the denominator of the applicable Key Performance Indicator**	**9 551 710.41**	**9.3**





ACCOUNTING PRINCIPLES

The operating expenditure figures included in the denominator of the key performance indicator are a component of the Group's Consolidated Financial Statements as at 31 December 2022 drawn up in accordance with International Financial Reporting Standards, as endorsed by the European Union and shown in the Consolidated Statement of Profit or Loss and Other Comprehensive Income under the headings Cost of Goods and Services Sold, Cost of Sales and General and Administrative Expenses.

ITHE GROUNDS FOR CALCULATING KPI OPEX IN ACCORDANCE WITH THE PROVISIONS OF ANNEX 1 TO THE REGULATION 2021/2178 WERE EXPENDITURES CONNECTED WITH

- research and development (R&D) efforts,
- building renovation activities,
- short-term lease,
- maintenance and repairs
- and any other direct expenditure related to the day-to-day operation of the tangible fixed assets by the company or a third party to whom activities necessary to ensure the continuous and efficient operation of those assets have been outsourced, which were entirely attributable to the Opex denominator.

INFORMATION ON CONFORMITY ASSESSMENT WITH REGULATION (EU) 2020/852

The individual categories of ERBUD Group's operating expenditure reported in the denominator of the key performance indicator have been analysed as recorded to determine whether they meet one of the following conditions:

- **a.** relate to assets or processes related to business activities consistent with the systematic, including training and other human resource adjustment needs and direct non-capitalised costs that represent research and development
- **b.** are part of a plan to expand business activities that is in line with the taxonomy or to enable an business activity that is eligible for the taxonomy to comply with the taxonomy ("capital expenditure plan") under the conditions set forth in the second paragraph of this Section 1.1.2.2
- **c.** are concerned with the purchase of the outputs of an business activity that is consistent with the taxonomy and individual measures that allow the targeted activity to become low-carbon or allow it to reduce greenhouse gas emissions, in particular the activities listed in Annex I, Sections 7.3 to 7.6 of the Climate Delegated Act, as well as other economic activities listed in the delegated acts adopted pursuant to Article 10(3), 11(3), 12(2), 13(2), 14(2) or 15(2) of Regulation (EU) 2020/852, and provided that those measures are implemented and launched within 18 months.

Based on the analysis carried out, operational expenditure linked to the six taxonomy-compliant activities was identified as compliant, in accordance with condition (a) indicated above

6.13.	Infrastructure for personal mobility, bicycle logistics
6.15.	Infrastructure supporting low-emission road transport and public transport
7.1.	Construction of new buildings
7.2.	Renovation of existing buildings
7.3.	Installation, maintenance and repair of energy efficiency improvement equipment
7.6.	Installation, maintenance and repair of renewable energy process systems

Only operating costs linked to projects carried out in the activity meeting the criteria for compliance with the taxonomy were considered to be compliant..

Based on the analysis carried out, operating expenditure associated with the four taxonomy-eligible activities was also identified:

6.13. Infrastructure for personal mobility, bicycle logistics

6.15. Infrastructure supporting low-emission road transport and public transport

7.1. Construction of new buildings

7.2. Renovation of existing buildings

In order to avoid double counting, individual cost items have been allocated to a single project. Where a cost could not be clearly attributed to a project, it was considered to be non-eligible.

The ERBUD Group does not have a capital expenditure plan as referred to in section 1.1.2.2 of Annex I to EU Regulation 2021/2178.

The analyses did not identify costs relating to the purchase of products and individual measures to enable the target activity to become low carbon or to enable it to reduce greenhouse gas emissions purchased from activities eligible for taxonomy.

Other costs assigned to the denominator of the Key Performance Indicator (KPI), non-related to taxonomy compliant or taxonomy eligible activities, were considered non-taxonomy eligible.

CONTRIBUTION TO THE ATTAINMENT OF NUMEROUS GOALS

For operational expenditure linked to Activities 7.1 and 7.2, a contribution to two environmental objectives is shown:

- climate change mitigation
- climate change adaptation

This stems from the specific nature of the ERBUD Group's business. Compliance with the taxonomy, including the adherence to the technical eligibility criteria, is assessed for individual projects within the Group. The results of the compliance assessment carried out showed that some of the projects make a significant contribution to the climate change mitigation goal, and some to the climate change adaptation goal. As a result, contributions to both goals are shown at the level of the overall business.

DISAGGREGATION OF KEY PERFORMANCE INDICATORS

Not applicable.

CONTEXT-RELATED INFORMATION

Operating expenses reported in the numerator of the Key Performance Indicator and deemed eligible for the taxonomy are entirely related to activities that are compliant or eligible for taxonomy, carried out by the ERBUD Group. Both in the nominator of the Key Performance Indicator (KPI) and in the eligible activities no Group's own consumption figures were included.



A bird's eye view of the Błotnik Marina


20 cm
80 cm
PEOPLE

4|1

COMPANY PERSONNEL AND ASSOCIATATES

We build for people, but first and foremost – we build with people.

Our headcount is: **2746 workers,** we collaborate with another **304 persons**.

Some have been working in our Group for decades, others – are just starting their careers on a construction site or in an office. The quality of our staff depends on the quality of our services - quite simply, the fate of our entire company. We believe that in the construction sector, the competitive advantage is created by the workers, which is why we value competence and commitment, we outline a clear and realistic promotion path and offer everyone equal opportunities for professional development. We evaluate our workers objectively, have consistent remuneration policies and support diversity in our teams.



We are a large company, but we remember strongly our history and family roots - instead of corporate formalism, we focus on freedom of expression and action and people with a real passion for their profession. We are committed more to competence than to titles, and what matters to us more is "what they say" instead of "who says". We know the power of out-of-the-box ideas and do not allow innovation and enthusiasm to be stifled by formal procedures.

Dagmara Sobolewska

HR Director at the ERBUD Group

The finale of the first Tour de Erbud - a charity bike rally





Interns on the construction site in Żeromskiego Street in Warsaw

[2-7]

HEADCOUNT:

In the previous year 2021 the reported headcount was: **2754 workers**, of which **510 were women**, and **2244 were men**. There were no significant differences in headcount within a certain accounting period and compared to the previous accounting period.

		Length of service		Type of employment	
	Total workers	full-time workers	temp staff	employment contract full-time	employment contract part-time
ERBUD CG	**2746**				
women	555	410	145	525	30
men	2191	1694	497	2155	36
ERBUD S.A.	**718**				
women	205	141	64	200	5
men	513	369	144	502	11

Data shown is concerned with the headcount valid as of 31 December 2022.

TOTAL HEADCOUNT BY REGION:

	Type of employment		Type of employment	
	full-time workers	temp staff	contract contract	full-time part-time contract
REGION POLAND TOTAL HEADCOUNT: 2017				
women	357	138	474	21
men	1185	337	1496	26
REGION GERMANY TOTAL HEADCOUNT: 577				
women	52	7	50	9
men	486	32	508	10
REGION BELGIUM TOTAL HEADCOUNT: 144				
women	0	0	0	0
men	19	125	144	0
REGION FRANCE TOTAL HEADCOUNT: 6				
women	0	0	0	0
men	3	3	6	0

Data is shown in the headcount as of 31 December 2022. Due to the small number of workers in Lithuania, this region is not included. There were no workers in Austria and the Netherlands as of 31 December 2022.



[2-8]

PERSONS PROVIDING WORK FOR THE ORGANISATION, WHICH DOES NOT EMPLOY THEM.

	Mandate contract	B2B	Employee lease	Other	Total
ERBUD CG	**97**	**140**	**34**	**33**	**304**
ERBUD S.A.	**42**	**67**	**0**	**0**	**109**

Data is shown in the headcount as of 31 December 2022. Non-employees of the organization perform support tasks, including accounting, programming and related to the execution of individual construction projects.



[401-1]

NEW HIREES IN THE ORGANISATION:

	Gender		Age			Region						
ERBUD CG	Women	Men	<30 years of age	30-50 years of age	>50 years of age	Poland	Germany	The Netherlands	Belgium	Lithuania	France	Austria
New hirees	141	497	238	307	93	461	85	4	40	2	35	11
New hiree index	0.05	0.18	0.08	0.11	0.03	0.16	0.03	0.001	0.01	0.001	0.01	0.004
ERBUD S.A.												
New hirees	43	103	56	72	18	140	0	0	6	0	0	0
New hiree index	0.06	0.14	0.08	0.10	0.03	0.19	0	0	0.01	0	0	0

The new hiree rate was calculated as the ratio of new hirees in the period from 1 January 2022 to 31 December 2022 to the total headcount as of 31 December 2022.



[401-1]

EMPLOYEE WHO QUITTED THEIR JOBS IN THE ORGANISATION:

	Gender		Age			Region						
	Women	Men	<30 years of age	30-50 years of age	>50 years of age	Poland	Germany	The Netherlands	Belgium	Lithuania	France	Austria
ERBUD CG												
No. of employee who quitted their jobs	98	547	168	316	161	433	78	10	70	0	31	23
Employee turnover ratio	0.036	0.199	0.061	0.115	0.059	0.158	0.028	0.004	0.025	0.000	0.011	0.008
ERBUD S.A.												
No. of employee who quitted their jobs	27	121	39	77	32	121	0	0	27	0	0	0
Employee turnover ratio	0.04	0.17	0.05	0.11	0.04	0.17	0	0	0.04	0	0	0

The employee turnover rate was calculated as the ratio of the number of employees who quitted the organization in the period from 1 January 2022 to 31 December 2022 to total headcount as of 31 December 2022.

At ERBUD S.A., the remuneration of the President and Members of the Management Board is determined by the Supervisory Board within the limits of the Remuneration Policy and consists of a fixed and a variable pay. A material amendment to the Remuneration Policy requires a General Meeting resolution. An amendment to the Remuneration Policy which does not represent a material modification of the Remuneration Policy requires the Management Board's resolution. A resolution of the Management Board may be adopted only after the Supervisory Board has presented a positive opinion on the proposed amendments to the Remuneration Policy.

The remuneration of Management Board Members at ONDE S.A., ERBUD International, Erbud Industry, ERBUD Industry Centrum, ERBUD Industry Południe is determined by the relevant bodies, i.e. the Supervisory Board or the General Meeting of Shareholders, and consists of a fixed pay and a variable pay, i.e. a bonus awarded on the grounds of an evaluation of performance.

When determining the amount of basic remuneration of a Member of the Management Board, the function performed, the scope of responsibilities in the management process, qualifications and professional experience, as well as the market competitiveness of the offered remuneration are taken into account in particular. The allocation of variable remuneration to the Management Board members is based on the results of the evaluation of their performance. Verification of the fulfilment of the criteria for receiving variable remuneration in the form of an annual bonus is based on data from the approved financial statements of the Company, the Group member companies or companies over which the member exercised supervision, prepared for the accounting year in question.

In determining amendments to the Remuneration Policy or the amount of individual remuneration levels for the Board Members, external advisors only appear as part of individual consultations to supplement the knowledge of in-house experts on current market trends, ways to parameterize variable remuneration, etc. Such external advisors always meet the criteria of objectivity, and their participation in the process is based only on the subject matter value they contribute.

[2-19]

At ERBUD S.A. and Capital Group member companies, the remuneration policy implemented complies with all requirements under the law. It is consistent with sound and effective capital management and the company's business strategy, goals, values and long-term interests. The compensation policy incorporates diversity to attract and retain the best-qualified employees through a competitive total benefits package that includes basic pay, bonus schemes and attractive fringe benefits. The objective of our remuneration policy is to ensure the long-term sustainability of the Group by adequately rewarding our personnel members for their work, motivating them to perform at their best and achieve strategic goals. The remuneration level of the Management Board and key managers is sufficient to attract, retain and motivate people with the competencies necessary for the proper management and supervision over the organization.

All remuneration components in the Erbud Group are paid in accordance with the provisions of the labour law in force locally, i.e. in accordance with the provisions of the Labour Code and in accordance with the laws on social insurance systems, the Employee Capital Plan Act and other laws creating labour law regulations. The following severance pays may be made at the ERBUD Group:

- oseverance pay for termination of employment
- for reasons not attributable to employees;
- death benefits;
- oretirement and disability benefits;
- severance pay for an employee called up for military service.





MOD21 personnel showing visitors from the construction sector round the modular manufacturing plant in Ostaszewo

[3-3] **Working conditions**

Our corporate value proposition for our personnel we build around the slogan: #KarieraNaMurBeton (#RockSolidCareer). We perceive it as a commitment to creating viable opportunities for promotion in the short term and enabling re-branding within our organisation. We prove with our actions that we keep our promises - are 30-year olds who, with their competences – many of our contract or site managers are 30-year-olds who with their competences and commitment have fully deserved their promotions.

[2-20]

We also appreciate our personnel efforts in financial terms. We monitor wages and salaries in the marketplace and update our wage scale regularly. The directors may independently decide on pay rises within their department's budget.

MDespite the cooling of the big ticket contract segment in 2022, we have granted pay rises to a significant group of employees. Our experience has taught us that listening to the voice of the workforce and meeting their needs as far as possible is the best way to boost the efficiency and motivation of the workforce, comply with the organisation's strategy and attain its objectives, and grow and raise profits. In 2022 more than half of our personnel was granted a pay rise of almost 20%. For non-linear positions, wage and salary decisions are always made on a case-by-case basis. Pay rises take into account the significance of the personnel member in the organisation and their competences. We also keep track on-going basis of also the wage and salary levels in other companies during its opening, which allows us to retain competitive edge in the labour market

[401-2]

We combine financial remuneration with an attractive fringe benefit package available to employees regardless of working hours. Our fringe benefit package is uniform in most of our domestic companies and includes but is not limited to:

- **life and health insurance**
- **private health care**
- **retirement severance pays**
- **sport packages**
- **reimbursement of the purchase of corrective glasses**
- **long-term bicycle rental**

GOOD PRACTICE

In 2022, jointly with our partner Help Now - we organised a free full body fitness assessment for our personnel in Warsaw. 54 personnel members benefited from full body fitness check. Thorough examinations of various health parameters were complemented by individual consultations with a doctor, where the results were discussed and supported by expert advice on treatment and prevention.

We joined the Humanites Institute campaign "Two Hours for the Family", which was developed in response to the ever-increasing problems associated with the crisis of interpersonal relationships, mainly family relationships. We shorten a selected one working day a year by two hours, giving the employees symbolic extra moments they can devote to their families.

We combine the protection of personnel's physical health (described in the section on safety) with well-being measures, i.e. caring for the well-being of our personnel and creating conditions for their work-life balance. We provide psychological support and encourage physical activity and a healthy climate by, inter alia, subsidising the long-term hire of bicycles.



The health prevention campaign among our personnel proved to be very popular. We were pleased that our personnel was able to discuss their health directly with a doctor who could comment on the tests previously performed.

Klara Zamłyńska-Turek

ESG Manager, ERBUD





FRINGE BENEFITS PROVIDED TO FULL-TIME PERSONNEL

	life insurance	health care	insurance in the event of permanent health impairment	parental leave	retirement severance pay	shares /employee shares
MO D21 Sp. z o.o.	yes	yes	yes	yes	yes	yes
Erbud International	yes	yes	yes	yes	yes	no
IVT Menzenbach GmbH	no	yes	no	no	yes	no
IKR GmbH	no	no	no	no	no	no
Erbud Industry Sp. z o.o.	yes	yes	yes	yes	yes	no
ERBUD S.A.	yes	yes	yes	yes	yes	no
ERBUD SHARED SERVICES SP. Z O.O.	yes	yes	yes	yes	yes	no
ONDE SA	yes	yes	no	yes	yes	no
Satchwell Polska Toruń sp.z o.o	no	no	yes	yes	yes	no
Erbud Industry Południe Sp. z o.o.	yes	yes	yes	yes	yes	no
IDE Projekt sp. z o.o.	yes	yes	yes	yes	yes	no
ERBUD Industry Centrum	yes	yes	yes	yes	yes	no
IVT Weiner + Reimann GmbH	no	yes	no	yes	yes	no
MOD21 GmbH	no	no	no	yes	no	no

THE BONUS SYSTEM AT THE ERBUD GROUP IS LARGELY BASED ON BONUSES FOR ACHIEVED GOALS.

We cascade the strategic goals down to the goals of the lower levels of the organization, so that everyone realizes the company's business context every day. We break down large goals into smaller ones and assign them to specific employees or corporate departments. Thus **the ERBUD Group's**, vision, including our vision concerning ERBUD Group's impact on people and the environment is translated into daily operational activities.

At end of 2022, we launched our efforts to set ESG goals for management boards of our member companies and for top management. The final level of strategy cascading - but one of the most important for us - is communicating strategy and educating personnel about ESG.

Common goals are established in the dialogue between superiors and subordinates, in which they are made more specific and detailed. This helps build an action plan for goal attainment.

BY DOING SO, THE ERBUD GROUP ENHANCES ITS CHANCES OF IMPLEMENTING ITS STRATEGY AND PERSONNEL UNDERSTANDING OF WHAT THEIR ROLES ARE IN OUR ORGANIZATION AND IN TAKING CARE OF THE ENVIRONMENT AND EQUAL OPPORTUNITIES.



[2-21]

TOTAL ANNUAL WAGE INDEX

	The ratio of the total annual remuneration for the organization's best-paid person in each country where the organization has significant operations to the median annual total remuneration for all personnel members (excluding the best-paid person).	The ratio of the percentage increase in total annual remuneration for the organization's best-paid person in each country where the organization has significant operations to the median percentage increase in annual total remuneration for all personnel members (excluding the best-paid person).
ERBUD SA	**5.61**	**5.62**
GK ERBUD	**3.40**	**0.55**

GOOD RACTICE

ERBUD was ranked to the list of "World's Best Employers 2022

published by the Forbes magazine. The list comprises **800 companies from all over the world**, which have been recognized as the top global employers based on a survey of a group of **150 thousand employees from 57 countries**. – A salary on time is definitely not enough for a modern employer these days," Dariusz Grzeszczak commented on the ranking performance in PulsHR magazine – We seek inspiration from the best Scandinavian models and we are implementing them into our Polish, somewhat fossilized construction business," explained Dagmara Sobolewska, HR Director. ERBUD was classified **in the category "Engineering, production" and was ranked on 771st position**. ERBUD is one of only six Polish companies to make it to the global ranking (along with PGNiG, PKN Orlen, KGHM Polish Copper conglomerate, Amica Group and Bank Pekao). The "World's Best Employers 2022" is the sixth edition of Forbes magazine's list, which was developed jointly with a research company Statista.

Respondents were asked, inter alia, whether they would they would recommend their employers to their friends and family. They were also asked to evaluate such aspects as corporate image, growth opportunities, gender equality and social activities.

In 2022, ERBUD was also certified as a Best Quality Employer. The award is granted to the companies that, during an audit deliver tangible proofs that they comply with good practices in employment policy, ensure stability, that they support development, knowledge exchange and further training, enable the implementation of interesting projects and the acquisition of new competences, and nurture an organisational culture and good working atmosphere.

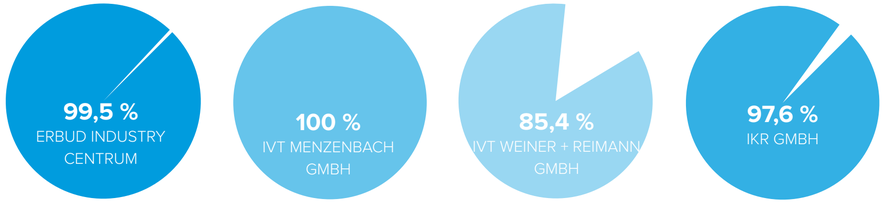




[2-30]

In Germany, our companies operate according to the specific nature of the labour market there. In our western neighbours, collective labour agreements play a huge role, which regulate pay conditions for employees in a particular sector or region of Germany. Statistics show that around 60% of German companies are covered by collective labour agreements, and many of these agreements are compulsory for the entire sector or region. This applies to our companies such as IVT Menzenbach GmbH, IVT Weiner + Reimann GmbH and IKR GmbH. Those not subject to collective labour agreements negotiate their pay individually. At IKR GmbH, when employing people with an annual salary exceeding EUR 100,000, approval must be given by the company's majority shareholder of the company, namely ERBUD Holding Deutschland GmbH.

PERCENTAGE OF PERSONNEL COVERED BY COLLECTIVE LABOUR AGREEMENTS



There is no collective labour agreement in place at our Parent Company **ERBUD SA** and at most of the Polish companies that are members of the Group. Such collective labour agreement is in place at **ERBUD Industry Centrum**, which covers **99.5% of the personnel**.

[402-1]

We inform employees about significant operational changes well in advance, in accordance with the provisions of the applicable law. This practice is applied in all Polish companies that are members of the Erbud Group.

RECRUITMENT

The construction sector is a special sector

The exodus of workers from across the eastern border, the emigration wave of Poles and the lack of new professionals means that the construction sector throughout Poland is battling with a shortage of labour. The labour force deficit has been very high acute for many years now and the fact that the economy is down cannot solve the problem. It is estimated that nationally in the "construction sector" there are already even **50 thousand job vacancies**.

At ERBUD Group, we know these weaknesses very well and address them with a unique personnel recruitment process. We know that attractive wages today are not enough to make a talented graduate or experienced works manager choose our company. So we offer great career opportunities, a great onboarding process and clear-cut employment rules. We promote our brand online, including but not limited to recruitment campaigns on FB and LinkedIn, and on our YouTube channel, at technical colleges and during industry events.

GOOD PRACTICE



We have started to use CS to recruit candidates on the one hand to reinforce our employer's image and acquire a buy-in of the candidates, and on the other hand to make our processes more attractive and really reach the best candidates.

Marta Barszczewska

HR Business Partner at the ERBUD Group

We were the first company in Poland to offer internship and apprenticeship candidates an opportunity to carry out a recruitment interview while playing CS:GO. The innovative campaign was targeted at technical students and graduates who are interested in internships and apprenticeships at the ERBUD Group. A candidate applying for a position has a choice of being interviewed by the recruiter on the company's premises, on the telephone, via remote video conference or while playing a game. As part of the activation, a display campaign was implemented to encourage people to join ERBUD Group's Discord server, where candidates can learn about the company and its export activities.

We want to make a good first impression that should stay with our personnel forever. All those who decide to start their professional adventure with the ERBUD Group undergo a multi-phase onboarding process during their first days of work. We help you prepare for your first day at work, provide you with packages of induction materials, explain our rules and policies and present our corporate values. New persons learn what, with whom and how may or must be dealt with and learn about our tools used in internal communication. We also take care for feedback - we invite employees to evaluate their work after the first week of work and then after the first quarter. Additionally, once every three months, employees hired during this time participate in a week-long online training course, 'Week on the lines', which . consolidates their knowledge of the ERBUD Group . At that time, we particularly emphasise the issues of safety on construction sites, environmental protection and the significance of new technologies and diversity in our work. In 2022 "The Week on lines" **was attended by 200 workers following our invitation, from 8 Group member companies**.

There is no better practice than watching the construction activities on site. Our HR Division invited students from the Wrocław University of Technology, who are members of the MMB Club - Young Construction Managers, to our flagship Wrocław project - the Popowice Harbour. The students had an opportunity to find out what challenges await them during such construction sites and what they have to look out for on a daily basis.



I'm not a first timer any longer, and in the world of games I stopped at Super Mario Bros, so you won't talk to me about games. On the other hand, I look at the data, I can count, I can see certain trends and in which direction the world is going. Sometimes, yes, I do make big eyes and wrinkle my forehead, but I quickly humble myself and listen to the experts. My daughters are surprised when I watch golf on TV on Saturday afternoons with blushes on my cheeks. On the other hand, I find it strange that a student sits at home and watches, all emotional, as another student plays a game. Out of this world ! But I can imagine that, if someone was looking for a dashing start-up guy from Torun in the construction sector like me to offer me a job, they would reach me faster through Golf Chanel. I am looking for the best students to work with me.

Dariusz Grzeszczak , CEO

for the "New Marketing" magazine

COMMUNICATION WITH PERSONNEL

Every year more and more people work for the ERBUD Group,, and there are more and more sites - in Poland and abroad - where our company operates. We take care of the smooth flow of information between companies, divisions, branches and teams. Good internal communication we also consider to be a way to give our personnel a better understanding of the goals, operational manner and scope of our company.

We use soft and hard copy channels for internal communication. We combine methods that have been known and proven for decades with modern tools to support remote collaboration. Depending on the information nature, we choose different solutions to get it to the right people quickly and effectively.



"Internal communication" sounds very formal and official, not to say rigid. Meanwhile we just like to hang out with each other, talk to each other, learn what's going on in other departments. That is why we are constantly looking for new ways to keep in touch, to communicate key information, remember celebrations and celebrate important events together.

Anna Rumińska

Marketing Co-ordinator / ERBUD
Internal Communication





Welcome packages for new personnel members

HOW WE COMMUNICATE WITH NEW PERSONNEL MEMBERS:

- mailings from the Management Board and the heads of the various organisational units informing them about key changes
- monthly newsletter with information about Group events
- printed personnel magazine at least twice a year (also available online)
- webinars and thematic online meetings with internal and external experts
- publications on social media, including a closed Facebook group for Group personnel only
- in-house surveys
- information boards on construction sites..

In 2022, we also returned to face-to-face meetings. In addition to classic organisational meetings of departments or teams, we also organise events to integrate larger groups of employees. We do not forget that small kind gestures of appreciation and cooperation also count on a day-to-day basis. Therefore we send periodically trinkets to employees on the occasion of corporate holidays as a token of remembrance and appreciation for their commitment..



e also provide regular feedback to our personnel on their work. The process of completing the Personal Development Interview Sheets takes place at the beginning and end of each project, for those employees who are working on a project basis. For the others, we organise meetings in January and February each year. All white-collar employees with a contract of employment are covered by the Personal Development Interviews, save for those on probation and those with the length of service below three months.

[404-3]

PERCENTAGE OF PERSONNEL SUBJECT TO REGULAR APPRAISAL OF THEIR PERFORMANCE QUALITY AND CAREER DEVELOPMENT REVIEWS, BY GENDER AND EMPLOYMENT CATEGORY:

Due to the non-collection of data on regular performance quality assessments and career development review in German companies by gender and employment category, the above consolidated data refers to the personnel employed in the Polish companies: ERBUD S.A., ONDE Group, Erbud International Sp. z o.o., Erbud Industry Sp. z o.o., ERBUD Industry Centrum Sp. z o.o., ERBUD Industry Południe Sp. z o.o., Satchwell Polska Toruń Sp. z o.o., Erbud Shared Services Sp. z o.o., MOD21 Sp. z o.o., JV WMER Matoc Poland Sp. z o.o.

ERBUD S.A.	%
women	44
men	28
linear positions	0
white-collar workers	52
technical personnel	41
management, directors, deputy directors	52

ERBUD CG	%
women	42
men	16
linear positions	0
white-collar workers	43
technical personnel	37
management, directors, deputy directors	32

The percentage of employees subject to regular work quality assessments and career development reviews, by gender and employment category, was calculated as the ratio of the number of employees undergoing assessment in 2022 to the number of total headcount as of 31 December 2022 (by gender and employment category).

The data collection process will be revised so that all necessary 2023 data could be collected.



TRAINING

[404-2]

We promise our personnel a unique opportunity for professional development and we are as good as our word.

We have prepared an enormous training package in the Group and every employee – regardless of his/her position and specialization – will find a workshop, class or training series interesting to them. We have implemented an integrated talent management strategy that aims at development of employees in every phase of their career in the organization. Our approach follows the 70-20-10 development philosophy of learning through our own experience (70%), learning with the support of others (20%) and training (10%). Every year during development talks, supervisors plan the development of employees reporting to them. Based on the inputs from these discussions, planned changes in legislation and HR's strategic goals, we develop a training plan for the entire organization. In turn, on the grounds of such a plan, a catalogue of specific training courses and sessions is developed.

In 2022, we established ERBUDU University, which comprehensively offers various types and forms of skill enhancement within the Group, both during internal and external training. During training provided by in-house trainers, we are pursuing the goals of sharing company-wide knowledge gained by the company's long-time employees. This allows us to value our in-house experts, and on the other hand, ensure consistency of operations and information flow between areas. We also carry out a wide range of foreign language learning.

MAJOR TRAINING PROGRAMMES IMPLEMENTED IN:

- Two cycles of **the EY Manager's Academy**, or five training courses focused on leadership competencies implemented by EY. The training programme overed **20 employees from the entire ERBUD**.

- **The Practitioners for Practitioners Programme** – a series of four workshops for ERBUD SA contract managers. During the meetings, our experienced personnel share their knowledge and best practices in the field of construction project management. The workshop also aims to standardize processes. **The Programme was attended by 30 contract managers.**



- **Site Manager Academy** – a series of 7 training sessions for Site Managers and those who may take up such positions in the near future. Some training sessions are run by an third party service provider, and some is run by our specialists in the fields of health and safety, IMS, Environmental Protection and lawyers. The series was attended by 16 people from companies specializing in building construction.
- **The Foreman Academy** – A series of four training sessions on managerial competencies and construction site processes. In 2022, 15 engineers and foremen from two companies supervising the work of subcontractors on building construction sites participated in the Programme.
- **Communication and Digital Transformation** is a programme focused on developing communication in ERBUD Shared Services teams. Nearly 40 employees participated in the programme, including majority of the company's management members. The crowning event of the series of four training sessions was a closing workshop, during which the proof-of-concept initiatives developed by the participants in the series were presented.
- **Mowy ROK (Speech YEAR)**, that is, monthly webinars with third party experts and two-day communication training sessions with in-house trainers. The programme is dedicated to ONDE personnel.
- **PMI Project Management** - A series of two training sessions for Industry division executives, ending with certification examinations. Training courses and sessions provided by a third party service provider, but due to the vast experience of the trainees in project management, the purpose of this training was primarily to systematize knowledge, and provide new tools and the certification itself. The training series was attended by 7 people.

We supplement our extensive training programme at the Group with workshops and courses on tools and issues that are useful in day-to-day work. In 2022, we thus expanded our knowledge of, inter alia, the rudiments of cost estimating, spreadsheet functions, BIM, bidding in the age of electronization, and construction product standards.

In addition, starting in 2020 - thanks to an agreement signed with the Higher School of Banking - the Group personnel can enjoy attractive discounts on studies not directly related to work in our organization.

GOOD PRACTICE

We are implementing the Career Continuation Program, which aims to teach important skills related to the labour market. The classes cover the best job search techniques, job sourcing, preparation of effective application documents or techniques ensuring high performance during a job interview with a recruitment officer.



More than 100 employees attended the Tour de Erbud



2022 was definitely the year of training at ONDE. Nearly 8200 training hours covered the "hard skill" topics (tools), "soft skill" topics (communication and social skills) and language issues. Nearly 30% of the training material was delivered by in-house experts while promoting the idea of 'learning share'. More than 400 ONDE personnel members participated in at least one training initiative. Particularly memorable for numerous ONDE personnel members was the training on the senior experience. Dressed in special overalls, the employees tested what it was like to carry out their daily duties while being of senior age and facing mobility, hearing and visual limitations. The training generated a lot of excitement and undoubtedly enhanced empathy towards people from the silver generation.

We also help employees to prepare for the examinations for the building qualifications required for independent technical functions. We grant training holidays and part financing of training courses/ sessions and examinations. Every year, between ten and twenty Group personnel members are granted building qualifications. Our 2023 training plans include the Site Manager Academy, Practitioners for Practitioners and the Occupational Health and Safety Coordinator Academy training programmes. We also want to launch a mentoring programme - to recruit mentors and mentees within the organisation and prepare them for this new form of learning and knowledge sharing.

Since a large portion of our company's training is based on the knowledge of in-house experts, we also plan to strengthen their educational competences during the "Train the Trainers" training series.

PERSONAL CONTROLLING

We have outstanding professionals in the Group.

We want to utilise their expertise in an optimum manner. Since 2022, personnel controlling, i.e. cyclical reporting of personnel and remuneration data, has supported our workforce management process. The system aims at assisting us in making the best use of our personnel's knowledge and experience to attain our objectives. The controlling facilitates the internal process of controlling processes in specific HR management area.

In 2022, we were adapting our IT systems - financial, HR and administrative - for efficient and faster processing of the data undergoing analysis. The system will evolve, but it already allows us to report on data such as staffing levels by job category, turnover rates, unused holidays, sick days, salaries and business expenses, training, recruitment and employee benefits.

Our HR department in 2022 is nothing like the "Human Resources" Department these days, which is remembered by the oldest employees how they looked like 32 years ago. Instead of file holders and binders, we have state-of-the-art IT systems that support efficiently the process of team management. ERBUD uses an electronic platform for application and recruitment management, candidate communication and HR-business collaboration. The system provides assurance that candidates' personal data are adequately secured both technologically (data encryption, confidentiality of processing, regular testing of applications, etc.) and legally (compliance with PUODO and RODO requirements). In addition, we have an option of using an electronic workflow, with no need for unnecessary printing.

HR PROCESS DIGITALISATION

In 2022, we also took the first steps to implement IT solutions to support the employee performance appraisal system. We are keen on full and complete digitising and facilitating the process. The ease of access to the employee performance appraisal sheets and history, the ability to exchange information electronically with the employee and no need to print documents facilitates on-going evaluation of employee performance. Meanwhile it allows the corporate objectives to be better complied with and also creates opportunities to identify areas where individuals can improve their performance.





ERBUD Team at the Wollf&Muller football tournament in Stuttgart

Information technology also helps us to develop our personnel skills. The systems support easy and self-service training enrolment and facilitate the selection of industry-proven training programmes. We have also significantly increased the number of training courses delivered online in 2022.

In 2022, we also commissioned a manager portal, which digitized the previously time-consuming and error-prone accounting methods for the time of subordinate linear staff reporting to managers.

GOOD PRACTICE

In 2022, we started work on adapting our IT-financial and HR systems to process the data under analysis efficiently and faster. The system will evolve, to enable reporting data such as staffing levels by job category, turnover rates, unused holidays, sick days, wages and salaries and business travel expenses, training, recruitment and employee benefits.

NOT ONLY WORK

[3-3] **Well-being of the personnel**

They say that man does not live by work alone. Our personnel members (at least some of them) also play football. And they play it very well. In this section of our Report, we give the floor to our Group's sports correspondent and provide a coverage we have posted in 2022 internal communication channels.

THE FOOTBALLERS ARE BACK WITH A VICTORY!

The Wolff&Müller Group football tournament in Denkendorf/near Stuttgart was combined with a summer picnic. (...) Our team has recently been preparing intensively for their participation in the football tournament, and the last sparring match against Flisak Złotoria showed that they are a goal-scoring team who will not play the roles of extras in Germany. And indeed. It turned out to be true. Among 18 teams competing on a hot day, which was Saturday, the ERBUD team was presented as the only football team representing Poland (17 teams from Germany). Meanwhile the matches were played from morning to evening in two groups on two small football pitches at the TSV Denkendorf facility.

ERBUD started the football tournament with two draws 1:1. A hot day and a cold shower - this one had a particularly motivating effect on the blue and white team. The results of the following matches of the ERBUD team, i.e. 5:0, 4:0, 2:0, 2:2, meant that they left the group in first place, having a match the Government Service Wolff&Müller team in the semi-finals.

ERBUD won 5:0 and advanced to the final, where only the with Tief und Straßenbau Künzelsau awaited. ERBUD came out fully motivated for the last meeting, and a composed and finesse game gave him a victory with high score 4:0 and allowed to win the whole tournament! ERBUD scored a total of 24 goals on the day and the top scorer with 10 goals to his credit was the ever-reliable Paweł Podgórski (The Szczecin Branch), in turn, he only lost 4 goals which was largely thanks to the well-disposed Jarek Balewski (ERBUD S.A.).

If any of our employees - despite everything - does not like to play football, you are welcome to go on a cycling tour. In 2022, we organised the first edition of the Tour de ERBUD, a unique cycling event where every kilometre covered was worth PLN 10.00. The cycling race was divided into sections, and participants





The final of the second season of ERBUD University Esports EDU

could choose loops of various lengths around Toruń or Warsaw, or take a symbolic route from the company's first headquarters to the current one. In total, almost 100 participants signed up for the Tour de ERBUD, covering more than nine thousand kilometres. For every kilometre covered, we contributed PLN 10 to the ERBUD Eryk Grzeszczak's COMMON CHALLENGES Foundation's account – in total, thanks to our cyclists **we transferred the amount of PLN 91,195 to the Foundation's account**.

GOOD PRACTICE

ERBUD is the first company from the construction sector that decided to enter the world of gaming and esports. In 2021, the company became the title partner of University Esports - EDU, the largest university Counter-Strike league: Global Offensive and League of Legends. In order to reach technical students and graduates, ERBUD has merged the offline and gaming worlds. Its crowning event was **CS:GO Tournament** "Fight at the Koszyki Covered Market". This resulted in the first employer's branding campaign based on the metaverse phenomenon.

The project implementation by the ERBUD Group and the Gameset Agency was awarded **two Gold Paperclips, gold medal at IAB MIXX Awards Europe 2022, as well as silver and gold medals at Effia Awards Poland 2022**. Early last year, however, the brand engaged the esports community to raise the issue of spelling the word "esport" as part of the #esportpiszemyjakerbud campaign. The ERBUD Group was the first company in Poland that also offered candidates for internships and apprenticeships an opportunity to participate in a job interview during a game of **CS:GO**.

In 2022 we worked on the Hi Piotrkowska map, which was developed from 57 unique textures and is inspired by a real building in the City of Łódź. The project was designed by Mateusz "Voxel" Pacuła, one of the most popular mappers in Poland. His aim was to orchestrate well-known locations for gameplay

Based on photos, videos and floor plans of the building, a combination of the most characteristic spaces was created, such as the office area, entertainment area, terraces or gym. The map is available to all willing players. It can be downloaded for free from the Steam Workshop and from the ERBUD Group website under the esports tab.

4|2

SAFETY

[3-3] **Occupational health and safety**

Safety, safety and once again safety.

Nothing is, and will never be, more important in our organisation than to ensure that no person working on our construction sites suffers an accident caused by a faulty work organisation. Our ultimate objective is to ensure continuous improvement of the effectiveness of the measures taken and to find new ways of educating people about safety rules. Standards and procedures are not enough. We realise that the best results will be achieved by fostering the right attitudes and mindset about safety, ensuring that the right example is set at the very top, first among supervisors, then it is cascaded down to worker positions and to our subcontractors.

It is an idealistic approach and a long process but we believe in its effectiveness.

Until then, we must educate, but also demand. Standardise any kind of work, plan, advise and then supervise and enforce. We do not emphasize makeshift solutions, we do not allow unnecessary risks and we are constantly improving our methods, which we want to implement as standards on all our construction sites.

[403-7]

HOW DO WE CARE FOR SAFETY:



The overarching goal of our health and safety activities is "zero serious, fatal and collective accidents" and to guarantee safe working conditions for people and the external environment. Health and safety issues accompany us at every stage of our operations – from tendering to construction completion.

We want the Group's personnel to behave safely and we demand the same from our subcontractors. Each subcontractor is informed during the negotiation process about the requirements set forth in our standards as well as the technical and organisational measures to be implemented when carrying out work on behalf of ERBUD.

[403-3]

The ERBUD SA organisational structure includes Occupational Health and Safety Division reporting directly to the Management Board. The Division's responsibilities include development of policies, implementing them and closely monitoring the state of health and safety in all Group member companies. The experts of the Occupational Health and Safety Division analyse the state of health and safety annually and update the health and safety policy on this basis. Accepted targets are communicated to the business centres and closely monitored.

On a day-to-day basis, our occupational health and safety specialists can be found on construction sites and service projects run by the Group member companies. Their on-site responsibilities comprise contribution to development, jointly with the supervisors, safe working conditions for the Group's personnel, service providers and the local communities affected by our developments.

WE MAKE ASSESSMENT OF THE RISKS:

- **for our entire organisation at central risk level once a year**
- **for individual Group member companies**
- **while offering each and every contract**
- **during preparation for the execution**
- **during the development of the work methodology**
- **during monitoring of OH&S**

SUBCONTRACTOR VALIDATION PHASES

Tendering

- Request for Proposal (RFP) along-with transfer of OH&S rules
- Analysis of the scope of works and drawing up work schedule

Negotiations and contract

- Negotiations with the customer - qualification of employees, type of employ-ment, machinery, personal protective equipment (PPE), welfare facilities, first aid, applicable health and safety standards
- Verification, presentation of contractual conditions, induction meeting

Getting ready for the execution

- Health and Safety Protection Plan, required documents: certificate of OH&S training, medical certificate, required licenses
- Drawing up of Safe Operation Manual and Oc-cupational Risk Assessment, appointment of OH&S Co-ordinator
- Briefing

Project execution

- On-going documentation update (Safe Operation Manual, list of workers, list of machinery
- Obligation to report near-misses and accidents
- Co-ordination meetings



We want each of our projects to have, from the outset, an "owner", an occupational health and safety specialist who participates and contributes to the development of safe and hygienic working conditions jointly with supervision. He advises, participates in the planning process, agrees and then guards the established solutions and standards of the company. We have also implemented a dedicated Health, Safety and Environment application.

It keeps us informed about new contracts and allows us to manage the occupational health and safety levels on each site and across the organisation.

The app also allows you to monitor trends on site in both short- and long-term perspective and take timely corrective actions.

Bartosz Wiśniewski

OH&S Director



The occupational health and safety performance is discussed at the meetings at every level of the organisation. The personnel of the Occupational Health and Safety Division, present on every construction site, provide up-to-date information, so that the divisional and company management boards could implement corrective actions correctly.

all safety-related procedures, instructions and guidelines are communicated to the personnel from their first day of work at the Group during the onboarding process.

new rules and implementation projects are communicated in real time via the OH&S app and via e-mail.

the personnel have access to internal hard drives/intranet with up-to-date occupational health and safety information.

[403-4]

Such companies as **ERBUD, ONDE and ERBUD INDUSTRY CENTRUM** have the Occupational Health and Safety Committees in place in adherence to the requirements set forth in the Labour Code and internal regulations. The OH&S Committees meet quarterly and their meetings are documented.

All companies communicate and consult on an on-going basis about their activities related to the implemented OH&S Management Systems. Information is shared not only with the personnel, but also with the suppliers, the customers and the community. The personnel may submit their comments on the state of security and ideas for safety improvement to specially set up email addresses. In addition, the consultation process takes place through:

- participation of workers' representatives in OH&S risk assessments
- negotiations with subcontractors and establishing the principles and requirements of the OH&S management system and standards
- consulting subcontractors on the methodology of the work when agreeing the Safe Work Manual
- joint inspections and site safety tours with subcontractors and agreeing on corrective actions necessary by each party to improve the OH&S condition
- on-site co-ordination meetings with all subconstractors
- meetings with site managers, directors and at Management Board level

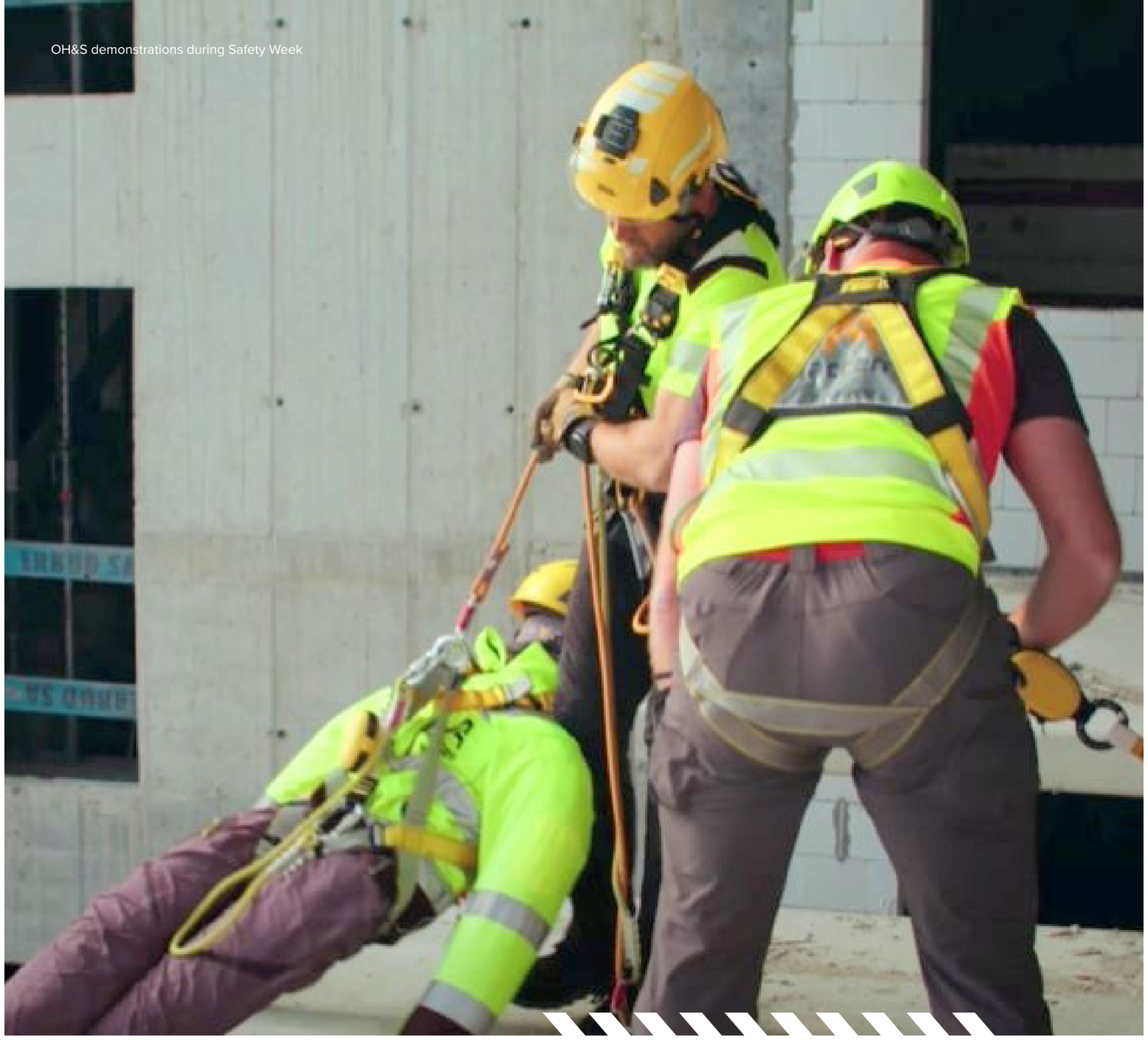
[403-1]

We are harmonising safety requirements across the **ERBUD Group** member companies through the implementation of certified **Occupational Health and Safety Management Systems**. The Systems implemented in the individual companies go beyond current legal requirements, fulfilling the highest market standards and customer requirements.

Satchwell, Erbud Shared Services, ERBUD International and IDE Project do not have formally implemented OH&S management systems

in the Group. However, these companies carry out all the activities ruled by the regulations applicable to the implemented systems in the parent companies. The operational characteristics of these companies have not yet required certification of safety management systems.

Company		Occupational Health & Safety Management System
ERBUD	ERBUD S.A.	**ISO 45001:2018**
ERBUD INDUSTRY	Erbud Industry	**ISO 45001:2018**
	Erbud Industry Południe	**ISO 45001:2018**
	Erbud Industry Centrum	**ISO 45001:2018**
ONDE	Grupa ONDE	**ISO 45001:2018**
MOD21	MOD21	**Certified in 2023**
	MOD21 GmbH	**NFL/ILO-BHP 2001**
IVT	IVT	**SCC Safety ManagementSystem**
IKR	IKR	**SCC Safety Management System**



OH&S demonstrations during Safety Week



[403-2]

The process of identifying occupational health and safety risks is carried out at several Group levels. At a central level, we assess the risks and opportunities associated with the operation of the entire organisation and identify and assess risks related to individual jobs. In the tendering phase, we assess the occupational health and safety risks and opportunities affecting future construction activities. **Meanwhile in the implementation phase itself, we assess the following risks:**

when drafting the Safety and Health Protection Plan (BIOZ),

under the individual scopes of work defined in the Safe Work Manual (IBWR),

for individual job positions.

We carry out the final risk analysis (LMRA) when issuing written permits for the work and when carrying out the morning briefings (starter cards). Additional support for the risk identification process is provided by occupational health and safety inspections on construction sites and internal audits as part of the implemented Management Systems.



We identify all routine and non-routine, as well as planned and unplanned activities under the work specifications and site-specific considerations. Each of our Group member companies has implemented – under the effective systems – regulations on the methodology for carrying out risk identification and analysis. The persons responsible for the proper conduct of the risk identification process and for the method of agreeing and reviewing the results of such analyses are also defined.

Jacek Leczkowski

Vice-President of the ERBUD Group

The results of the risk identification process are presented and recorded in Risk and Opportunity Sheets, Safety and Health Protection Plans, Safe Work Manuals with task-based risk assessments, site-specific assessments and work permits and starter cards. The results are compiled by designated individuals or teams, and then predefined individuals review and validate them.

In compliance with the 'Risk and Opportunity Assessment' manual, we have introduced the principle of a hierarchy of safety supervision. We apply it at every stage of risk identification and analysis, and during the tendering, preparation for implementation and occupational risk assessments for individual jobs occurring in the ERBUD Capital Group. The supervisory hierarchy provides a systematic approach to increasing occupational health and safety and aims at, inter alia, elimination of hazards.

Hierarchy	Description of operational procedure
Elimination of threats	Risk avoidance, adapting work to workers, e.g. changing process, changing design; creating physical separation between pedestrians and vehicles;
Substitution	Substitution of hazardous operations with non-hazardous or less hazardous operations; combating sources of hazards; adaptations to technical progress, e.g.: Substitution of solvent-based paint with water-based paint; substitution of formwork without system platforms with system formwork with full communication;
Technical measures	Implement collective protection equipment, e.g.: Collective protection on the construction site - railings, nets, etc., which always take priority over Personal Protective Equipment (PPE), insulation; machine protection; ventilation systems; mechanical handling;
Organisational measures	Relevant employee instructions, standards, guidelines e.g.: periodic inspection of safety equipment; coordination of health and safety issues with subcontractors; authorisations; staff rotation;
Personal Protective Equipment (PPE)	Provision of appropriate personal protection and instructions for use and maintenance, e.g.: Safety shoes; safety goggles; hearing protection; chemical-resistant gloves; electric-resistant gloves; cut-resistant gloves. In the hierarchy, PPEs are used as a last resort when it was impossible to apply the above-mentioned measures or they reduced the risk level incompletely;





The Group's member companies carry out analyses and management reviews of their occupational health and safety systems once a year. All risks are identified, which represent a genesis for improvement and evaluation of the safety management system in place. The results of these analyses and the risks identified are also used to determine the annual targets for the Group and the five-year strategic objectives of the ERBUD Group

Each and every **ERBUD** employee is entitled to refuse to work if the working conditions do not comply with health and safety regulations and pose a direct threat to the health or life of the employee, or if the work performed by the employee poses such a threat to other persons. If refraining from work does not remove the danger, the employee is entitled to move away from the place at risk, notifying the supervisor immediately. The employee must not suffer any adverse consequences for refraining from work or moving away from the place at risk in the cases described above. Relevant provisions to that end are provided in the employer's work regulations. ERBUD is also guaranteed the right to suspend and remove from work the personnel of subcontractors who create dangerous situations and generate unacceptable risks with their behaviour.

All employees can report work-related risks and hazardous situations through: participation in the risk assessment team of representatives of specific jobs, risk assessments in the Safe Work Manual phase prepared by subcontractors, participation in occupational health and safety inspections, coordination meetings on construction sites, safety tours made by the OH&S Coordinator on each site, morning briefings.

Employees are guaranteed protection from reprisals due to the reporting of incidents, risks, hazardous situations and opportunities through the establishment of appropriate systems provisions in leadership procedures and in the emergency readiness and response manual. Top management at every organisational level has been obliged to protect personnel from reprisals for reporting such events.

GOOD PRACTICE

In the regional 'Build Safely' competitions in 2022, we won five first places, four second places, one third place and three distinctions. A special individual award was also given to Tomasz Kłos, one of our site managers. The organiser of the Build Safely competition is the State Labour Inspectorate and the partner is the Construction Safety Alliance. The competition recognises above and beyond standard occupational health and safety measures.

[403-2]

The identification and assessment of accidents is carried out in accordance with instructions provided by the Health and Safety Management Systems. At the Group, we believe in learning from mistakes and 'near misses' - taking timely and appropriate action, building awareness among supervisory personnel and blue-collar workers. Errors should they happen - then we treat them as a lesson, not to repeat them

We not only investigate accidents, but - in accordance with the standard ISO 45001 and the principle of the accident pyramid (triangle) – we also analyse near misses and dangerous behaviour. Each and every incident - of both Group employees and subcontractors - is reported in our internal Occupational Health and Safety application. A specific type of incident with a specific risk category results in an appropriate handling and action scenario. In the event of the most serious incidents, a special team is set up to analyse the root causes in detail and to develop preventive measures for the future. These measures are implemented not only in the company where the accident occurred, but throughout our Group. In other cases, corrective actions apply only to the construction sites or departments affected by the incident.

THE ENTIRE ANALYSIS AND THE SUBSEQUENT STEPS ASSOCIATED WITH IT ARE MADE IN THE EHS APPLICATION USING THE "WHY" METHODOLOGY.



BaseCamp in Sienkiewicza Street in Wrocław.

Item	Type of event	Notification	Team composition	Procedure	Corrective actions
1.	Near misses, environmental incidents, fires, accidents with low potential for injury or property damage	Registration in the ESH application - each manager on the same day	Environmental Health and Safety Specialist	Only notification	----
2.	Incidents from major risk categories and about major property and environmental damage	Registration in the application EHS application – each manager on the same day	Responsible Director, Responsible department manager/site manager or another person in charge of personnel, Environmental Health and Safety Specialist	Incident notification, extended analysis	Yes
3.	Accident at work	Registration in the application EHS application – each manager on the same day	Responsible Director, Responsible department/site manager or another person in charge of personnel, Environmental Health and Safety Specialist	Accident notification, accident report, extended analysis	Yes
4.	Serious accidents, fatalities and collective incidents including accidents	Registration in the application EHS application – each manager on the same day	Responsible Director, Responsible department/site manager or another person in charge of personnel, Environmental Health and Safety Specialist	Accident notification, accident report, extended analysis	Yes
5.	Service provider accident - other accidents	Registration in the application EHS application – each manager on the same day		Incident notification, extended analysis (regarding major risk categories) post-accident proceedings based on the findings of the accident investigation team of the service provider	Yes (applicable to major risk categories)
6.	Accident while commutingto/from work	Registration in the application EHS application – each manager on the same day	Environmental Health and Safety Specialist	Accident notification, accident report card	----





Threat / Effect	Mitigation measure
■ Hearing loss due to work in noise ■ Vibration syndrome caused by operation of vibrating machinery and equipment ■ Ultraviolet radiation at welding processes ■ Dust	■ Monitoring of noise, vibration, dust and ultraviolet radiation levels at individual workstations ■ Equipped with machines that generate lower noise and vibration levels ■ Selection of technologies to reduce dust and radiation levels ■ Personal Protective Equipment (PPE)
■ Chronic musculoskeletal diseases	■ Minimize manual transportation and replacing it with mechanical transport, ■ Manual transport only in accordance with standards and ergonomics, ■ Reduce kneeling work to a minimum, for instance, by using appropriate equipment to ensure that cobblestone is laid mechanically
■ Carpal tunnel syndrome	■ Ergonomic equipment for administrative workstations ■ Training and prevention

[403-10]

In 2022, we recorded no cases of occupational diseases in the ERBUD Group. In the threat category for health, we identified hearing loss, vibration syndrome, carpal tunnel syndrome, dust, ultraviolet radiation and chronic musculoskeletal diseases.

Hazards were identified by analysing the Council of Ministers' Regulation on occupational diseases Journal of Laws 2022.0.1836, uniform text - Regulation of the Council of Ministers of 30 June 2009 on occupational diseases and relating the list of occupational diseases to the results of occupational risk assessments (with respect to the types of work carried out on construction sites) for individual workstations..

IN 2022, NO CASES OF OCCUPATIONAL DISEASES HAVE BEEN IDENTIFIED AND REGISTERED IN ALL MEMBER COMPANIES OF ERBUD GROUP. WE ALSO DID NOT RECEIVE ANY REPORTS FROM OUR SUBCONTRACTORS, THAT WOULD INDICATE A FINDING OF OCCUPATIONAL DISEASE IN CONNECTION WITH THE PERFORMANCE OF WORK ON OUR CONSTRUCTION SITES.

[403-9]

Accident rates (by company) - applies to own workforce

ACCIDENT STATISTICS AT THE ERBUD GROUP (OWN WORKFORCE) 2022

	No. of worked man-hours	No. of light accidents	No. of severe accidents	No. of fatalities	No. of collective accidents	Frequency rate	No. of absenteeism days	Severity rate
ERBUD S.A	1756120	12	0	0	0	6.83	398	33.17
Erbud International	434416	9	0	0	0	20.72	357	39.67
Erbud Industry	101872	0	0	0	0	0.00	0	0
Erbud Industry Południe	299600	4	0	0	0	13.35	117	29.25
Erbud Shared Serviced	167832	1	0	0	0	5.96	0	0
Erbud Industry Centrum	961600	12	0	0	0	12.48	494	41.17
Satchwell	56448	0	0	0	0	0.00	0	0
Onde Group	1289408	4	0	0	0	3.10	32	8
MOD 21	57800	1	0	0	0	17.30	23	23.00
MOD 21 GmbH	140744	5	0	0	0	35.53	56	11.20
IVT	497680	3	0	0	0	6.03	0	0
IKR	603568	3	0	0	0	4.97	8	2.67
TOTAL GROUP	**6367088**	**54**	**0**	**0**	**0**	**8.48**	**1485**	**27.50**

[1] Methodology: To calculate the number of man-hours of workers, a summary of employment by month was used, which is completed on an on-going basis in the OH&S application. Employees were divided into 3 groups: supervisory staff, administrative and clerical, and blue-collar workers. To calculate man-hours, a conversion rate was applied for each month: supervision - 184 hours, administrative and clerical - 168 hours, blue-collar worker positions - 184 hrs. The average employment of subcontractor workers is determined based on monthly records from construction sites, which are entered into an internal system, and then multiplied each month by the number of 184 hours. * Calculated according to the formula: number of accidents at work x 1,000,000 / number of man-hours worked. ** Calculated according to the formula: number of days of incapacity to work / number of accidents at work.

COMPARISON OF FREQUENCY RATES AND NUMBER OF ACCIDENTS IN 2022-2021 AT THE ERBUD GROUP (APPLICABLE TO OWN WORKFORCE)

Year	No. of man-hours	Total accidents	Severity frequency	of which:number of accident scollective	of which: number of light accidents	of which: number of fatalities accidents
2021	6216144	53	8.53	1	51	1
2022	6367088	54	8.48	0	54	0

COMPARISON OF FREQUENCY RATE AND NUMBER OF ACCIDENTS IN 2022-21 AT THE ERBUD GROUP INCL. SUBCONTRACTORS

Year	No. of man-hours	Total number fatalities	Severity frequency	of which: number of accidents fatalities	of which: number of accidents light	of which: number of accidents severe	of which: No. of accidents collective
2021	17198920	68	3.95	1	66	0	1
2022	17122624	74	4.32	0	74	0	0

COMPARISON OF ACCIDENT SEVERITY RATE AT THE ERBUD GROUP IN 2022-2021 (APPLICABLE TO OWN WORKFORCE)

Year	No. of accidents	Total absenteeism days	Severity rate
2021	53	1593	30.06
2022	54	1485	27.5

Severity rate calculated according to the formula:
number of accidents/sum of absenteeism days



The ERBUD Group has identified 6 major risk categories for on-going construction sites that have the highest potential for serious injuries (serious and fatal accidents). The following risks are based on statistics of accidents to date at the ERBUD Group, statistics collected over the years Construction Safety Alliance and the results of statistics presented in the reports by the Chief Labour Inspectorate. We recognize that risk elimination in these major categories will ultimately allow us to avoid severe accidents.

		Major categories
Item	**Major risk categories in relation to the works carried out with the highest potential for severity and fatalities**	**Major directions of preventive measures in the organization**
1	Backfill/excavation work	1. Planning in every phase, 2. Execution of works according to the implemented guidelines of the group security system – selection of technical security measures to eliminate human errors and emergency situations 3. Close monitoring of the execution of works according to the plan and guidelinesi,
2	Fall from a height	1. Planning in every phase, 2. Execution of works according to the implemented guidelines of the group security system – selection of technical security measures to eliminate human errors and emergency situations 3. Close monitoring of the execution of works according to the plan and guidelinesi,
3	Vertical /horizontal transport	1. Proper planning of work in accordance with developed safety instructions for transportation work, 2. The process of training of banksmen and slingmen on construction sites, 3. Implementation of transport rules in accordance with the developed booklet on vertical transport by the Construction Safety Alliance 4. Close monitoring of the work according to the developed instructions,
4	Working in the machine and equipment area	1. Determining the methodology and methods of implementation of work in the Safe Work Manual for individual scopes of work, 2. Eliminating the need for people to stay in the hazardous area of machinery and equipment, 3. Designation of dangerous zones of machines, 4. Sound signals of running machines, 5. Inspections of the work execution,
5	Works next to the systems in motion	1. Eliminating (if possible) work next to the systems in motion by separating lanes, 2. Traffic organization designs that take into account the specific nature of carried out work, 3. Adherence to the design arrangements, 4. Monitoring of work execution,
6	Power sector works, systems/ electrocution	1. Implementation of procedures and instructions for the execution of energy work that take into account the specific nature of the work underway, 2. Technical measures to prevent human error, 3. Monitoring of the implementation of the above in accordance with the solutions implemented.

TYPES OF INJURIES RECORDED IN 2022 IN CONNECTION WITH ACCIDENTS AT WORK AT THE ERBUD GROUP

Item	Type of injury	Erbud Group Own	Subcontr.	Erbud Group Own + Subcontractors
1	Amputation	**4**	**1**	**5**
2	Sprain	**9**	**3**	**12**
3	Shock	**0**	**0**	**0**
4	Crushing	**1**	**0**	**1**
5	Scalding	**2**	**0**	**2**
6	Cutting (wound)	**9**	**5**	**14**
7	Perforation	**0**	**0**	**0**
8	Fracture	**6**	**1**	**7**
9	Broken fingers	**4**	**0**	**4**
10	Concussion	**8**	**4**	**12**
11	Other injury	**7**	**6**	**13**
12	Dislocation	**3**	**0**	**3**
13	Rupture	**1**	**0**	**1**
14	Poisoning	**0**	**0**	**0**
15	Exposure	**0**	**0**	**0**
16	Drowning	**0**	**0**	**0**
	Total	**54**	**20**	**74**

2022 STATISTICS EXECUTION OF THE OVERRIDING GOAL IN OUR STRATEGY THAT IS ABOUT SEVERE ACCIDENTS, FATALITIES AND COLLECTIVE ACCIDENTS.

We managed to maintain frequency accident frequency rate at level 8. We can see potential and areas for improvement in terms of further reduction of accident rate especially in the industry of maintenance services for industry and in building construction segment and in export activities where these rates are currently the highest.

[403-5]

EMPLOYEE TRAINING

We believe that the awareness of our supervisors, workers on the job but also our subcontractors, is the key to achieving our main strategic goal of "0 serious, fatal and collective accidents." We realize that the awareness level of every person on our construction sites is crucial to this end - one irresponsible behaviour can undermine all the efforts made. We carry out all training sessions required by law including induction and periodic training sessions We also refer employees to all required courses, if licenses are required. The training system also covers service providers.

ON EACH AND EVERY CONSTRUCTION SITE, ALL WORKERS MUST PASS:

briefing,

on-the-job training depending on the position occupied,

thematic training required on the site,

instruction before starting hazardous work,

training on the methodology for carrying out the work as described in the Safe Work Manual.



Successfully completed internship program at German company IKR



DEPENDING ON THE SPECIFIC NATURE OF INDUSTRY (INDUSTRY, MAINTENANCE SERVICES IN INDUSTRY AND POWER SECTOR, POWER SECTOR, RES, BUILDING CONSTRUCTION, ROAD ENGINEERING CONSTRUCTION) WE PROVIDE THE FOLLOWING TRAINING:

Type of training	Frequency	Target group /industry	Type	Objective
Environmental Health and Safety briefing	At the entrance of each and every construction site	Every worker /all industries	On-site	Informing about hazards, on-site safety rules
Induction training	On one-off basis or at every change of change of job and working conditions (e.g. change of construction site)	All new hiree in the ERBUD Capital Group	On-site	Implementation of mandatory training, as required by law
Onboarding	During hiring	Blue-collar workers /verification of the duty vis-à-vis Subcontractors' personnel /all industries	Online	Getting familiar with policies, system and standards effective in the Erbud Group
Periodic training for blue-collar workers	Every year	Persons supervising personnel work/verification of the duty of Subcontractors' personnel /all Industries.	On-site	Update of knowledge of threats and ways to addressing them ways of addressing themi
Periodic training for persons in charge of personnel	Every 5 years	Designated persons for vertical transportation at ERBUD Group construction sites regardless of industry, own and subcontractors' personnel	On-site	Update of knowledge about threats and ways of addressing them
Training for sling signallers and riggers	Depending on construction site conditions	Wyznaczone osoby do transportu pionowego na budowach GK ERBUD bez względu na branżę i siły własne i podwykonawcy	On-site	Update of knowledge on safe transport on construction sites
First aid training	On as needed basis	Designated persons to provide first aid in ERBUD Group / all industries	On-site	Acquire the knowledge and skills necessary to provide first aid on a construction site
Licenses for operators of equipment under technical inspection	In compliance with the Regulation on Hoisting & Hauling Equipment	Operators/all industries / verification of subcontractors	Course	Acquire skills and licenses for equipment operation
Licenses for machine operators for earthmoving, construction and road works	In compliance with Regulation provisions	Operators/all industries/verification of subcontractors	Course	Acquire skills and licenses for equipment operation
E & D energy licenses	Every 5 years	Persons performing work regulated by the Ordinance on OH&S at power equipment/ own and subcontractors' personnel / all industries	Course	Acquire skill and licenses for operation power equipment
Work at height with the use of PPE	Every 5 years	Workers performing work at height/all industries / own and subcontractor personnel	On-site	Enhance knowledge and awareness of safe methods to work at height
Scaffolding installers	Depending on the type of works performed	Persons assembling/disassembling scaffolding systems	Course	Acquire skills and licences for installation of metal scaffolding systems
Daily briefings (toolboxy)	In compliance with law	All personnel members (Subcontractors)/ RES/power sector)	Training	Clear division of tasks, final risk analysis and work methodology verification

Type of training	Frequency	Target group /industry	Type	Objective
Instruction before hazardous work	In accordance with Safety and Health Protection Plan	All industries / own Workforce and Subcontractors	Training	Enhancement of knowledge and awareness of the rules of hazardous work safe execution
Training sessions of the Safety Week	Once a year	All industries / own Workforce and Subcontractors	Presentations, courses, training sessions	Upgrading employee knowledge and awareness
Dedicated training sessions stemming from construction site specific nature	Depending on the construction site	--	Training	Getting to know safe methodology of work execution falling into scope of on-site works
Emergency drills on construction sites	Depending on the construction specific nature	All industries / own personnel and subcontractors	Drills	Testing various scenarios of being ready for emergencies on construction site and raising awareness about personnel conduct
Training courses for welders	Depending on the welding technique	Maintenance company personnel	Course	Acquisition of skills and licencesń
Fire fighting training	Depending on the type of work	Mainly power sector, industry (maintenance services),	Instructions	Getting to know threats and safe work methods representing fire hazard

GOOD PRACTICE

In May, we organized the Safety Week at ERBUD Group member companies for the ninth time. This is a joint initiative of Poland's largest general contractors that are members of the Construction Safety Alliance. The aim of the campaign is to educate and promote the rules of safe work in the construction sector.

In 2022, the Safety Week slogan was "Construction ends - but safety is a never-ending story". During training sessions and talks at offices and construction sites on training, we covered topics such as working at height, personal protective equipment, vertical transportation and working with formwork or scaffolding systems. Of great interest were simulations and demonstrations of medical rescue during transport and construction accidents. We also invited children to participate in the Safety Week in an Art Contest.

In total almost 227 training operations were carried out, involving almost 2,900 people, including personnel of 235 subcontracting companies.



First aid training during the Safety Week



Employee of ERBUD Industry maintenance service company

HEALTH PROMOTION

[403-6]

We help employees take care for their health. In all Polish companies that are members of the Group - save for Satchwell Poland Toruń - we offer employees access to private health care services in any dimension, and in most companies there is an option to cover the employee's family as well. We also provide sports packages and the opportunity to use many sports facilities for free, including employee relatives. ERBUD is also offering surcharges for the Kross long-term bike rental service with year-round maintenance.

In our German companies IVT Weiner + Reimann GmbH and IVT Menzenbach GmbH, the company's gym is popular among employees, and once a week employees can also take advantage of the services of a physiotherapist.

[403-8]

EMPLOYEES COVERED BY THE OCCUPATIONAL SAFETY MANAGEMENT SYSTEM (ON AVERAGE FOR ONE MONTH):

Total workers	**2889**
Percentage of headcount	**100**
The number of employees who are not employees, but whose work and / or workplace is controlled by the organization, and who are covered by the system	**4459**
The percentage of employees who are not employees, but whose work and / or workplace is controlled by the organization, and who are covered by the system	**100**
Number of employees who fall under the system that has been internally verified/audited	**2657**
A percentage of employees who fall under the system that has been internally verified/audited	**91.27**
The number of employees who are not employees, but whose work and/or workplace is controlled by the organization,who fall under a system that has been internally verified/audited	**4459**
A percentage of employees who are not employees, but whose work and/or workplace is controlled by the organization, who fall under a system that has been internally verified/audited	**100%**
Number of employees who fall under a system that has been audited or certified by a third party	**2657**
A percentage of employees who fall under a system that has been audited or certified by a third party	**91.27**
The number of employees who are not employees, but whose work and/or workplace is controlled by the organization, who fall under a system that has been audited or certified by a third party	**4459**
A percentage of employees who are not employees, but whose work and/or workplace is controlled by the organization, who fall under a system that has been audited or certified by a third party	**100**

4|3

EQUALITY AND DIVERSITY

DIVERSITY

The ERBUD Group is made up of various nationalities, cultures, religions, degrees of efficiency or views or orientations. This is great news for us. We have seen many times in our history how often such diversity has determined our competitive advantage and allowed us to find better answers to everyday challenges. On the formal side, we have regulated these issues in our Diversity Management Policy - where we commit to treating, respecting, valuing and evaluating each employee equally and fairly

We have adopted separate diversity regulations for the management board and the supervisory board. The diversity policy defines the goals and criteria for diversity in these bodies in areas such as gender, field of education, expertise, age and occupational experience. The documents also regulate when and how to monitor the achievement of these goals.

Diversity issues are also described in our ESG Strategy. According to the document, ensuring diversity breeds dialogue and the exchange of ideas, which further contributes to the enrichment of in-house competencies within the Group and to its development.

THE STRATEGY ALSO OUTLINES ERBUD'S AIM TO ENSURE DIVERSITY IN THE MANAGEMENT AND SUPERVISORY BOARDS AT A LEVEL OF AT LEAST 30%.





Agnieszka Głowacka, Vice-President pays a site visit to the of modular manufacturing plant accompanied by female employees of MOD21 company

The ESG Strategy also devotes a lot of attention to the issue of gender pay equity. Equality and an anti-discriminatory approach to setting basic pay, bonuses and rewards - with particular attention to gender equality - are important values for the ERBUD Group. The Group's intention is to ensure that women and men doing equal work or work of equal value receive equal pay for their work. ERBUD undertakes to assess periodically any wage gaps, identify the causes of the gaps, and develop plans to eliminate pay inequalities. The company also guarantees equal access to promotions, bonuses and awards for men and women.

GOOD PRACTICE

Agnieszka Głowacka, Vice-President ranked high, 11th on the list of Puls Biznesu daily "Top 100 Business women in 2022" in the category of companies with revenues above PLN 50 million. Agnieszka Głowacka was the only representative of the construction sector on this prestigious list of Poland's most enterprising women.

At the Group, we believe that there is as much room for women on any construction site as there is for men, and that the understanding of technical drawing is not gender related. We support women, moreover, not only in the construction industry. In 2022, we became a partner of the report "Growing Women's Power - Women in the Labour Market" published by BIGRAM and THINKTANK. The authors pointed out, among other things, that greater participation of women in the management of enterprises brings tangible benefits, with women bringing education, diligence, responsibility, good self-organization and empathy to the organization. The report was widely echoed in the media, and ERBUD Group experts took part in a number of panels and debates devoted to its provisions.

[406-1]

In 2022, we recorded two instances of behaviour in the Group that did not comply with our values, Code of Ethics and Diversity Policy. Both instances were concerned with mobbing. In one instance, there was verbal aggression, vulgarity and derogatory name-calling, deliberate restriction of access to information and undermining the competence of subordinates. In the second instance, it was passive aggression with sexual innuendos affecting employees' psychological comfort. In both cases, we set up an unequal treatment commission, and after its work was completed, we made those found guilty of unacceptable behaviour redundant.



Certainly, we wish such instances in our organization did not occur, and taking our best efforts make it come true. But, as you can see, in an organization of thousands of people, there may be some workers who do not understand the everyday guiding principles in the ERBUD Group. An important signal to all employees was what we did after receiving signals about irregularities. It can be said that the system proved its value and worked flawlessly – We did not kick the can down the road, we did not look at the professional competence of those suspected of undesirable behaviour, but, we acted in compliance with the procedures, we instigated our procedure, questioned the witnesses and made a quick and decisive decision to terminate the employment relationship. I believe that such way of conduct only reinforces among our personnel the credibility of our declarations that there is no place in the Group for people who do not want to abide by our values.

Dagmara Sobolewska

HR Director at the ERBUD Group



Construction workshops for girls "Young MastERs" at the Copernicus Science Centre in Warsaw.



GOOD PRACTICE

The world is full of magnificent buildings conceived, designed and implemented by women. At the ERBUD Group, we believe that there are not enough of these examples in Poland, and the stereotype that "construction business is for men" is just what it is - a harmful, simplistic cliché. That's why in 2022 we organized two campaigns to promote construction business among girls.

Together with the Copernicus Science Centre in Warsaw we ran a series of workshops "YoungMasters" for girls. The participants - aged from 6 to 9 years - together with their guardians could try out various construction tools and face construction challenges. They also learned about mortar ingredients and tried their hand at building a brick wall. All this, of course, wearing a helmet and a vest to convey the atmosphere of real construction site.



The role of schools and parents is large. If the parents are engineers, there is no problem for the daughter follows into their footsteps. But if they are humanists, they often can't even imagine that she could go to study at a university of technology. Because what is she going to do after graduation? Run around construction sites in those wellies? And still, unfortunately, at university women hear from lecturers: "Why did you come to study here?" This, certainly, translates later into the labour market. And in my opinion, the construction sector is suffering a big loss due to the lack of women

Agnieszka Głowacka

Vice-President of the ERBUD Group



GOOD PRACTICE

Children have various visions about the professions they will take up in the future. Girls dream of becoming doctors, teachers, astronauts or, more recently, youtubers. We set as our goal to arouse in them an interest in topics related to construction, a dream of becoming construction students and, in the future, engineers.

We arranged the workshop room to look like a construction site. The workshop female participants learned how to minimize the risk of a construction disaster, what concrete is made of, constructed a high tower and built their own structures with mini bricks. In everything they did, they were accompanied by real engineers working at Erbud.

The programme of activities was jointly developed by experts from the Copernicus Centre and ERBUD engineers, who also took part as guest speakers in the workshop to help the participants with tasks and, on occasion, tell them about work on the construction site. The workshop was held under the patronage of the Faculty of Civil Engineering at Warsaw University of Technology.

In the spring and summer series, we organized 9 workshops, more than 130 girls, 70 parents and 3 boys participated in the activities.

We used more than 7,000 mini bricks and more than 40kg of traditional ceramic bricks. The next series of workshops will return in spring 2023.

ERBUD, acting jointly with the ERBUD Foundation, has also published two booklets for girls dedicated to introducing the construction sector and bringing the mysteries of this fascinating world to the girls so that they will consider choosing a career path related to construction in the future

The books by Jakub Skworz, author of, inter alia, the bestselling "Maria Skłodowska" about Madam Curie, beautifully illustrated by Paulina Derecka, are addressed not only at the youngest audience

Profit from the sale is earmarked for the statutory purposes of the ERBUD Foundation, namely helping children's homes' foster children enter their adulthood.

"Clare Builds" was also published in Ukrainian language.**"Clare Builds" is a universal story about a girl who decided to make her dream come true and build something the world has not yet seen.**

This is a story about building not only buildings, but also relationships and confidence. It's also a story that it is worthwhile to have a dream, not to be afraid of challenges and to pursue one's goals consistently.

The book is designed to help parents of girls break up with stereotypes concerning typically male jobs. It's also a story that it is worthwhile to have a dream, not to be afraid of challenges and to pursue one's goals consistently.

Each volume is a separate, wise and informative story of Clare. The adventures of the title character are intertwined with the fates of the real-life people who make up the Erbud Group. This makes the story's message even stronger

The first part was recorded as an audiobook and published in three language versions: Polish, German and Ukrainian. Part Two was published in Polish and German **Part Two i.e. "Clare Builds - Tree House," is a story about friendship, joint overcoming adversities and achieving goals.**

The book also brings closer the idea of modular construction to the youngest readers. Explains why we should construct buildings in an increasingly environmentally friendly manner. She explains what changes in the construction industry are necessary to ensure a better future for the next generation and is tasked with the propagation of the idea of sustainable construction among the youngest generation, as well as showing that there is room for women in this stereotypically male-dominated business.



The booklet "Clare Builds" has also been translated into Ukrainian and German





Dariusz Grzeszczak, President during a construction workshop for girls at the Copernicus Science Centre

HUMAN RIGHTS

[2-23]

We respect all human rights. We have implemented the Human Rights Policy in the Group, which aims at raising awareness in our companies and also expand the companies' capacity to address challenges to this extent. The principles described in the document have their basis in the provisions of the Universal Declaration of Human Rights and the conventions of the International Labour Organization and the OECD Guidelines for Multinational Enterprises.

The document commits all ERBUD Group employees and associates, regardless of their position, to respect fundamental human rights. We emphasise equal opportunities, diversity, and the prohibition of child and forced labour, as well as freedom of association and the right to industrial disputes. In its relations with contractors, partners and the local community, the ERBUD Group on the same footing does not allow discrimination in any form and is committed to communicating its activities in a transparent and accessible manner for everybody.

[401-3]

PARENTAL LEAVES:

	Total number of employees entitled to leave parental in the accounting period	The total number of people who took parental leave in the accounting period	The total number of employees who returned to work after parental leave in the accounting period	The total number of employees, who returned to work after parenta leave and after 12 months after returning to work they were still employed in the organization	Index of employees who returned to work after taking parental leave [%]	Employee who used parental leave retention index [%]
women	61	53	22	12	47.83	54.55
men	73	56	49	46	70.00	93.88

[405-1]

COMPOSITION OF SUPERVISORY BODIES AND PERSONNEL BY OCCUPATIONAL CATEGORY, BY GENDER, AGE AND OTHER DIVERSITY INDICATORS:

	women	men	< 30 years of age	30-50 years of age	> 50
Governing bodies	**15.0%**	**85.0%**	**0.0%**	**62.5%**	**37.5%**
Administrative and clerical positions	13.8%	6.5%	5.7%	11.8%	2.8%
Management Board, Directors, Deputy	0.6%	2.7%	0.1%	2.0%	1.2%
Directors Blue-collar workers	0.5%	49.6%	6.2%	20.1%	23.8%
Technical personnel, Supervisors	5.4%	21.0%	6.4%	14.2%	5.8%

A total of 3 people who sit on the boards of more than one company were not included in the management bodies to avoid double counting.
Data shown is concerned with the headcount valid as of 31 December 2022.

[405-2]

RATIO OF WOMEN'S BASIC PAY TO MEN'S BASIC PAY BY POSITION HELD:

ERBUD S.A.

	INDEX
Administrative and clerical positions	0.78
Blue-collar workers	0
Technical personnel, Supervisors	0.82
Management Board, Directors, Deputy Directors	1.15

ERBUD CG

	INDEX
Administrative and clerical positions	0.81
Blue-collar workers	1.03
Technical personnel, Supervisors	0.78
Management Board, Directors, Deputy Directors	0.67

The indicator was shown for the parent company and for the group as a whole. Data based on wages and salaries as of 31 December 2023 The data only includes basic salary, the reason being that some companies are unable to extract data from the system. It is planned to implement an extension to the system that will make it possible to extract such data for 2023.

4|4

SOCIAL COMMITMENT

[3-3] **Local communities**

It is a great privilege and honour to be able to share our economic success and to support - as the ERBUD Group - events, organisations and activities that are particularly important for the local communities among which we operate.

We have been committed socially for many years, not because we are told to do so or because we have to – we are committed socially because we believe it is worth doing whenever we can. The effects of community support last for years and are often as long-lasting as the foundations of our buildings

A special spot on the map of our aid activities is occupied by the Eryk Grzeszczak's "Common Challenges" ERBUD Foundation. With each passing year, the Foundation has been implementing more and more projects, which are part of supporting our foster children in the process of becoming independent after leaving the children's homes. We help you to function independently in family, social, official and legal terms. We teach how to look for a job, how to find housing.



Culinary workshops for charges of the ERBUD Foundation

FACTS & FIGURES ABOUT FOUNDATION:

- **above 300 foster children at 16 children's homes** all over Poland covered by on-going support of the Erbud Foundation
- **1070 hours of tutoring** in maths, English and Polish
- **PLN 99,813.50** – total cost of tutoring funding in the school year 2022

  funding for 5 driving licence courses totalling **PLN 11,900**
- **15 foster children** were the winners of the DREAMSY language competition and went to London as a reward
- **106 participants of the charitable bike ride** Tour De Erbud - **above PLN 90,000** was transferred to the Foundation account
- **854 hours of psychotherapeutical sessions** with the total value of **PLN 105,410.00** were funded
- above **60 foster children** participated in the „Sports Olympics”
- financing of orthodontic treatment of 3 foster children with the total value exceeding **PLN 8,000**
- **above 300 copies sold of** the book titled "CLARE BUILDS"



Final of ONDE SOFIA grant programme

GOOD PRACTICE

The ERBUD Group was the winner of a competition organised by the Polish ESG Association. We were granted a silver award in the S category, i.e. innovation in the social area, for a series of construction workshops for girls organised in cooperation with the Copernicus Science Centre - "Young MastERs".

GOOD PRACTICE

The ONDE supports young innovators by providing funding for research projects propagating RES under the SOFIA programme. In 2022, eight scientists from all over Poland were granted a research grant and their projects will contribute to Poland's green transformation. Award-winning papers included systems that predict the amount of green energy generation based on weather forecasts and research into the use of plants capable of bioluminescent plants for street lighting.



Sports Olympics "Players of the Year" in Ostróda, organised by the ERBUD Foundation for foster children from Children's Homes from all over Poland



HIGHLIGHTS OF ERBUD FOUNDATION PROGRAMMES:

TUTORING – DREAMS

Educational support for children in three key learning areas - mathematics, Polish and English. In addition, the "Dreams" programme is a competition whose winners went on a trip to London for a "Summer Language Camp with Harry Potter and the Rock Stars". Children had the chance to visit iconic places such as the Madame Tussauds museum, at 221B Baker Street, home to the townhouse of the world's most famous detective Sherlock Holmes, the famous recording studio located at Abbey Road, Warner Bros Studio and many more. The trip to London was funded by 1% donations and contributions from companies - the cost of tickets and entrance fees were funded by Vantage Development, Alfa Brokers and Trops.

TOGETHER PROGRAMME

Individual collaboration between mentor and mentee. The aim is to provide effective assistance for the mentee to become independent -- the Foundation's mentors are ERBUD Group employees. A person aged 17 - 20 who is in foster care can become a charge under the programme.

SPORTS OLYMPICS

The first edition of the sports competition attracted more than 60 participants and more than a hundred fans from all over Poland. The Olympics was attended by foster children from children's homes in Chełmno and Unisław, Elbląg, Morąg, Ostrzeszów, Pasłęk and Zielonka. The participants competed in original individual and team competitions. The "Ray" Team, which won the Olympics, received the grand prize, a sports holiday trip.

CULINARY WORKSHOP

We organised culinary workshops for the foster children from the Sochaczew and Gizycko children's homes. We taught the wards how to make the world's best dumplings, and Lucyna Grzeszczak, the Foundation President cooked along with our foster children. The winning compositions comprised Russian dumplings, dumplings with feta cheese and spinach, and sweet cottage cheese dumplings.

WESTMINSTER CHARITY RACE

In 2022, we participated in the WESTMINSTER CHARITY RACE, a charity race involving some of the biggest foundations in Poland. During the event, we were represented on the horse track by the horse "FREYA Z" with jockey Kamil Grzybowski. A prize pool of 10 prizes totalling PLN 60 000 was divided among 10 foundations that participated in the race. An additional attraction during the event was a special children's zone, prepared by our Foundation, where the youngest built various structures from large-format blocks.

A particular area of our public commitment in 2022, due to the circumstances, was the war-related assistance in Ukraine.

IN TOTAL, THE ERBUD GROUP HAS DONATED MORE THAN PLN 1.5 MILLION FOR AID ACTIVITIES. PLN 200 THOUSAND WAS TRANSFERRED TO THE ACCOUNT OF THE POLISH HUMANITARIAN ACTION.

We also offered PLN 2,000 each in allowances to workers with Ukrainian citizenship, and those who decided to go to Ukraine were offered job security upon their return to Poland.

A special working group chaired by Lucyna Grzeszczak, President of the ERBUD Foundation, and Józef Zubelewicz, a long-standing member of the ERBUD Management Board, was set up to distribute the remaining funds. An information campaign in Ukrainian was carried out on the construction sites. ERBUD offered to help the Ukrainians with, inter alia, financing accommodation, transport to/from the border

ERBUD was also an official sponsor of the "Ukrainian Day of Gratitude, Meeting and Fellowship" in Düsseldorf.

Under the patronage of the Mayor of Düsseldorf at the place of Stephan Keller, PhD and Iryna Shum, Consul General of Ukraine in North Rhine-Westphalia, a family picnic was held, full of dance performances, Ukrainian folklore, poetry readings and the singing of Ukrainian and German songs. During event preparations, we supported the "Ridne Słowo" Association as organiser in preparing for the festival and presented the Sunday school children with the book 'Clare Builds' in the Ukrainian language.



The Ukrainian Day in Düsseldorf, in which ERBUD was a partner

Information posters about aid activities for the Ukrainians after the war outbreak





CORPORATE GOVERNANCE

5|1

COMPLIANCE

[2-23]

We want the ERBUD Group to be the kind of organisation that is termed to be a "well-organised company". We do not create rules for the sake them, we are not passionate about bureaucracy and the formal side of running business. Nevertheless, we know that if a company of the size and scale of our Group is supposed to operate well, it needs clear-cut procedures, wise and adhered to policies and valuable codes that make a real difference. These are the documents we create, and their provisions apply to the entire organisation, all employees and the chain of suppliers and business partners..

OUR COPORATE GOVERNANCE FOUNDATIONS ARE MADE UP, INTERALIA, OF:

- Code of Best Practice for Listed Companies 2021
- ERBUD Articles of Association
- By-laws of the General Meeting of Shareholders, the Supervisory Board and the Management Board
- Rules of the Audit Committee
- Internal Audit and Control Regulations, Auditor
- Appointment Policy, Remuneration Policy for
- Governing Bodies, Dividend Policy
- The Diversity Policy of the Management Board and Supervisory Boards
- Sponsoring Policy
- Rules of anonymous reporting of breaches
- Policy Against Unequal Treatment
- Human Rights Policy
- The Anti-Corruption Policy (adopted January 2023).
- Rules concerning making transactions with related parties





[2-23]

All of these documents are public and available on our website under "Corporate Governance". In accordance with the ERBUD statutes, all Group-wide policies are approved by the ERBUD Management Board.

Applicable policies and regulations are communicated to new personnel members during their first days with our Group. People who already work in our companies receive regular training, where we remind them of the rules in the company. Additional communication support includes newsletters, annual and quarterly calls, internal meetings and our intranet.

[2-27]

We operate - which is obvious to us - in compliance with all applicable legal regulations. **In 2022, we recorded no cases of non-compliance with the law and no fines were imposed on our organisation.**

ERBUD S.A. applies the vast majority of good practices of companies listed on the WSE. The company is committed to robust communication with its stakeholders, integrates ESG topics into its business strategy and regulates management and board appointments and internal control in a manner consistent with best practice. We provide detailed information on the application of practices on our website.

5|2

ETHICS AND ANTI-CORRUPTION MEASURES

ETHICS

There is no shadow of tolerance, turning a blind eye or understanding of even the smallest manifestation of discrimination, corruption, harassment, bullying or human rights violations in our organisation. The principle is simple - whoever wants to work or cooperate with our Group must abide by our rules. Without any exceptions.

GOOD PRACTICE

Ethical, human rights and anti-corruption issues are also highlighted in the Group's ESG Strategy, which clearly specifies high ethical standards and the formation and promotion of responsible attitudes among Group employees.

ERBUD GROUP ETHICAL PILLARS:

- **Code of Ethics**
- **Human and Labour Rights Policy**
- **Anti-Corruption Policy**
- **Diversity Management Policy**
- **Information Safety Policy**
- **Rules of Reporting Breaches**



Meeting of the Group Managers at the Bulwar Hotel in Toruń



[2-24]

OUR ETHICAL COMMITMENTS ARE SET OUT IN OUR CODE OF ETHICS, A DOCUMENT CONSISTENT ACROSS THE ERBUD GROUP

The Code of Ethics was developed in 2022 and the document was formally adopted in January 2023. The Code describes our long-term strategy pillars, the components that have always been important to us and that underpin our operations.

We describe our values and define rules of conduct for different types of relationships - with employees and colleagues, investors, customers, suppliers or the environment. The Code also takes into account the components arising from ERBUD's listing on the stock exchange.

The Code is based on the following pillars:

RESPONSIBILITY,
including but not limited to

- we value employee knowledge we enable
- professional development we build a friendly working environment
- we respect diversity and differing opinions
- we treat everyone equally, fairly, with dignity and respect
- we do not accept discrimination,
- we promote openness and commitment
- we ensure information and data protection
- we fight against corruption
- we do not fund political parties
- we keep accurate business records
- we avoid conflicts of interest

INNOVATION,
including but not limited to

- we identify business and technological trends
- we supply products based on the best technologies
- we reliably test innovative solutions
- we protect the environment

SAFETY,
including but not limited to

- working safely is a priority
- we minimise risks
- we work according to health and safety principles.
- we train employees on safety
- we respect human rights
- we do not tolerate child, forced or compulsory labour.

The Maritime Scientific Centre in the City of Szczecin

Every person working in our Group is required to read the Code, understand it and comply with it. The Code applies equally to everyone, from temporary and part-time staff to executives and managers. No one is in any way entitled to breach the Code.

The compliance of the Group's standards and policies with the provisions of the Code is monitored by our Compliance Officer. It is also the one who investigates the instances of breaching the Code of Ethics and provides guidance on how to comply with the principles contained therein with confidentiality

Depending on the findings, the investigation ends either with the discontinuation of the case or with the initiation of appropriate proceedings. In the latter case, the Legal Department Director, under the supervision of a Management Board member, runs a full and detailed review of the breach of laws, procedures or ethical standards. The Investigation Report is submitted to the Management Board, which may decide to close the case or to hold the offender liable for disciplinary, criminal, administrative or civil action, including reporting the case to the relevant government authorities.

Any person reporting a breach in good faith is guaranteed the right to anonymity and full protection from retaliation.

We have sent a complete set of information on how to report irregularities by e-mail to all employees.

GOOD PRACTICE

[2-26]

At ERBUD, we have regulated precisely the manner in which irregularities, behaviour against the Code of Ethics or breaches of the law are reported. The notifications may be e-mailed or send by post directly to a Management Board member or, if the notification concerns a person sitting on the Management Board - directly to the Supervisory Board. Upon receipt of a report, an investigation is initiated within a maximum of seven days, which takes up to 14 days, although it may be extended by a further month in special cases. All information provided is treated as confidential.

THE PROVISIONS OF THE CODE OF ETHICS COMPLEMENT AND PROVIDE DETAILS TO THE POLICIES SUCH AS DIVERSITY MANAGEMENT, HUMAN RIGHTS OR ANTI-CORRUPTION MEASURES.





DIVERSITY

The ERBUD Group is made up of various nationalities, cultures, religions, degrees of efficiency or views or orientations. This is great news for us. We have seen many times in our history how often such diversity has determined our competitive advantage and allowed us to find better answers to everyday challenges. From the formal perspective, we have regulated these issues in our Diversity Management Policy - where we commit to treating, respecting, valuing and evaluating each employee equally and fairly.

We have adopted separate diversity regulations for the management board and the supervisory board. The Diversity Policy defines the goals and criteria for diversity in these bodies in areas such as gender, field of education, expertise, age and professional experience. The documents also regulate when and how to monitor the achievement of these goals.

[2-23]

HUMAN RIGHTS

We respect all human rights. In December 2022, we updated our Human Rights Policy. The principles described in the document have their basis in the provisions of the Universal Declaration of Human Rights and the conventions of the International Labour Organization and the OECD Guidelines for Multinational Enterprises.

Our business is conducted with integrity and transparency, respecting the human rights and interests of our employees. We respect all internationally recognised human rights as they relate to our operations. We expect our business partners to adhere to the rules that are consistent and coherent with those to which the Group adheres. We ban discrimination, forced, illegal and child labour, and are committed to safe and healthy working conditions and respect for the dignity of every person. We ensure freedom of association and the ability of collective bargaining. We expect the same from all our subcontractors and suppliers, and we do not accept violations of human and workers' rights in any form. We do not enter into cooperation and we do not continue cooperation with entities that do not respect human and workers' rights. This is an overriding value for us.

We take steps to identify and respond to the circumstances that affect, or may adversely affect, human rights as part of our business or relationships. We monitor corrective actions and inform our stakeholders how we respond.

THE COMPLIANCE OFFICER AND THE MANAGEMENT BOARDS OF ERBUD GROUP MEMBER COMPANIES ARE RESPONSIBLE FOR THE IMPLEMENTATION OF THE POLICY

CORRUPTION

[3-3] **Anti-corruption measuresi**

Our disapproval of corruption and bribery is described in the Anti-Corruption Policy that we developed in 2022[4] . No case of corruption is tolerated in the Group, whether it is direct or indirect and whether it occurs in the public or in the private sector. In the Policy we define - and firmly prohibit – corruption, influence peddling, bribery, bid rigging or managerial bribery.

The policy also regulates gifts and gestures of hospitality. We never offer excessive forms of hospitality or gifts. They are by no means the primary method of establishing and maintaining good business relationships.

An employee or co-worker may only accept a material benefit if it is of an advertising or promotional nature, or is an item of small value, not exceeding PLN 200, customarily given on festive occasions and does not induce in the recipient a sense of being obliged to reciprocate. When the item has a value of more than PLN 200 or is difficult to determine, the receipt of the item should be reported to the employee or colleague's immediate superior, who, while agreeing to accept such a gift, at the same time makes an entry in the Register of Benefits.

Those responsible for appointment of suppliers may not accept any gifts from those who submit their proposals of cooperation.

[4]The Anti-Corruption Policy was adopted formally in January 2023 with the exception of ONDE, which adopted an Anti-Corruption Policy in 2022

[2-23]

The Management Boards of the member companies of our Group are responsible for implementing the provisions of the Anti-Corruption Policy. Directors and heads of the various divisions are responsible for, inter alia, dissemination of the Policy content and identifying positions that are at risk of corruption in particular. The Compliance Officer is responsible for overseeing the application of the Policy at Group-wide level.

[205-1]

The ERBUD Group evaluates continuously the procedures, reporting, audits and training implemented to counter corruption. The risks are monitored in all phases of contract performance, from the moment of preparation of the investment bid to the completion of the guarantee period. Appropriate clauses are being created in the contracts concluded by the Group member companies, sealing the risks that arise in practice.

[205-2]

In connection with the efforts on the development of Anti-Corruption Policy, no separate training on corruption was carried out in the ERBUD Group in 2022. Such activities - based on the provisions of the Policy - are planned in 2023.

[205-3]

In 2022, we did not record a single case of corruption in the Group.

[206-1]

In 2022, we did not record a single case of anti-competitive behaviour, nor practices in breach of antitrust regulations.



New Grochowska investment project in Warsaw

5|3

MANAGEMENT

[2-9]

COMPETENCES, SKILLS AND EXPERIENCE.

These are the three key qualities required of those who are appointed to ERBUD's Supervisory and Management Boards. According to the statutes, the governing bodies of our parent company ERBUD comprise the Management Board, the Supervisory Board and the General Meeting of Shareholders.

THE POWERS OF THE GENERAL MEETING OF SHAREHOLDERS COMPRISE INTER ALIA:

- appointment of the supervisory board
- approval of the financial statements and the management accounts for the previous accounting year
- adoption of resolutions on the appropriation of profit /loss coverage
- granting discharge to members of the Company's governing bodies in respect of the performance of their duties, adoption of the Supervisory Board Bylaws and determination of the rules of remunerating Supervisory Board members
- increase or reduction of the share capital amendments to the Company's
- articles of Association
- merger of the Company with another commercial company
- dissolution and liquidation of the Company
- issuance of convertible bonds, bonds with pre-emptive right or subscription warrants
- the disposal or lease of the enterprise, or of an organized part thereof, and the establishment of a limited property rights
- considering matters referred to it by the Supervisory Board, Management Board or Company shareholders
- deciding on any other business that in accordance with provisions of the Commercial Companies' Code or the wording of the Articles of Association fall into the competence of the General Meeting



The Włodarzewska Apartments investment project in Warsaw



THE ERBUD SUPERVISORY BOARD CONSISTS OF FIVE TO SEVEN PERSONS APPOINTED JOINTLY FOR A THREE-YEAR TERM. THE POWERS OF THE SUPERVISORY BOARD INCLUDE:

- to appoint and dismiss the Management Board
- to approve the strategic corporate plans
- to grant approval to enter into material transactions with related parties
- to grant permission to submit bids with a value higher than EUR 30 million
- to grant approval for the employment of an employee with an annual salary in excess of EUR 150,000
- to approve annual schedules of works and expenditures of the Company and its Capital Group
- to approve investment plans of the Company and its Capital Group
- to grant consent to the acquisition, disposal and encumbrance of real estate, perpetual usufruct or an interest in real estate or the right of perpetual usufruct
- to grant consent to setting up and dissolution of manufacturing plants and branch offices
- to grant consent to the Company to issue guarantees, property sureties, issue bills of exchange and incur other off-balance sheet liabilities with a unit value exceeding EUR 2,000,000.00 (in words: two million euros) save for: (i) guarantees issued at the request of the Company by financial institutions in the ordinary course of business, (ii) guarantees, sureties of property, issuance of bills of exchange and assumption of other off-balance sheet commitments with a unit value exceeding EUR 2,000,000.00 (in words: two million euros) for the benefit of member entities of the capital group (save for item 11) below)
- to consent to equity investments exceeding the equivalent of EUR 100.000,00 (in words: one hundred thousand euro) except for capital investments, Treasury bills and Treasury bonds issued in Poland or in the countries where the Company runs its business activities
- to approve the acquisition, disposal, encumbering shares or interest in other entities
- to determine the voting method of the Company's representatives on the bodies of its subsidiaries and affiliated entities on the dissolution or liquidation of these companies, change of the company profile, split or merger of subsidiaries and affiliated entities
- to grant consent to take all measures not related to the Company profile and extraordinary measures with the value exceeding the equivalent of EUR 200,000.00 (in words: two hundred thousand) euro
- granting approval for investments exceeding the equivalent of EUR 200,000.00 (in words: two hundred thousand euros), unless these investments are included in the investment plan approved by the Supervisory Board
- to give consent to dispose of the right or to take an obligation by the Company, within a single or higher number of legal transactions with the same entity, with the value exceeding the equivalent of EUR 5,000,000.00 (in words: five million Euros) during the financial year)
- to grant consent to members of the Company's Management Board to sit on the Management or Supervisory boards of companies outside the Company's Capital Group and in the cases specified in Art. 380 § 1 of the Commercial Companies' Code
- Other matters reserved for the powers of the Supervisory Board by law, provisions of this Statute, forwarded upon the request of the Management Board or delegated by virtue of a resolution of the General Meeting

[2-10] [2-11]

Two members of the Supervisory Board meet the criteria for independence in accordance with the Act on Statutory Auditors, Audit Firms and Public Supervision and have no real and significant links with a shareholder holding at least 5% of the total number of votes in the company. The Supervisory Board members shall, in the exercise of their functions and in performing their duties on the supervisory board, act in accordance with the interests of the company by acting independently of their own opinions and judgments, including in making decisions.

ERBUD'S MANAGEMENT BOARD IS APPOINTED FOR A THREE-YEAR TERM OF OFFICE AND MAY CONSIST FROM THREE TO FIVE MEMBERS. THE MANAGEMENT BOARD RUNS THE COMPANY BUSINESS AND REPRESENTS IT EXTERNALLY.

The votes of the Supervisory and the Management Boards shall be public, unless otherwise stipulated by law. Supervisory and Management Boards' members voting against a resolution may submit a dissenting opinion to the Minutes. Serving on the Company's Management Board is the main area of professional activity for Management Board members. The function performance by the Company's Management Board members on the governing bodies of entities outside the Company's Group requires the approval of the Supervisory Board.

GOOD PRACTICE

The Management and the Supervisory Boards encourage shareholder involvement in the company's affairs, expressed primarily by active participation, either in person or by proxy, in the General Meeting. The General Meeting of Shareholders shall proceed with respect for the rights of all shareholders and shall strive to ensure that resolutions adopted do not infringe on the legitimate interests of individual shareholder groups. The Management and the Supervisory Board members attend the Ordinary General Meeting of Shareholders.

ERBUD SA also has the Remuneration Committee. In 2022, the ERBUD S.A. Remuneration Committee consisted of:

1) Roland Bosch – the Chairman of the Remuneration Committee,

2) Michał Otto – a Remuneration Committee Member,

3) Janusz Reiter – a Remuneration Committee Member.

Responsibilities:

1) To plan remuneration policy for the Management Board members,

2) To adjust the remuneration of Management Board Members to long-term interests of the Company.



ERBUD GROUP MANAGEMENT BOARD:



Dariusz Grzeszczak,
President of the Management Board

- Development of ERBUD Group strategy
  Development and supervision of HR operations
- Supervision over the activities of the Marketing Department, ESG and PR
- Supervision over the activities of the Management Board Advisors on Strategy and Development Division
- Supervision over the activities of the Management Board and Corporate Governance
- Supervision over the operations of the Equity Investment Department
- Supervision over the Process and Digitalisation Management Division
- Supervision over ERBUD Industry Group member companies:

  ERBUD Industry Centrum
  ERBUD Industry Południe
- Supervision over foreign maintenance activities: IVT Weiner + Reimann GmbH and IKR GmbH



Agnieszka Głowacka,
Vice-President of the Management Board

With regard to ERBUD:

- Receive anonymous reports on breaches of laws, procedures and ethical standards at ERBUD S.A.

With regard to ERBUD Group:

- Supervision over the activities of the Finance Division including the Controlling and Treasury Departments
- Supervision over the activities of the Audit and Internal Control
- Cooperation with financial institutions, banks, insurance companies, brokers
- Coordination of information policy on the MAR MAD Directive
- Supervision over financial and non-financial reporting
- Funds raising
- Supervision over the implementation of the ERBUD Group's
- financial policy Supervision of the operation of ERBUD Shared Services



Jacek Leczkowski,
Vice-President of the Management Board

With regard to ERBUD:

- Supervision over the activities of the Production Division including the - building construction + hydro-engineering (relations with industry investors, support in the acquisition of building contracts).
- Supervision over the operations of the Legal Division
- Supervise the operation of the Central Purchasing and Procurement Division

With regard to ERBUD Group:

- Supervision over the Purchasing and Central Procurement Division
- Supervision over ONDE S.A.
- Oversight of MOD21 and MOD21 GmbH
- Oversight of ERBUD International
- Oversight of JV WMER Matoc
- Oversight of JV PABC Sp. z o. o.
- Oversight of operations of HEBUD company in liquidation

Detailed biographies of the Management Board members, including their education backgrounds and previous experience related to the given areas of ERBUD Capital Group's environmental impact, are available at erbud.pl/wladze-spolki

In order to develop knowledge and expertise in sustainability, in 2022 all Management Board members participated in internal sustainability training and in national and international sustainability events.

ERBUD SUPERVISORY BOARD:



Dr Roland Bosch
The Chairman of the Supervisory Board



Michał Otto
A Supervisory Board Member



Janusz Reiter
A Supervisory Board Member



Gabriel Główka, Assoc. Prof.
Deputy Chairman of the Supervisory Board



Beata Jarosz
A Supervisory Board Member



Dr Albert Dürr
A Supervisory Board Member



Michał Wosik
A Supervisory Board Member

ERBUD HAS THE AUDIT COMMITTEE IN PLACE, WHICH IS RESPONSIBLE FOR:

overseeing the financial reporting and auditing of the Company and the ERBUD Group,

monitoring internal control systems and the independence of external auditors,

monitoring the internal audit effectiveness,

monitoring of effectiveness of risk management systems.



AUDIT COMMITTEE MEMBERS:

Michał Otto
Chairman



Gabriel Główka, Assoc. Prof.
Deputy Chairman

Janusz Reiter



Dr Roland Bosch

Michał Wosik



The Torun Branch arranged a sensory garden with students of the Special School in Chełmża.

ESG MANAGEMENT

[2-12] [2-13]

In the ERBUD Group, the ESG Strategy is integrated with the business strategy, which allows for consistent development directions for the entire Group. Control over sustainability is exercised by the Management Board. It has the authority to make decisions and approve the strategic directions of ESG development in the organization. The ESG Committee, established in 2022 and coordinated by the ESG Manager, is responsible for the direct implementation of the goals set forth in the ESG Strategy. The ESG Committee sets up a coordinating team and sub-teams responsible for specific areas. The leaders of these areas are senior executives who report to the Management Board. Sustainability goals are developed by the leaders of the E, S and G teams and then are presented to the Management Board for approval and incorporation into the business strategy. Implementation, or the attainment of goals, is coordinated by the area leaders and their teams.

Oversight of ESG issues takes place during quarterly meetings of the Management Board and top management. The deliverables are presented, goals are set and decisions are made.

The Committee responsibilities include:

- strengthening the analysis of business opportunities and risks arising from sustainable development,
- structuring the impact management and implementation of the goals set forth in the "We Build Safely" Strategy,
- centralization of ESG activities within the Group

Specific sustainability tasks are carried out by resources within the organization, under the supervision of strategic area leaders – environmental protection, impact on local communities and sustainability management and compliance.

[2-17]

The ESG Committee prepares regular reports for the Management Board on the implementation of the ESG Strategy, on-going projects, results and critical issues. In addition, once a year the Management Board reviews the ESG risk map. The impact on the Group of internal and external factors, including environmental, climatic and social factors, is analysed. The results of the analysis help determine risk preventive or mitigating measures.

All Management Board members and top management, as well as all interested Group employees, have access to ESG training. Sustainability competencies are raised within the Group through, inter alia:

- updating management's knowledge of legal requirements and standards,
- on-going analysis on good market practices and trends,
- A case study on innovative ESG solutions,
- recommendations for on-going activities and implementation projects,
- ESG risk and opportunity analysi.

ESG risks are also the subject of audit committee meetings.

GOOD PRACTICE

In 2022, we started implementing "ESG Materiality Assessment," which will be held periodically, i.e. surveys and dialogue sessions with employees and external stakeholders, including suppliers, subcontractors, investors, financial institutions, as well as students and university representatives. The results are taken into account in materiality analysis and goal definition.

IN 2023, WE PLAN TO INTRODUCE ESG KPIS INTO THE REMUNERATION POLICY.

[2-14]

The results of sustainability activities are disclosed in the Group's non-financial reports. The leaders of the environmental, social and corporate governance areas are responsible for the reported data. The final decision on the scope of disclosures is made by the Management Board, which also approves the collected data before submitting it to the external auditor.

[2-18]

In 2022, we have been working on preparing regulations for the ESG performance evaluation of the top management body in the organization. At present, the performance evaluation covers only financial results.

All members of ERBUD's Management Board and some Supervisory Board members expanded their knowledge of sustainability during internal and external training sessions.

[2-16]

We responsibly report critical changes to the organization. The Management Board is informed on an on-going basis about extraordinary, unplanned events with a high risk level, which may have detrimental impact on the economic position, image and about other circumstances, on both ERBUD SA and the ERBUD Group. Any detailed matters are discussed and analysed by the full Management Board and submitted to the Audit Committee and the ERBUD SA Supervisory Board.

In November 2022, a consolidation of divisions was carried out at ERBUD. Three large organisms have been created from the six units of the building construction area, the hydro-engineering division and the Erbud Industry company (specialising in industrial engineering). The change affected almost 1,000 employees. We did our best to carry out this change in a transparent manner, explaining the reasons for the changes and managing the emotions of employees.

As a first step, we organised a closed internal meeting for the all branch directors, where they were informed about the change and the communication plan with scenarios for the planned meetings. All personnel members from the seven entities were then invited to a hybrid meeting to present the reasons and change schedule.

The three meetings were attended by personnel of the newly set up structures, existing and new directors, as well as ERBUD's Management Board, the Director of the corporate governance office and the HR Business Partners responsible for the branches and companies concerned. During the meetings, the reasons for the changes, the procedure for implementing them and the consequences of the reorganization were given. All personnel members had an opportunity to pose questions. A summary of the meeting, along with a "Questions and Answers" section, was sent the same day to all employees affected by the change. Other Group personnel members received information about the change in a newsletter.

Three days after the meetings, an evaluation questionnaire was sent to the personnel with an evaluation of the communication process. A little more than 200 people responded, with more than 90% giving an unequivocally positive assessment of communication in this area.





CONFLICT OF INTERESTS

[2-15]

We have implemented transparent procedures for managing conflicts of interest in the Group. Our procedures provide ways to identify such situations, disclose them, and how to deal with them if they occur. A member of the management board or supervisory board should avoid undertaking professional or non-professional activity that could lead to a conflict of interest or adversely affect his reputation as a member of the company's governing body, and should a conflict of interests arise such member shall disclose such conflict forthwith.

The members of the management board or supervisory board shall inform the management board or supervisory board, as appropriate, about the conflict of interest or a risk thereof and shall not take part in the consideration of the matter in relation to which a conflict of interest may arise.

ERBUD has Rules and Regulations in place concerning entering into transactions with related parties. The adopted procedure ensures adequate protection of the Company's interests and full transparency. The Management Board and personnel members authorised to enter into transactions on behalf of the company are required, before entering into any transaction, to assess whether a related party is a party to the transaction and whether it qualifies as a material transaction. The Supervisory Board evaluates transactions with ERBUD's related parties once every six months.

6|0

ABOUT REPORT

[2-1] [2-2]

THIS ESG REPORT COVERS THE PERIOD FROM 1 JANUARY TO 31 DECEMBER 2022 AND APPLIES TO THE FOLLOWING COMPANIES (UNLESS THE REPORT STIPULATES OTHERWISE):

- ERBUD S.A.
- Grupa ONDE
  - Erbud International Sp. z o.o.
  - Erbud Industry Sp. z o.o.
  - ERBUD Industry Centrum Sp. z o.o.
- ERBUD Industry Południe Sp. z o.o.
- Satchwell Polska Toruń Sp. z o.o.
- MOD21 GmbH (former GWI GmbH)
- Erbud Shared Services Sp. z o.o.
- Erbud Holding GmbH
  - IKR GmbH,
- IVT Menzenbach GmbH,
- IVT Weiner + Reimann GmbH
- MOD21 Sp. z o.o.
- JV WMER Matoc Poland Sp. z o.o

Other Erbud Group companies included in the financial reporting but not included in this report have been omitted due to the lack of material impact on the environment.

Financial control was chosen as a criterion for consolidation.

The report includes a description of the business model and a description of the activities of the various operating segments in our Group. The Report is a report on non-financial information in accordance with the requirements of Art. 49b, para. 1 and 55, para. 2 of the Accounting Act.

It discloses relevant data and information on the policies and procedures in place for the actions taken and their results. The Report depicts our approach to social and labour issues, human rights, prevention corruption and extensive information on managing environmental issues.

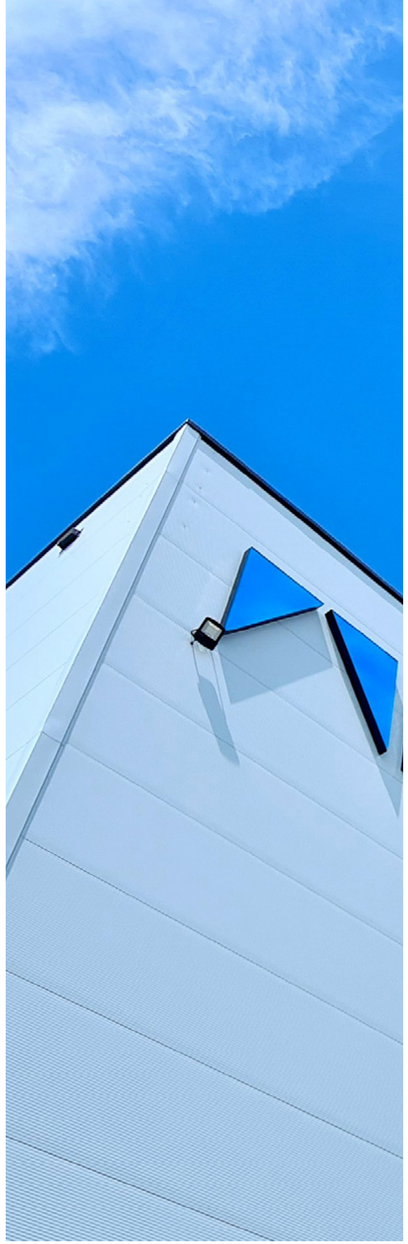
[2-3] [2-4]

Non-financial issues are reported by the ERBUD Group on an annual basis, while financial reporting is reported on a quarterly and annual basis. Our previous report - for 2021 - was published on 6 April 2022. The 2022 Report does not include any corrections to the 2021 information.

In 2022, there is a change in the calculation of thermal energy emissions for Erbud S.A. to an estimation method based on financial data, in which the key indicators are based on actual consumption data (these data are from selected sites). For the other Erbud Group companies, the calculations are based on actual consumption data. Also, there was an adjustment to the 2021 Thermal Energy Report by one of the German companies. These changes necessitated the recalculation of indirect energy-related GHG emissions for 2021 and 2020, which affected the values of the indicators in relative terms (on a year-on-year basis).

In the specifications with greenhouse gas emissions, the data for indirect energy greenhouse gas emissions has been modified in 2020.

In 2021 Report under the location-based method, informed that we did not have data to publish, whereas under the market-based method there was a numerical result. In line with the accepted methodology for calculating emissions under the GHG Protocol, a numerical result should be given for location-based and 'n/a' for market-based. Emissions for market-based were not calculated because the structure of the energy suppliers was not known and we did not use the Guarantee of Origin. In future, we plan to calculate emissions for 2020 also using a market-based approach.



6|1

MATERIALITY DEFINING PROCESS

[3-1]

A multi-stage process was carried out to identify relevant topics for **the ERBUD Group** In line with GRI standards, its aim was to identify relevant themes, reflecting the key impacts of the **ERBUD Group** on the environment. To ensure completeness of approach and perspective, the process was carried out using a variety of tools and involving stakeholders..

PHASES OF MATERIALITY DEFINING PROCESS:

1. Strategy

As part of the first phase, ERBUD Group's ESG strategy was analysed. The strategy was developed in 2021 and updated in 2022, with the cooperation and involvement of representatives from various units in the **ERBUD Group**. We write more about the ESG strategy in Section 2.4. The issues defined within the strategy have been adopted as a first, preliminary list of relevant topics, to be taken into account in follow-up work.

2. Stakeholders' engagement

WIn the second phase of the process of identifying relevant topics, a questionnaire assessing the ERBUD Group's impact on the environment was forwarded to the representatives of key internal and external stakeholders. The questionnaire comprised a list of relevant topics taking into account the issues identified by the GRI Standards (GRI aspects) and the Sustainable Development Goals. The questionnaire was completed by 400 people. The majority of respondents (69.5%) were ERBUD Group employees, with the remaining 30.5% being external stakeholders - including representatives of the suppliers, subcontractors, investors or employers, financial institutions, as well as the media and universities. The stakeholders identified key areas of ERBUD Group's impact on the environment, both positive and negative. Based on the results of the survey, a list of 10 key impact areas of the ERBUD Group was drawn up and taken into account in follow-up work.

3 Consultant's assessment

The issues that were identified as topics of relevance on the basis of the two stages of work carried out were also assessed by an independent consultant. The consultancy, based on an analysis of the environment, including relevant topics identified by other industry players and its experience, has identified those on which the **ERBUD Group** has the greatest influence

Based on the indicated three work phases, a list of relevant topics was drawn up, which was discussed and approved by **the ERBUD Group** representatives responsible for **ESG** issues and for drafting of this report.



Beehives on site of the Toruń Branch

6|2

RELEVANT TOPICS

[3-2]

A LIST OF RELEVANT TOPICS IDENTIFIED DURING THE CARRIED OUT PROCESS:

Relevant topic	GRI aspect	Chapter in the Report
Climate change (e.g., greenhouse gas emissions or the share of renewable energy sources in the energy mix)	Energy Emissions	
Use of raw materials (e.g., use of renewable and non-renewable resources)	Waste	
Counteracting corruption	Counteracting corruption	
Well-being of the personne and equal opportunities	Employment, diversity and equal treatment, anti-discrimination measures	
Working conditions	Employee /managerial relations, training and education	
Employee health and safety	Health and safety	
Local communities and market (e.g., dialogue or engagement with communities impacted by the organization's activities)	Local communities	



6|3

EXTERNAL VERIFICATION

[2-5]

ESG Report of ERBUD S.A. Group has been subjected to independent external verification. This verification service was delivered by PricewaterhouseCoopers Polska Spółka z ograniczoną odpowiedzialnością Audyt sp.k.

The report of the independent assurance service is presented below.



Raport niezależnego biegłego rewidenta z usługi atestacyjnej dającej ograniczoną pewność dotyczącej weryfikacji wybranych informacji niefinansowych za rok 2022

Do Zarządu ERBUD S.A.

Wstęp

Zarząd ERBUD S.A. („Spółka"), na podstawie umowy z dnia 14.02.2023 r., zaangażował nas do przeprowadzenia usługi atestacyjnej dającej ograniczoną pewność w odniesieniu do wybranych informacji niefinansowych zaprezentowanych w Raporcie ESG Grupy ERBUD za rok 2022.

Opis przedmiotu zlecenia i mające zastosowanie kryteria

Zarząd Spółki sporządził Raport ESG dla Grupy ERBUD za okres od 1 stycznia 2022 do 31 grudnia 2022 ("Raport ESG") z uwzględnieniem Standardów GRI wydanych przez Global Reporting Initiative ("Standardy GRI"). Raport ESG zawiera informacje niefinansowe (ilościowe i jakościowe), sporządzone zgodnie z odpowiednimi Standardami GRI oraz metodykami opracowanymi przez Spółkę i ujawnionymi w Raporcie ESG (nazywanymi łącznie "Kryteria raportowania"). Kryteria raportowania stanowią, naszym zdaniem, odpowiednie kryteria do sformułowania przez nas wniosku dającego ograniczoną pewność. Zarząd Spółki sporządził Raport ESG w celu jego publikacji wraz z raportem niezależnego biegłego rewidenta na stronie internetowej Spółki.

Weryfikacji podlegały następujące informacje niefinansowe zawarte w Raporcie ESG zgodnie z Indeksem Treści GRI zawartym na stronach 197-202 Raportu ESG ("Wybrane Informacje"):

- GRI 2-7 - Pracownicy
- GRI 2-8 - Osoby świadczące pracę na rzecz organizacji, które nie są jej pracownikami
- GRI 2-9 - Struktura zarządcza i skład organów zarządczych
- GRI 2-26 - Mechanizmy zasięgania porad i zgłaszania obaw
- GRI 2-27 - Zgodność z prawem i regulacjami
- GRI 2-28 - Członkostwo w stowarzyszeniach i organizacjach
- GRI 302-1 - Zużycie energii w organizacji
- GRI 302-3 - Energochłonność
- GRI 305-1 - Bezpośrednie emisje gazów cieplarnianych (zakres 1)
- GRI 305-2 - Pośrednie emisje gazów cieplarnianych (zakres 2)
- GRI 401-1 - Łączna liczba i odsetek nowych pracowników zatrudnionych oraz łączna liczba odejść w okresie raportowania
- GRI 401-2 - Świadczenia dodatkowe (benefity) zapewniane pracownikom pełnoetatowym
- GRI 403-1 - System zarządzania zdrowiem i bezpieczeństwem pracowników
- GRI 403-2 - Procesy identyfikacji zagrożeń, ocena ryzyka oraz badania wypadków
- GRI 403-5 - Szkolenia pracowników w zakresie bezpieczeństwa pracy
- GRI 403-9 - Wskaźnik urazów związanych z pracą
- GRI 403-10 - Wskaźnik chorób zawodowych
- GRI 404-3 - Odsetek pracowników podlegających regularnym ocenom jakości pracy i przeglądom rozwoju kariery zawodowej, według płci i kategorii zatrudnienia

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k.,
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PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k., wpisana jest do Krajowego Rejestru Sądowego prowadzonego przez Sąd Rejonowy dla m. st. Warszawy, pod numerem KRS 0000750050, NIP 526-021-02-28. Siedzibą Spółki jest Warszawa, ul. Polna 11.

- GRI 405-1 - Skład ciał nadzorczych i kadry pracowniczej w podziale na kategorie pracowników według płci, wieku oraz innych wskaźników różnorodności
- GRI 405-2 - Stosunek podstawowego wynagrodzenia kobiet do wynagrodzenia mężczyzn według zajmowanego stanowiska

Przedmiotem naszej weryfikacji były jedynie Wybrane Informacje za rok zakończony 31 grudnia 2022 i nie przeprowadziliśmy procedur w stosunku do innych informacji zaprezentowanych w Raporcie ESG. W związku z tym nie wyrażamy wniosku o Raporcie ESG jako całości.

Wybrane informacje powinny być czytane i rozumiane łącznie z Kryteriami raportowania, za których wybór i stosowanie odpowiedzialność ponosi Spółka. Brak ustalonych praktyk, na których można się oprzeć przy ocenie i pomiarze informacji niefinansowych, pozwala na stosowanie różnych technik pomiaru i może wpływać na porównywalność informacji niefinansowych. Ponadto kwantyfikacja emisji gazów cieplarnianych jest obarczona nieodłączną niepewnością ze względu na takie czynniki, jak wskaźniki emisji stosowane w modelach matematycznych do obliczania emisji oraz niemożność dokładnego scharakteryzowania przez te modele związku między różnymi danymi wejściowymi a wynikającymi z nich emisjami. Dane dotyczące środowiska i zużycia energii wykorzystywane w obliczeniach emisji gazów cieplarnianych podlegają nieodłącznym ograniczeniom ze względu na charakter i metody stosowane do określania takich danych. Wybór różnych, ale akceptowalnych technik pomiarowych, może skutkować istotnie różnymi pomiarami.

Odpowiedzialność Zarządu

Zarząd Spółki odpowiedzialny jest za:

- Ustanowienie wewnętrznych metodyk i wytycznych dla przygotowania i raportowania Wybranych Informacji zgodnie z Kryteriami raportowania;
- Sporządzenie Raportu ESG zawierającego Wybrane Informacje opracowane zgodnie z odpowiednimi Kryteriami raportowania;
- Zaprojektowanie i stosowanie odpowiedniego systemu kontroli wewnętrznej związanego ze wsparciem procesu raportowania
- Dokładność, kompletność i sposób prezentacji Wybranych Informacji.

Nasza odpowiedzialność

Naszym zadaniem było sformułowanie wniosku o ograniczonej pewności na temat Wybranych Informacji zaprezentowanych w Raporcie ESG na podstawie przeprowadzonych przez nas procedur.

Nasze prace atestacyjne przeprowadziliśmy zgodnie z Krajowym Standardem Usług Atestacyjnych Innych niż Badanie i Przegląd 3000 (Z) w brzmieniu Międzynarodowego Standardu Usług Atestacyjnych 3000 (zmienionego) - „Usługi atestacyjne inne niż badania i przeglądy historycznych informacji finansowych" („KSUA 3000 (Z)"). Standard ten wymaga, abyśmy przestrzegali wymogów etycznych oraz zaplanowali i przeprowadzili nasze prace w taki sposób, aby uzyskać ograniczoną pewność, że Wybrane Informacje są, we wszystkich istotnych aspektach, zgodne z Kryteriami raportowania.

Procedury przeprowadzone podczas wykonywania usługi atestacyjnej dającej ograniczoną pewność różnią się rodzajem i rozłożeniem w czasie oraz mają mniejszy zakres niż podczas wykonywania usługi atestacyjnej dającej racjonalną pewność. Wynikający z powyższego poziom zapewnienia uzyskany podczas usługi atestacyjnej dającej ograniczoną pewność jest znacząco niższy niż zapewnienie, które zostałoby uzyskane, gdyby została wykonana usługa dająca racjonalną pewność.

Wymogi zarządzania jakością i etyka zawodowa

Stosujemy postanowienia Krajowego Standardu Kontroli Jakości 1 w brzmieniu Międzynarodowego Standardu Zarządzania Jakością (PL) 1 – „Zarządzanie jakością dla firm wykonujących badania lub przeglądy sprawozdań finansowych lub zlecenia innych usług atestacyjnych lub pokrewnych" opracowanego przez Radę Międzynarodowych Standardów Badania i Usług Atestacyjnych i przyjętego uchwałą Rady Polskiej Agencji Nadzoru Audytowego. Standard ten wymaga od nas zaprojektowania, wdrożenia i działania systemu zarządzania jakością, w tym polityk i procedur dotyczących zgodności z wymogami etycznymi, standardami zawodowymi oraz obowiązującymi przepisami prawa i wymogami regulacyjnymi.

Przestrzegamy wymogów niezależności i innych wymogów etycznych Międzynarodowego Kodeksu Etyki Zawodowych Księgowych (w tym Międzynarodowych Standardów Niezależności) wydanego przez Radę Międzynarodowych Standardów Etycznych dla Księgowych i przyjętego uchwałą Krajowej Rady Biegłych Rewidentów, który jest oparty na podstawowych zasadach uczciwości, obiektywizmu, zawodowych kompetencji i należytej staranności, poufności i profesjonalnego postępowania.

Podsumowanie wykonanych prac oraz ograniczenia naszych procedur

Przeprowadzone przez nas procedury uzyskania ograniczonej pewności obejmowały:

- Wywiady z kierownictwem i pracownikami odpowiedzialnymi za przygotowanie Wybranych Informacji oraz osobami koordynującymi proces przygotowania Raportu ESG;
- Sprawdzenie poprawności zastosowania kryteriów opisanych w punkcie Opis przedmiotu zlecenia i mające zastosowanie kryteria;
- Sprawdzenie matematycznej poprawności wyliczenia Wybranych Informacji (dotyczy informacji ilościowych);
- Porównanie próby Wybranych Informacji ujętych w Raporcie ESG z otrzymaną dokumentacją Spółki.

Uważamy, że uzyskane przez nas dowody stanowią wystarczającą i odpowiednią podstawę do wyrażenia przez nas poniższego wniosku.

Wniosek

Na podstawie przeprowadzonych procedur atestacyjnych i uzyskanych dowodów nic nie zwróciło naszej uwagi, co wskazywałoby, że Wybrane Informacje zawarte w Raporcie ESG nie są, we wszystkich istotnych aspektach, zgodne z Kryteriami raportowania.

Ograniczenie zastosowania

Niniejszy raport został sporządzony przez PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. dla Zarządu ERBUD i jest przeznaczony wyłącznie w celu opisanym w części "Opis przedmiotu zlecenia i mające zastosowanie kryteria". Nie można go wykorzystywać w żadnym innym celu.

Zarząd ERBUD jest odpowiedzialny za publikację, w tym na stronie internetowej Spółki, Raportu ESG Grupy ERBUD oraz niniejszego raportu atestacyjnego, jak również za rzetelność publikowanych informacji. Zakres wykonanej przez nas pracy nie obejmuje oceny tych kwestii. W związku z tym nie ponosimy żadnej odpowiedzialności za jakiekolwiek zmiany, które mogły zostać wprowadzone do informacji będących przedmiotem naszej oceny lub za jakiekolwiek różnice, jeżeli takie są, między

informacjami objętymi wydanym przez nas raportem, a informacjami przedstawionymi na stronie internetowej Spółki.

PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k. nie przyjmuje w związku z tym raportem żadnej odpowiedzialności i zrzekamy się wszelkich obowiązków wynikających z relacji umownych i pozaumownych (w tym z tytułu zaniedbania) w odniesieniu do podmiotów innych niż Spółka. Powyższe nie zwalnia nas z odpowiedzialności w sytuacjach, w których takie zwolnienie jest wyłączone z mocy prawa.

Działający w imieniu PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp.k.,

Signature Not Verified
Dokument podpisany przez Jakub Waszkiewicz
Data: 2023.03.29 18:48:01 CEST

Jakub Waszkiewicz
Biegły Rewident
Numer ewidencyjny 13836

Warszawa, 29 marca 2023

Application Statement	The ERBUD Capital Group has submitted a report in compliance with the GRI standards for the period from 1 Jan. 2022 to 31 Dec. 2022.
Application of GRI 1	GRI 1: 2021 Basics
Effective GRI sectorial standards	Not applicable

GRI standard/ Other source	Disclosure	Location	Omissions			Attestation
			Requirements (omitted)	Reasons	Explanation	
GRI 2: General disclosures 2021	2-1 Organisational data	6, 8, 193				No
	2-2 Entities considered in the sustainability reporting framework	6, 12, 13-40, 191				No
	2-3 Reporting period, frequency and contact data	191				No
	2-4 Information adjustments	191				No
	2-5 Third party revision	194-196				No
	2-6 Activities, value chain and other business relationships	13-40, 52-56				No
	2-7 Personnel	119-120				Yes
	2-8 Persons providing work for the organization who are not employees of the organization	121				Yes
	2-9 Management structure and composition of management bodies	182-187				Yes
	2-10 Appointment and election of members of top management bodies	184-187				No
	2-11 Chairman of the top management body	184-187				No
	2-12 The role of the top management body in overseeing impact management	188-189				No
	2-13 Delegating responsibility for impact management	188-189				No

GRI standard/ Other source	Disclosure	Location	Omissions			Attestation
			Requirements (omitted)	Reasons	Explanation	
GRI 2: General disclosures 2021	2-14 Role of the top management body in reporting the sustainable development issue	189				No
	2-15 Conflict of interests	190				No
	2-16 Communicating critical issues	189				No
	2-17 Collective knowledge of the top management body	188				No
	2-18 Performance evaluation of the top management body	189				No
	2-19 Remuneration policy	123				No
	2-20 Wage determination process	124				No
	2-21 Total annual wage index	127				No
	2-22 Statement on sustainable development strategy	4-5				No
	2-23 Commitments incorporated in the policies	165, 174, 175, 181				No
	2-24 Implementation of commitments incorporated in the policies	177-181,				No
	2-25 Corrective processes concerning negative impact	66,				No
	2-26 Mechanisms for seeking advice and raising concerns	179				Yes
	2-27 Compliance with laws and regulations	175				Yes
	2-28 Membership in associations and organizations	46				Yes
	2-29 Approach to stakeholder buy-in	41-45				No

GRI standard/ Other source	Disclosure	Location	Omissions			Attestation
			Requirements (omitted)	Reasons	Explanation	
GRI 2: General disclosures 2021	2-30 Collective labour agreements	129				No
GRI 3: Material topics 2021	3-1 Material topic identification process	192				No
	3-2 A list of material topics	193				No
Climate						
GRI 3: Material topics 2021	3-3 Material topic management	66				No
GRI 302: Energy 2016	302-1 Energy consumption by organisation	60, 67				Yes
GRI 302: Energy 2016	302-3 Energy intensity	69				Yes
GRI 305: Emissions 2016	302-4 Energy consumption limitations	70				No
GRI 305: Emissions 2016	305-1 Direct GHG emissions (Scope 1)	60, 71-73				Yes
GRI 305: Emissions 2016	305-2 Indirect GHG emissions (Scope 2)	60, 71-73				Yes
GRI 305: Emissions 2016	305-3 Other indirect GHG emissions (Scope 3)	75				No
GRI 3: Material topics 2021	305-5 GHG emission limitations	71-73				No
Raw material use						
GRI 3: Material topics 2021	3-3 Material topic management	91				No
GRI 303: Water and wastewater 2018	303-5 Water consumption	94				No
GRI 306: Waste 2020	306-3 Waste produced	89				No

GRI standard/ Other source	Disclosure	Location	Omissions			Attestation
			Requirements (omitted)	Reasons	Explanation	
Counteracting Corruption						
GRI 3: Material topics 2021	3-3 Management of material topics	181				No
GRI 205: Counteracting Corruption: 2016	205-1 Activities analysed from corruption perspective	181				No
	205-2 Training for employees and managers on anti-corruption policies and procedures	181				No
	205-3 Confirmed cases of corruption and actions taken in response to them	181				No
Well-being of the personnel and equal opportunities						
GRI 3: Material topics 2021	3-3 Management of material topics	139				No
GRI 401: Employment 2016	401-1 Total number and percentage of new hirees and total number of leavers during the accounting period	121-122				Yes
	401-2 Fringe benefits (perks) provided to full-time personnel	124-126				Yes
	401-3 Parental leaves	166				No
GRI 405: Diversity and equal treatment 2016	405-1 Composition of supervisory bodies and personnel by employee category by gender, age, and other diversity indicators	166				Yes
	405-2 Ratio of women's basic pay to men's pay by position held	166	only the basic pay is included	The reason is the inability to pull data from the system in some companies	It is planned to implement a system extension that will allow to extract such data for 2023.	Yes
GRI 406: Discrimination counteracting	406-1 Total number of cases of discrimination	159-160				No
Working conditions						
GRI 3: Material topics 2021	3-3 Management of material topics	124				No
GRI 402: Employee /managerial relations 2016	402-1 Minimum advance notice period for operational changes	129				No

GRI standard/ Other source	Disclosure	Location	Omissions			Attestation
			Requirements (omitted)	Reasons	Explanation	
GRI 404: Training and education 2016	404-2 Professional competency development programmes	134-136				No
	404-3 Percentage of personnel subject to regular work quality assessments and career development reviews, by gender and employment category	133	Member companies not included Operating in the German market	In some companies, data on employee performance evaluations are not collected	2023 data will be collected	Yes
Employee health and safety						
GRI 3: Material topics 2021	3-3 Management of material topics	141				No
GRI 403: Health and safety 2018	403-1 Employee health and safety management system	144				Yes
	403-2 Hazard identification, risk assessment and accident investigation processes	145-149				Yes
	403-3 Entity responsible for the management of occupational safety	142				No
	403-4 Personnel participation, consultation and communication on occupational safety issues	143				No
	403-5 Personnel occupational safety training	154-156				Yes
	403-6 Health promotion among personnel	157				No
	403-7 Prevention and reduction of occupational events and incidents affecting the health and safety of personnel	141-143				No
	403-8 Personnel covered by the occupational safety management system	157				No
	403-9 Work-related injury rate	151-153				Yes
	403-10 Occupational disease rate	150				Yes
Local communities and market No						
GRI 3: Material topics 2021	3-3 Management of material topics	167				No

GRI standard/ Other source	Disclosure	Location	Omissions			Attestation
			Requirements (omitted)	Reasons	Explanation	
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	9				No
	201-2 Financial impact, other risks and opportunities arising from climate change	65-66				No
GRI 206: Anti-competitive behaviour 2016	206-1 Undertaken legal actions in concerning anti-competitive behaviour and practices of violating antitrust regulations	181				No
GRI 207: Taxes 2019	207-1 Approach to tax management	47				No

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CONTACT DETAILS

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